

**DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS  
OF PT DIAN SWASTATIKA SENTOSA TBK  
("DISCLOSURE OF INFORMATION")**

**THIS DISCLOSURE OF INFORMATION IS PRESENTED BY PT DIAN SWASTATIKA SENTOSA TBK ("COMPANY") IN ORDER TO COMPLY WITH THE REGULATION OF BAPEPAM- LK NO. IX.E.2 ATTACHMENT OF DECISION BY THE CHAIRMAN OF BAPEPAM AND LK NUMBER KEP-614/BL/2011 DATED 28 NOVEMBER 2011 REGARDING MATERIAL TRANSACTION AND CHANGE OF PRINCIPAL BUSINESS ACTIVITY. TRANSACTION REFERRED IN THIS DISCLOSURE OF INFORMATION IS ALSO AN AFFILIATED TRANSACTION BUT DOES NOT CONTAIN CONFLICT OF INTEREST AS REFERRED TO IN THE REGULATION OF BAPEPAM AND LK NO. IX.E.1 ATTACHMENT OF DECISION BY THE CHAIRMAN OF BAPEPAM-LK NUMBER KEP-412/BL/2009 DATED 25 NOVEMBER 2009 REGARDING TRANSACTION WITH AFFILIATED PARTIES AND CONFLICT OF INTEREST ON CERTAIN TRANSACTION.**

If you have any difficulty to understand the information in this Disclosure of Information, it is advisable to consult your legal counsel, public accountant, financial advisor, or other relevant professional advisor.



**PT Dian Swastatika Sentosa Tbk  
("Company")**

**Kegiatan Usaha:**

**Business Activities:**

Power generation, wholesale trading, services, real estate and infrastructure

**Head Office**

Sinar Mas Land Plaza Tower II, 27<sup>th</sup> Floor

Jl. M.H. Thamrin No. 51

Central Jakarta 10350

Phone: (021) 31990258

Fax: (021) 31990259

Email: [investor.relation@dss.co.id](mailto:investor.relation@dss.co.id)

Website: <http://www.dss.co.id>

The Extraordinary General Meeting of Shareholders ("EGM") of the Company will be held on 8 April 2015 from 11:00 Western Indonesian Time until finished, at Hotel Pullman Jakarta, 2<sup>nd</sup> Floor, the Gallery Room, Jl. M.H. Thamrin No.59, Central Jakarta 10350.

The Company has announced the EGM of the Company on Investor Daily and Neraca daily and the Company's website on 27 February 2015.

The Company's shareholders who are eligible to attend or to be represented in the EGM are those whose names are listed in the Shareholder Register of the Company on Friday, 13 March 2015 until 16:00 Western Indonesian Time.

Any shareholder who is unable to attend may be represented by its attorney by providing a valid written power of attorney with form and substance as determined by the Company. The form of the power of attorney may be obtained on business days and working hours at the Company's Share Administration Bureau, PT Sinartama Gunita, Sinar Mas Land Plaza, Tower I, 9<sup>th</sup> Floor, Jl. M.H. Thamrin No.51, Central Jakarta 10350.

The followings are the important dates in connection with the EGM of the Company:

<b>Event</b>	<b>Date</b>
Announcement of EGM on the Investor Daily, Neraca daily and Company's website	27 February 2015
Disclosure of Information on the Proposed Transaction on the Investor Daily	27 February 2015
Recording Date	13 March 2015
Invitation of the EGM on local daily	16 March 2015
The EGM of the Company	8 April 2015
Announcement on the Resolution of the EGM on local daily	10 April 2015
Report to OJK and IDX on the Resolutions of the EGM	10 April 2015

## I. DEFINITION

Bapepam and LK	: means the Capital Market and Financial Institution Supervisory Board as defined in Regulation of the Minister of Finance of the Republic of Indonesia No.184/PMK.01/2010 regarding Organization and Administration of the Ministry of Finance.
IDX	: means the Indonesia Stock Exchange or PT Bursa Efek Indonesia.
Director(s)	: means the current member of the Board of Directors of the Company when this Disclosure of Information is made.
GEMS	: means PT Golden Energy Mines Tbk, a public limited liability company incorporated under and subject to the laws of the Republic of Indonesia and domiciled in Central Jakarta, which on the date of this Disclosure of Information is a subsidiary of the Company, of which 66.9998% (sixty-six point nine nine nine eight percent) of the total shares issued is owned by the Company.

Disclosure of Information	:	means the informations as set forth in this Disclosure of Information.
Commissioner(s)	:	means the current member of the Board of Commissioners when this Disclosure of Information is made.
Mandatory Convertible Bond (MCB)	:	means the mandatory convertible bond issued by UFS to certain UFS unsecured creditors as settlement of existing debts arising from corporate guarantees provided by UFS in favour of such UFS unsecured creditors, in accordance with the terms and conditions of the subscription agreement dated August 30, 2013 (as amended and supplemented from time to time) entered into between UFS and such UFS unsecured creditors.
Minister of Law and Human Rights (MOLHR)	:	means the Minister of Law and Human Rights of the Republic of Indonesia (formerly the Minister of Justice of the Republic of Indonesia).
OJK	:	means the Indonesia's Financial Services Authority as referred to in Law No. 21 year 2011 regarding the Financial Services Authority.
Compliance Placement	:	means the issuance of up to 226,500,000 new consolidated shares which has to be done by UFS to comply with the minimum requirement for floating shares as regulated in regulation 210(1)(a) of SGX-ST listing manual
Regulation No. IX.E.1	:	means Regulation of Bapepam-LK No. IX.E.1, Attachment of Decision by the Chairman of Bapepam-LK No. Kep-412/BL/2009 dated 25 November 2009 regarding Transaction with Affiliated Parties and Conflict-of-Interest on Certain Transactions.
Regulation No. IX.E.2	:	means Regulation of Bapepam-LK No. IX.E.2, Attachment of Decision by the Chairman of Bapepam-LK No. Kep-614/BL/2011 dated 28 November 2011 regarding Material Transaction and Change of Principal Business Activity.
Regulation No.IX.H.1	:	means Regulation of Bapepam-LK No. IX.H.1, Attachment of Decision by the Chairman of Bapepam-LK No. Kep264-/BL/2011 dated 31 May 2011 regarding Acquisition of Public Company.
Company	:	means PT Dian Swastatika Sentosa Tbk, a public limited liability company incorporated under and subject to the laws of the Republic of Indonesia and domiciled in Central Jakarta.
Proposed Transaction	:	means the transaction as described in the introduction section of the Disclosure of Information which will be submitted for approval by shareholders in the Extraordinary General Meeting of Shareholders.

- Proposed UFS Reverse Stock : means the plan to conduct stock reverse for UFS shares, of which every 50 (fifty) shares will be consolidated into 1 (one) share, which will be subject to the approval of UFS shareholders and shall become effective on or prior to the completion of the Proposed Transaction.
- Extraordinary General Meeting of Shareholders (EGM) : means the extraordinary general meeting of shareholders (and any of its postponement, if any) in connection with the approval of the Proposed Transaction
- GEMS Shares Owned by the Company : means GEMS shares amounting to 3,941,166,500 (three billion nine hundred forty one million one hundred sixty-six thousand and five hundred) shares, which are owned by the Company and represent 66.9998% (sixty-six point nine nine nine eight percent) from the total issued and paid-up capital of GEMS
- New Shares of UFS : means 1,978,327,436 (one billion nine hundred seventy eight million three hundred twenty seven thousand and four hundred thirty six) new shares of UFS, to be owned by the Company after the execution of the Proposed UFS Reverse Stock and the Proposed Transaction, which will represent approximately 94.0020% (ninety four point zero zero two zero percent) of the enlarged share capital of UFS and compensation shares (if any). On the date of this Disclosure of Information and before the execution of the Proposed UFS Reverse Stock, the number of new shares to be issued by the UFS which will be taken by the Company is 98,916,371,793 (ninety eight billion nine hundred and sixteen million three hundred seventy-one thousand seven hundred and ninety three) shares which will represent approximately 94.0020% (ninety four point zero zero two zero percent ) of the total shares in the UFS (enlarged capital) before taking into account the compensation shares (if any).
- SGX-ST : means The Singapore Exchange Securities Trading Limited, where UFS shares are listed and traded.
- Share Purchase Agreement : means the share purchase agreement dated July 11, 2013 which was made and signed by and between the Company and UFS in connection with the Proposed Transaction. (as amended and/or supplemented from time to time, including without limitation the amendment of the long stop date to 3 June 2015).
- UFS : means United Fiber System Limited, a public company incorporated in Singapore, with its registered address at 50 Raffles Place, # 32-01, Singapore Land Tower, Singapore 048623.
- UFS Group : UFS and all its existing subsidiaries, each substantially owned by UFS.

UFS Circular	:	means the circular dated January 30, 2015 issued by UFS to its shareholders
UUPT	:	means Law No. 40 Year 2007 regarding Limited Liability Company.
UUWDP	:	Means Law No. 3 Year 1982 regarding Mandatory Company Registration.
Whitewash Resolution	:	The proposed resolution for the waiver of the rights of the independent shareholders of UFS from receiving a public offering from the Company and the parties acting in concert for all the UFS shares not already owned or controlled by the Company and the parties acting in concert following allotment and issue of the New Shares of UFS.

## II. INTRODUCTION

The information contained in this Disclosure of Information is submitted to the shareholders of the Company in connection with the Proposed Transaction, which is a material transaction as defined in Regulation No. IX.E.2 and an affiliated transaction as defined in Regulation No. IX.E.1.

The Proposed Transaction is the acquisition of UFS by the Company through equity participation in UFS by acquiring New Shares of UFS by the Company, of which immediately after the acquisition of New Shares of UFS by the Company has become effective, the Company will immediately transfer GEMS Shares Owned by the Company to UFS, of which the transactions are integrated and will be implemented in accordance with the conditions precedent as set out in the Share Purchase Agreement and in compliance to the applicable laws and regulations, including capital market regulations in Indonesia and Singapore ("**Proposed Transaction**").

In connection with the method of payment for the Proposed Transaction, the Company and UFS have agreed that the Proposed Transaction will be settled by way of reverse takeover in accordance with the listing rule of SGX-ST, by swapping shares between Company and UFS, of which New Shares of UFS will be acquired by the Company and the payment will be the transfer of GEMS Shares Owned by the Company to UFS. Prior to the execution of the Proposed Transaction, UFS intends to execute Proposed UFS Reverse Stock in order to keep its share price not less than SGD 0.50 in accordance with Rule 1015(3)(d) of the SGX-ST Listing Manual.

The acquisition price of 1,978,327,436 new UFS shares (after the execution of the Proposed UFS Reverse Stock) is SGD 0.95 per share (SGD 0.019 before the execution of the Proposed UFS Reverse Stock) therefore the total transaction value is SGD 1,879,411,064 or equal to Rp.14,721,426,865,879 with exchange rate of 1 SGD equal to Rp.7,833.

The transfer price of 3,941,166,500 GEMS Shares Owned by the Company is Rp.3,735 per share, therefore the total transaction value is SGD 1,879,411,064 or equal to Rp.14,721,426,865,879 with exchange rate of 1 SGD equal to Rp.7,833.

The Proposed Transaction is a material transaction for the Company as referred in Regulation No. IX.E.2, considering that the value of Company's participation in the New Shares of UFS mentioned above and the value of the transfer of GEMS Shares Owned by the Company is equal to 141% of the Company's equity or more than 50% (fifty percent) of the equity of the Company based on the consolidated financial statements for the period ended December 31, 2014 and therefore in

accordance with the provisions of Regulation No. IX.E.2, the Proposed Transaction shall obtain approval from Extraordinary General Meeting of Shareholders of the Company. The Proposed Transaction is also an affiliated transaction, but it is not a conflict-of-interest transaction as stipulated in Regulation No. IX.E.1, because there is no conflict between the Company's economic interests with the personal economic interests of members of the Board of Directors, members of the Board of Commissioners or the Company's major shareholders which can be detrimental to the Company.

The transfer of GEMS Shares Owned by the Company to UFS is not a public company takeover transaction as stipulated in Regulation of Bapepam and LK No. IX.H.1 regarding Company Takeover, Attachment of Decision by the Chairman of Bapepam-LK No. Kep-264/BL/2011 dated May 31, 2011 ("**Regulation No. IX.H.1**"), considering that the Proposed Transaction does not result in a change of control in GEMS as defined in Regulation No. IX.H.1, since at the time of the transfer of GEMS Shares Owned by the Company to UFS, the Company has become the controlling shareholder of UFS with approximately 94.0020 % (ninety four point zero zero two zero percent) ownership of the total shares in UFS (enlarged capital) which is derived from the takeover of New Shares of UFS by the Company (before taking into account the compensation shares, if any), and the Company still remains as a controlling shareholder of GEMS indirectly through UFS on completion of the transfer of GEMS Shares Owned by the Company to UFS. Based on the abovementioned considerations, mandatory tender offer as stipulated in Regulation No. IX.H.1 is not required.

The execution for the transfer of GEMS Shares Owned by the Company will be done through IDX.

In connection with the matters mentioned above and in accordance with the provisions of Regulation No. IX.E.1 and Regulation No. IX.E.2, the Board of Directors of the Company hereby announces this Disclosure of information with the purpose of providing information and more complete picture to the shareholders of the Company regarding the Proposed Transaction which will be implemented by the Company, so that the shareholders can give their votes at the Extraordinary General Meeting of Shareholders of the Company.

### **III. INFORMATION ON THE PROPOSED TRANSACTION**

#### **1. BACKGROUND AND CONSIDERATION OF THE PROPOSED TRANSACTION**

As a public company in Indonesia, the Company has goals to keep enhancing the value for the shareholders in a sustainable manner and to improve the Company's sustainable growth. In line with these objectives, the Company seeks to find various business opportunities for investment and expansion of the Company.

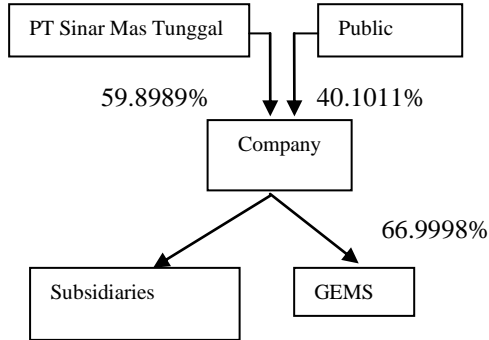
One of the important steps for the Company is looking for opportunities to make an equity participation in public companies listed on Asia stock exchange so that the Company can become a regional player. In line with these measures, the Company has identified opportunities to acquire UFS by making equity investments in UFS, a company listed on the SGX-ST since 1997. Contemporaneously with such equity investments, UFS will acquire GEMS Shares Owned by the Company from the Company. The transfer of GEMS Shares Owned by the Company to UFS is an integral part of the transactions that could not be separated with the acquisition of UFS. Thus, after the completion of the Proposed Transaction, the Company will become the majority and controlling shareholder of UFS and UFS will become the majority and controlling shareholder in GEMS. The Proposed Transaction is expected to add value to the Company and GEMS.

The Proposed Transaction will provide added value for all shareholders of the Company. With the execution of the Proposed Transaction, it is expected that the Company can benefit from the following:

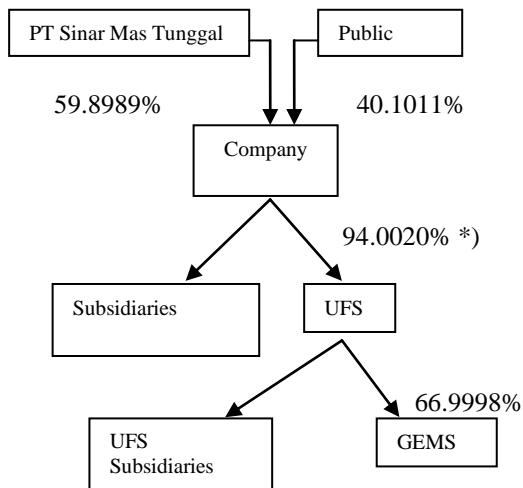
- a. Transforming the Company into a regional player in Asia;
- b. Providing access to greater and more competitive funding resources for both the Company or GEMS;
- c. Increasing the opportunities for the expansion of the coal market;
- d. Increasing the liquidity of GEMS share trading;
- e. Creating synergy between business lines of the Company.

Shareholding structures of the Company before and after the Proposed Transaction are as follows:

**Before The Proposed Transaction**

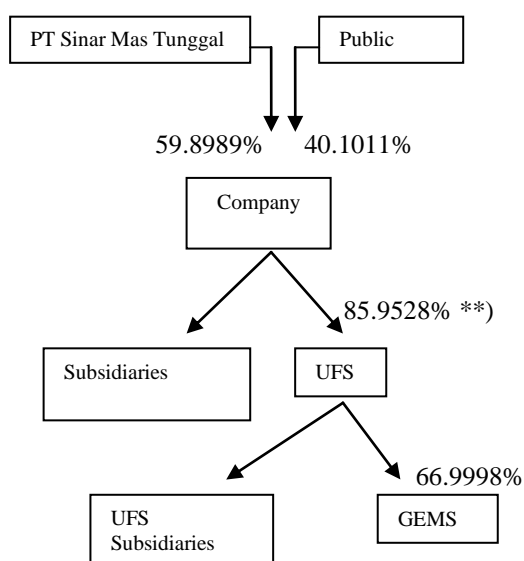


**After The Proposed Transaction – Before the Compliance Placement**



\*) before taking into account the compensation shares (if any) and prior to the execution of mandatory Compliance Placement by UFS as required by SGX-ST to meet the minimum public float requirement, and which will be implemented after the completion of the Proposed Transaction.

## After The Proposed Transaction – After the Compliance Placement



\*\*\*) in the event the Compliance Placement of up to 226.500.000 (two hundred twenty six million five hundred thousand) shares has been completed, and the Company receives compensation shares amounting to 180,000,000 (one hundred eighty million) shares from the execution of the Proposed UFS Reverse Stock, then the ownership of the Company in UFS will be approximately 85.9528 % (eighty five point nine five two eight percent) of the total share capital of UFS.

The Company remains as the controlling shareholder of UFS before and after the Compliance Placement.

The Proposed Transaction marks a positive step for the Company, whereby the Company's majority shareholding in the UFS will open more investment opportunities in Asia. The Proposed Transaction provides an opportunity for the Company to indirectly "list" GEMS shares on the SGX-ST, which will increase the trading liquidity of GEMS share in the market.

The Proposed Transaction is expected to support the achievement of the strategic vision and mission of the Company and GEMS to develop the Indonesian coal market and seek to realize the plan of continued expansion in the future. The Company expects that it can create a synergy that will ultimately accelerate growth of the Company. This confirms the Company's commitment to strengthen its position today as a leading company in the field of energy and infrastructure. Furthermore, the Company will continue its commitment to create and deliver long-term added value for shareholders of the Company.

## **2. OBJECTIVES AND BENEFITS OF THE PROPOSED TRANSACTION TO THE COMPANY**

The Proposed Transaction will provide added value for all shareholders of the Company. With the execution of the Proposed Transaction, it is expected that the Company can benefit from the followings:

- a. Transforming the Company into a regional player in Asia;
- b. Providing access to greater and more competitive funding resources for both the Company or GEMS;
- c. Increasing the opportunities for the expansion of the coal market;
- d. Increasing the liquidity of GEMS share trading;
- e. Creating synergy between business lines of the Company.



### **3. OBJECT AND VALUE OF THE PROPOSED TRANSACTION**

The object of the Proposed Transaction is the acquisition of 1,978,327,436 (one billion nine hundred seventy eight million three hundred twenty seven thousand and four hundred thirty six) new shares which will be issued by UFS after the execution of the Proposed UFS Reverse Stock, or representing approximately 94.0020% (ninety four point zero zero two zero percent) before taking into account the compensation shares (if any), from all issued shares in UFS, with share price SGD 0.95 per share (or SGD 0.019 before Proposed UFS Reverse Stock). Therefore the total transaction value is SGD 1,879,411,064 or equal to Rp.14,721,426,865,879 with exchange rate of 1 SGD equal to Rp.7,833..

The determination of price, value of transaction and the numbers of shares were based on certain factors, including without limitation, the Company's majority ownership in GEMS. Taking into account, amongst others (i) the public float requirement under the listing manual of SGX-ST pursuant to which at least 12% of the issued share capital of the Company must be held in the hands of at least 500 public shareholders; and (ii) the existing shareholders of UFS before the Proposed Transaction, it was agreed that the Company ownership in UFS shall be 85.95% after the Compliance Placement (assuming the additional compensation shares issued by UFS to the Company is 180,000,000 shares) or 94.0020% before the Compliance Placement.

After the acquisition of UFS shares has become effective, the Company will immediately transfer 3,941,166,500 (three billion nine hundred forty one million one hundred sixty-six thousand and five hundred) shares, which is owned by the Company and represent 66.9998% (sixty-six point nine nine nine eight percent) from the total issued and paid-up capital of GEMS. The transfer price of GEMS Shares Owned By the Company is Rp.3.735 per share or in total amounting to SGD 1,879,411,064 or equal to Rp.14,721,426,865,879 with exchange rate of 1 SGD equal to Rp.7,833. Such price was determined based on commercial agreement by taking into account, amongst others, the market capitalisation of GEMS and the proposed majority ownership of GEMS by UFS.

UFS shall provide its financial statements at the latest 7 days before the completion of the Proposed Transaction. The obligation of UFS to provide its financial statements is one of the conditions precedent under the Share Purchase Agreement. Based on such financial statements additional compensation shares which will be issued by UFS to the Company on the completion of Proposed Transaction (if any) will be determined. The Company will make disclosure of information on the change of number of shares in connection with the additional compensation shares (if any) after the Proposed Transaction in accordance with the prevailing rules and regulations.

### **4. SHARE PURCHASE AGREEMENT**

In connection with the Proposed Transaction, the Company and UFS had signed the Share Purchase Agreement on 11 July 2013 (as amended and/or supplemented from time to time), which stipulates the principal terms in connection with the acquisition of UFS through equity participation in UFS and the transfer of GEMS Shares Owned by the Company which is a part of the Proposed Transaction.

The following is a summary of key provisions of the Share Purchase Agreement in connection with the Proposed Transaction:

The Parties	:	UFS and Company
Number of UFS New Shares to be Acquired by the Company	:	1,978,327,436 (one billion nine hundred seventy eight million three hundred twenty seven thousand and four hundred thirty six) new shares after the execution of the

Proposed UFS Reverse Stock, or 98,916,371,793 (ninety-eight billion, nine hundred and sixteen million three hundred seventy-one thousand seven hundred and ninety-three) UFS shares prior to the execution of the Proposed UFS Reverse Stock, which will represent approximately 94.0020% (ninety four point zero zero two zero percent) of the enlarged share capital of UFS upon completion of the Proposed Transaction.

Number of GEMS Shares which will be transferred by the Company : 3,941,166,500 (three billion nine hundred and forty-one million one hundred and sixty-six thousand five hundred) shares owned by the Company in GEMS representing 66.9998% (sixty-six point nine nine nine eight percent) of the issued and paid-up share capital in GEMS.

Acquisition Price and Method of Payment : The price of the acquisition of 1,978,327,436 new UFS share after the completion of the Proposed UFS Reverse Stock is SGD 0.95 per share or SGD 0.019 before the execution of the Proposed UFS Reverse Stock therefore the total transaction value is SGD 1,879,411,064 or equal to Rp.14,721,426,865,879 with exchange rate of 1 SGD equal to Rp7,833.

The price of the transfer of 3,941,166,500 GEMS Shares Owned By The Company is Rp.3,735 per share with exchange rate Rp.7,833 per SGD therefore the total transaction value is SGD 1,879,411,064 or equal to Rp.14,721,426,865,879 with exchange rate of 1 SGD equal to Rp.7,833.

Conditions Precedent : Conditions Precedent related to the Proposed Transaction as stipulated under the Share Purchase Agreement, among others, are as follows:

- i. Results of due diligence of GEMS related to financial, legal, tax and business aspects are considered satisfactory by UFS;
- ii. Results of due diligence of UFS related to financial, legal, tax and business aspects are considered satisfactory by the Company;
- iii. Completion of the Proposed UFS Reverse Stock by UFS with the terms and conditions agreed by the Parties and in accordance with the applicable laws;
- iv. Approval by shareholders of the Company and UFS related to the Proposed Transaction (and other related transactions including Proposed UFS Reverse Stock) (including but not limited to the approval of independent shareholders of UFS related to the waiver of the right to receive a general offer for all New Shares of UFS from the Company and parties who act jointly in connection with the issuance of the New Shares of UFS);
- v. Divestment of Poh Lian Construction (Pte) Ltd. (“**PLC**”), including its subsidiaries, from UFS, with the condition that such divestment does not result in any continuing or residual liability to, or recourse against UFS Group (except for PLC and its

subsidiaries) save for certain professional fees as agreed between the Company and UFS;

- vi. Approvals or waivers which are required from all of the relevant parties in connection with the Proposed Transaction, including but not limited to:
  - (a) approval from SGX-ST related to the Proposed Transaction, the reverse takeover under Rule 1015 of the SGX-ST Listing Manual, and approval from SGX-ST on UFS Circular which will be distributed to the UFS shareholders, and if such approval is granted with certain conditions, such conditions shall be acceptable by the Company and UFS;
  - (b) approval-in-principle from SGX-ST for the listing and quotation of New Shares of UFS;
  - (c) waiver by the Securities Industry Council of Singapore ("**SIC**") on the obligations of the Company and parties acting in concert to conduct a public offering of UFS shares not owned or controlled by the Company or parties acting in concert under the Singapore Code on Take-overs and Mergers ("**SIC Waiver**"), which shall be further subject to the passing of Whitewash Resolution by UFS shareholders and such other requirements as may be imposed by the SIC, and
  - (d) OJK and/or other authorized institutions does not deem the Proposed Transaction to cause change of control in GEMS, and OJK does not have any objection if UFS does not make a public offering for GEMS shares in connection with the Proposed Transaction;
- vii. All necessary consents from any third party related to the Proposed Transaction under the Share Purchase Agreement have been obtained, and
- viii. The MCB subscription agreement between UFS and its creditors ("**MCB Subscription Agreement**") as the settlement of the corporate guarantee issued by UFS, has been signed (the conversion from the MCB by each of its holder will not affect the Company's control on UFS after the execution of the Proposed Transaction).
- ix. The Company has obtained UFS financial statement at the latest 7 days before the completion of the Proposed Transaction.
- x. The Company and UFS have obtained Deeds of Undertaking and Standstill from ASM, ASF, and RBI.
- xi. UFS does not make any change in its capital structure, unless agreed otherwise by the parties.
- xii. All representations and warranties from the company and UFS are true, accurate and not misleading in any material respect.

Pursuant to the Share Purchase Agreement (as amended, supplemented, or otherwise modified), the long stop date for the fulfillment of the conditions precedent is June 3, 2015.

The EGM is one of the Conditions Precedent which has to be fulfilled by the Company, in accordance with Regulation No. IX.E.2 and the Articles of Association of the Company. Similarly, UFS is also required to obtain approval from the SGX-ST and its shareholders for the Proposed Transaction.

Fulfilled Precedent	Conditions :	<p>As of the date of this letter, some Conditions Precedent which have been fulfilled are as follows:</p> <ul style="list-style-type: none"> <li>- The signing of MCB Subscription Agreement by UFS and its creditors</li> <li>- The issuance of MCB to UFS' creditor as settlement of existing corporate guarantee issued by UFS</li> <li>- The signing of Deeds of Undertaking and Standstill by ASM Asia Recovery (Master) Fund, ASM Co-Investment Term Trust I, ASM Hudson River Fund and ASM Co-Investment Opportunity Trust I LP (collectively referred to as "ASM"), in connection with claim from such parties to UFS.</li> <li>- The signing of Voting Undertaking by PT Sinar Mas Tunggal and ASM in connection with the approval from each of those parties in connection with the Proposed Transaction.</li> <li>- Whitewash Waiver from SIC to the Company to waive the Company's obligation to make general offer in connection with the acquisition of UFS, shares not already owned or controlled by the Company and its parties acting in concert, subject to, amongst others, that UFS obtains Whiteswash Resolution from its general meeting of shareholders.</li> <li>- Approval in principle from SGX-ST in connection with the Proposed Transaction</li> </ul>
Conditions Precedent Not Yet Fulfilled or Waived	:	<ul style="list-style-type: none"> <li>i. The completion of Proposed Reverse Stock in accordance with the terms agreed by the parties and the prevailing regulations;</li> <li>ii. Divestment of Poh Lian Construction (Pte) Ltd. including its subsidiaries from UFS, provided that such divestment does not result in any continuing or residual liabilities to, or recourse againsts UFS Group (except for PLC and its subsidiaries);</li> <li>iii. OJK does not deem the Proposed Transaction to be a transaction which results in the change of control of GEMS, and OJK does not have any objection if UFS does not conduct tender offer for all of GEMS shares in connection with the Proposed Transaction;</li> <li>iv. The Company has obtained UFS financial statements at the latest 7 days before the completion of the Proposed Transaction;</li> <li>v. The Company and UFS have obtained Deeds of Undertaking and Standstill from RBI and ASF.</li> </ul>
Share Compensation		<p>In the event that UFS' liabilities as of 3 June 2015 exceed the agreed limit, the Company shall be entitled for additional maximum of 180,000,000 (one hundred and eighty million) UFS shares (after the execution of the Proposed UFS reverse</p>

Stock) in accordance with the agreed terms.

- Completion of the Proposed Transaction : Subject to fulfillment or waiver (if relevant) of the Conditions Precedent, the completion of the Proposed Transaction will be done within seven (7) business days after the fulfillment of the Conditions Precedent of the Proposed Transaction as set forth in the Share Purchase Agreement or such other date as may be agreed in writing by the Company and the UFS.
- Governing Law : Singapore Law
- Dispute Resolution : Singapore International Arbitration Centre (SIAC).

**5. MANDATORY CONVERTIBLE BOND SUBSCRIPTION AGREEMENT**

Based on the terms and conditions of the MCB Subscription Agreement, each of UFS unsecured creditors has provided Standstill Undertaking, which is confirmation from each of the creditors not to engage any legal proceeding against UFS and its subsidiaries in connection with UFS obligation to such creditors. The Standstill Undertaking is very important to facilitate the Proposed Transaction.

Some of the important terms and conditions of the MCB are as follows:

Principal Amount	:	Up to SGD45,834,458.56 (total)
<i>Yield</i>	:	5% per annum (up to maximum yield of SGD 665,541 in total)
Due Date	:	24 months from the closing date
MCB Status	:	MCB will be deemed as direct obligations unconditional and without collateral and shall rank equal to other obligations of UFS unless regulated otherwise based on the applicable law.
Payment before Due Date	:	If approved by the relevant MCB holder, UFS may settle the MCB any time in accordance with its nominal value plus the least of the 5% yield per annum or the maximum yield by providing prior written notice.
Mandatory Payment	:	Subject to the terms and conditions of the Subscription Agreement, MCB holder may require UFS to settle the MCB within 30 days after the occurrence of any insolvency event (whether voluntarily or otherwise) or if UFS no longer listed in SGX-ST
Events of Default	:	MCB may be declared immediately due and payable if there is an occurrence of the following events: (i) breach of UFS obligations; (ii) insolvency events of UFS; (iii) except if it is disclosed in disclosure letter, there is event of default from UFS and/or its subsidiaries (cross default); (iv) ongoing law suit involving UFS or its subsidiaries which may cause Material Adverse Change; (v) nationalization of or lose of control on assets of UFS or its subsidiaries; (vi) the payment obligation or any other material obligation of UFS based on MCB becomes not in compliance with the applicable law.

MCB Cancellation	:	All MCB which are redeemed or converted will be cancelled and shall not be re-issued or re-sold by UFS
Negative Covenants	:	As long as any MCB remains outstanding, UFS and/or its subsidiaries shall not create any encumbrance upon the whole or any part of its property and/or assets save as expressly agreed between the parties under the MCB Subscription Agreement
MCB Conversion	:	The MCB conversion price is SGD 0.019 per conversion share (before reverse stock) or SGD 0.95 per conversion share (after reverse stock).
Governing Law	:	Singapore Law

On 13 February 2015, UFS issued MCB of an aggregate principal amount of SGD45,834,458.56 to the UFS unsecured creditor of their respective nominated escrow agents, in accordance with the MCB Subscription Agreement

Subject to the fulfillment of the conditions precedent for the conversion, the MCB may be converted to conversion shares on:

- (a). Immediately after UFS EGM whereby UFS shareholders approval has been obtained, the date when the relevant MCB holder exercises its option to convert by providing 5 days prior written notice.
- (b). Except if the MCB has been converted, the MCB shall automatically convert to conversion shares on the completion of the Proposed Transaction; whichever is earlier.

The conversion price of the MCB is SGD 0.019 per share (before reverse stock) or SGD 0.95 per share after reverse stock.

## **6. INFORMATION ON THE PARTIES RELATED TO THE PROPOSED TRANSACTION**

### **a. PT Dian Swastatika Sentosa Tbk (the “Company”)**

#### **i. Brief History**

The Company is a limited liability company established under the laws of Republic of Indonesia and domiciled in Central Jakarta, with head operational office at Sinar Mas Land Plaza Tower II, 27<sup>th</sup> Floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350, Phone Number: (021) 31990258 and fax number: (021) 31990259.

The Company was established based on the Deed of Establishment of “PT Dian Swastatika Sentosa” No.6 dated 2 August 1996, as amended by Deed of Amendment No.35 dated 8 October 1996, both made before Linda Herawati, S.H., Notary in Jakarta. Such Deeds has obtained approval from the MOLHR based on its Decree No. No. C2-9854.HT.01.01.TH’96 dated 28 October 1996 and registered in the Company Registrar in accordance with the Mandatory Company Registry Law with Company Registration Number 09011609914 in the Company Registry Office of North Jakarta under Registry No. 83/BH.09.01/XII/96 dated 5 December 1996 and announced in the State Gazette of Republic of Indonesia No.46 dated 10 June 1997, Supplement State Gazette No. 2258.

The Company had adjusted its Articles of Association in accordance with the Company Law as stipulated in the Deed of Resolution of Shareholders No. 22 dated 6 August 2008, made before Linda Herawati, S.H., Notary in Central Jakarta, such deed has obtained approval from the MOLHR based on its decree No. AHU-84933.AH.01.02.Tahun 2008 dated 12 November 2008, registered in the Company Registrar No. AHU-0108263.AH.01.09.Tahun 2008, dated 12 November 2008, and announced in the State

Gazette of Republic of Indonesia No. 1 dated 2 January 2009, Supplement State Gazette No.270.

The Company had adjusted its Articles of Association in accordance with Bapepam and LK Rules No.IX.J.1, attachment of Chairman of Bapepam decision No. Kep-179/BL/2008 dated 14 May 2008 regarding Main Substances of Articles of Association of Company Performing a Public Offering and Public Company, based on Deed of Resolution of Shareholders No.75 dated 24 July 2009, made before Linda Herawati,S.H., Notary in Central Jakarta. Such Deed had obtained approval from the MOLHR based on its decree No. AHU-36038.AH.01.02.Tahun 2009 dated 29 July 2009, registered in the Company Registry No. AHU-0047539.AH.01.09.Tahun 2009 dated 29 July 2009, notified to the MOLHR based on the Acceptance of the Notification on the Amendment of the Company's Data No. AHU-AH.01.10-12198 dated 4 August 2009; registration number AHU-0049254.AH.01.09.Tahun 2009 Dated 4 August 2009 and based on the Acceptance of the Notification on the Amendment of the Company's Articles of Association AHU-AH.01.10-12199 dated 4 August 2009; registration number AHU-0049255.AH.01.09.Tahun 2009, dated 4 August 2009.

After the abovementioned adjustments, the Company's Articles of Association has been amended several times, among others, as stipulated in Deed of Resolution of Shareholders of the Company No. 55 dated 28 August 2009, made before Linda Herawati, S.H., Notary in Central Jakarta, in connection with the amendment of Article 3 of the Company's Articles of Association. Such Deed has obtained approval from the MOLHR based on its decree No. AHU-42753.AH.01.02.Tahun 2009 dated 1 September 2009, registered on the Company Registrar No. AHU-0057260.AH.01.09.Tahun 2009 dated 1 September 2009 and announced in the State Gazette of Republic of Indonesia No.66 dated 16 August 2010 Supplement of State Gazette No.12087. and as stipulated in Deed No.14 dated 4 February 2010, made before Linda Herawati, S.H., Notary in Central Jakarta, regarding the amendment of Article 4 (2) (issued and paid-up capital) of Company's Articles of Association. Such Deed has been reported to the MOLHR as stipulated in Acceptance of the Notification on the Amendment of the Company's Articles of Association No. AHU-AH.01.10-05921 dated 10 March 2010 and registered in the Company Registry No. AHU-0018444.AH.01.09.Tahun 2010 dated 10 March 2010 ("**Deed No.14/2010**"). The latest amendment is as stipulated in Deed No.6 dated 1 July 2014, made before Linda Herawati, S.H., Notary in Central Jakarta, with regards to the amendment of Article 13 Duty and Rights of Board of Directors. Such Deed has been reported to the MOLHR as stipulated in the Acceptance of the Notification on the Amendment of the Company's Articles of Association No. AHU-04158.40.21.2014 dated 10 July 2014 and has been registered in the Company Registrar No. AHU-0070586.40.80.2014 dated 10 July 2014.

ii. Purpose, Objectives, and Business Activities

The purpose and objectives of the Company is to engage in the business of electricity supply, trading, services and construction of real estate and infrastructure.

To reach such purpose and objectives, the Company may conduct the following business activities:

- a) to plan, build, and operate power plant along with its related facilities;
- b) to operate the power plant and its related facilities;
- c) to engage in trading business including import and export
- d) to purchase and acquire land;
- e) to build structures and its supporting facilities including telecommunication infrastructure and its supporting facilities;
- f) to sell or lease houses, office space, shop houses and its supporting facilities;
- g) to manage housing and trading areas along with its supporting facilities;

- h) to build and/or engage in infrastructure business including telecommunication supporting services in ownership and/or supply and/or leasing of telecommunication towers.

iii. Capital Structure and Share Ownership

Capital Structure and Share Ownership of the Company is based on Deed No.14/2010 Jo. Share Register Book of the Company as of 31 December 2014 prepared by PT Sinartama Gunita as the Share Administration Bureau of the Company which is as follows:

Information	Nominal Value Rp. 250 per Share		
	Share	Nominal Value (Rupiah)	%
<b>Authorized Capital</b>	2,400,000,000	600,000,000,000	
<b>Shareholders:</b>			
1. PT Sinar Mas Tunggal	461,552,320	115,388,080,000	59.9
2. Public	309,000,000	77,250,000,000	40.1
<b>Issued and Paid-up Capital</b>	<b>770,552,320</b>	<b>192,638,080,000</b>	<b>100.0</b>
<b>Shares in Portfolio</b>	<b>1,629,447,680</b>	<b>407,361,920,000</b>	

Other than the abovementioned shareholders, there is no public shareholder who has shares more than 5% and there is no member of the Board of Commissioners and/or Board of Directors of the Company who has share in the Company.

iv. Management and Supervisory

As stipulated in Deed No. 37 dated 18 June 2014, the composition of Board of Commissioners and Board of Directors of the Company are as follows:

Board of Commissioners

President Commissioner	: Franky Oesman Widjaja
Vice President Commissioner	: Indra Widjaja
Vice President Commissioner & Independent Commissioner	: Dr.-Ing. Evita Herawati Legowo
Independent Commissioner	: Ardhayadi, S.E., M.A.
Independent Commissioner	: H. Agus Tagor (R.I.P)

Board of Directors

President Director	: Lay Krisnan Cahya
Vice President Director	: Rudy Halim
Director	: Lanny
Director and Corporate Secretary	: Hermawan Tarjono
Independent Director	: Susi Susantijo, S.H., LL.M.

v. Important Financial Highlights:

Important financial highlights for the periods ended on 31 December 2012, 31 December 2013, and 31 December 2014 are as follows:



### Consolidated Statements of Financial Position

(in US Dollar)

	31 December		
	2012*	2013*	2014
<b>ASSETS</b>			
Current Assets	583,566,839	411,123,743	282,248,459
Noncurrent Assets	624,455,857	787,449,738	1,020,249,784
<b>TOTAL ASSETS</b>	1,208,022,696	1,198,573,481	1,302,498,243
<b>LIABILITIES AND EQUITY</b>			
Liabilities			
Current Liabilities	171,642,058	199,118,663	148,407,679
Noncurrent Liabilities	129,557,708	136,576,723	315,790,967
<b>Total Liabilities</b>	301,199,766	335,695,386	464,198,646
Equity			
Equity attributable to Owners of the Company	806,463,376	779,964,562	753,883,427
Non-controlling interests	100,359,554	82,913,533	84,416,170
<b>Total Equity</b>	906,822,930	862,878,095	838,299,597
<b>TOTAL LIABILITIES AND EQUITY</b>	1,208,022,696	1,198,573,481	1,302,498,243

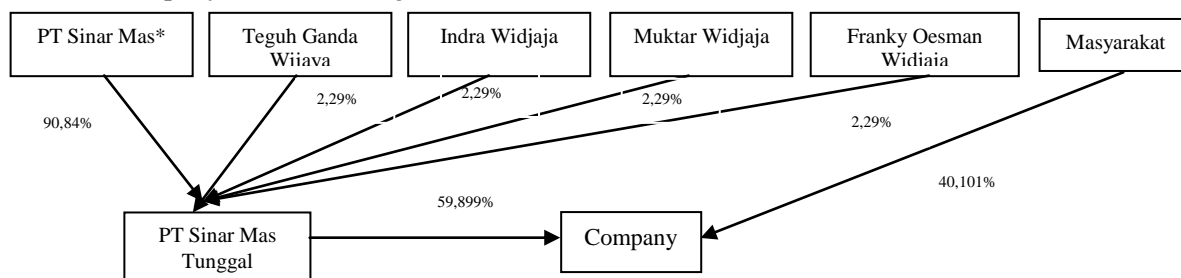
### Consolidated Statements of Comprehensive Income

(in US Dollar)

	For the years ended on 31 December		
	2012*	2013*	2014
Revenue	629,229,559	606,817,886	599,631,085
Gross Profit	91,444,797	106,199,056	170,702,570
Income (loss) before tax	18,246,299	(544,046)	11,579,462
Net income (loss) for the year	17,978,233	(4,589,089)	8,870,881
Total comprehensive loss for the year	(3,639,798)	(37,695,546)	(24,754,554)
Net income (loss) attributable to Owners of the Company	12,744,043	(11,924,009)	6,177,626

\* restated in connection with the application of Interpretation of Statements of Financial Accounting Standards (ISAK) No. 29 "Stripping Costs in the Production Phase of a Surface Mine"

vi. Company's Shareholding Structure:



\* PT Sinar Mas is controlled by Widjaja family

b. **UFS**

i. Brief History

United Fiber System Limited (UFS) is a limited liability company duly established under the laws of Singapore, with its registered address at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, phone: (65) 65365355, fax: (65) 65361360.

UFS was established in 1995 under the name of Poh Lian Holdings Pte Ltd which engages in the field of construction industry. In line with its Initial Public Offerings, Poh Lian Holdings Pte Ltd then has changed its status to a public listed company since May 1997 and changed its name to be Poh Lian Holdings Limited.

In 2002, Poh Lian Holdings Limited changed its name to United Fiber System Limited, in accordance with the new business activities engaged by UFS in the field of forestry and pulp paper.

One of the UFS subsidiaries namely Poh Lian Construction (Pte.) Ltd (“**PLC**”), had applied to the High Court of Republic of Singapore to be placed under the judicial management and such application was granted on 5 April 2013, on the grounds, amongst others, that PLC has been facing significant financial and operational difficulties.

The judicial management of PLC is one of the solutions for PLC to repay part of its debts and limit UFS exposure and liabilities to the creditors of PLC, arising from the corporate guarantee granted by UFS in favour of such creditors.

The judicial management only involves PLC, and not other members UFS Group (except PLC and its subsidiaries)

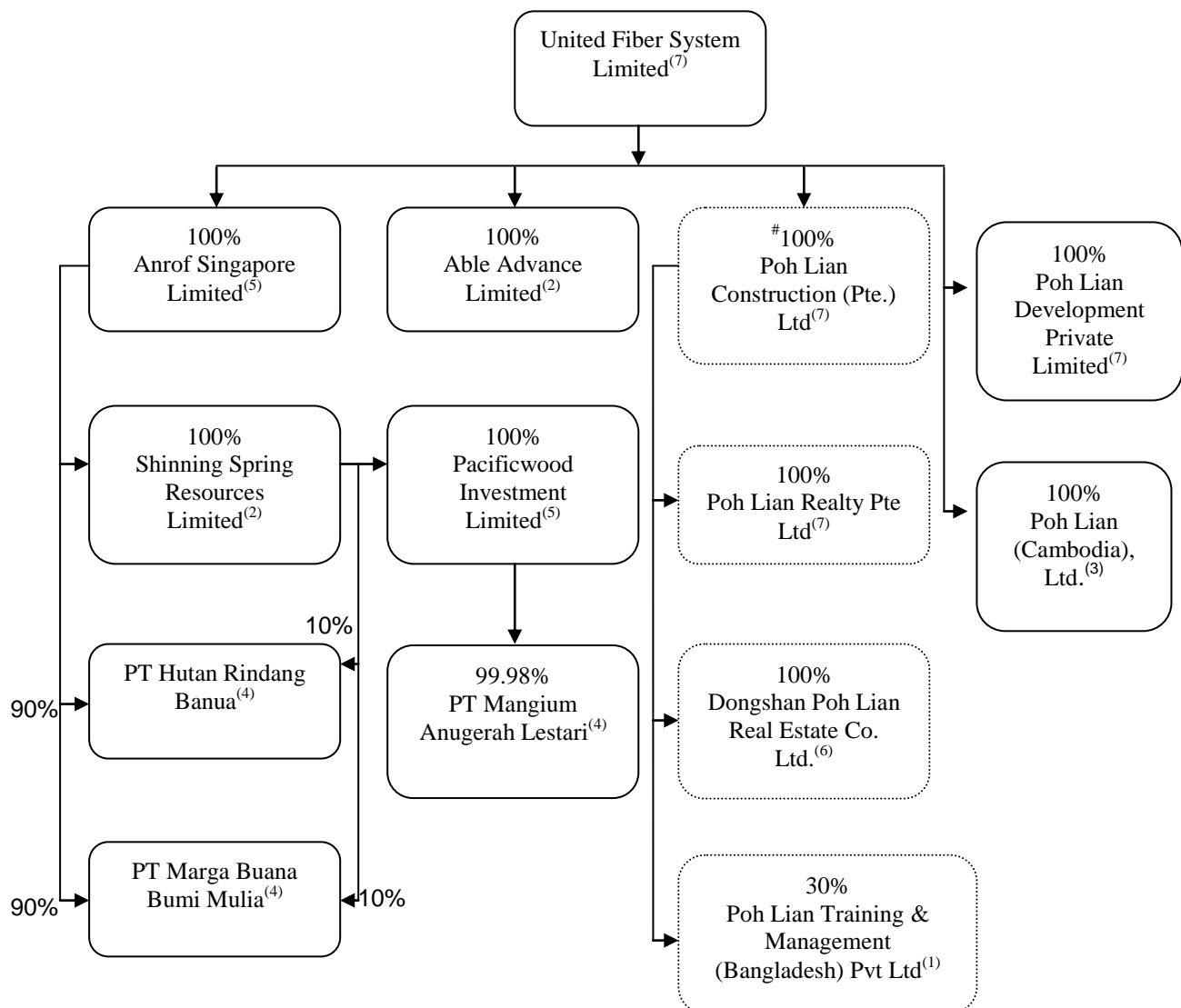
On 10 October 2014, the High Court of Republic of Singapore granted an order to liquidate PLC and appointed Tam Chee Chong and Andrew Grimmet as liquidators of PLC

Currently PLC is in process of liquidation. On 18 December 2014, UFS signed a Conditional Share Purchase Agreement (CSPA) with Dragonext Limited, a third party, to dispose of all its issued and paid up shares in PLC, amounting to 15,000,000 ordinary shares for a consideration of SGD 1. The completion of disposal of PLC pursuant to the CSPA is inter-conditional on the completion of the Proposed Transaction between the Company and UFS.

Currently the subsidiaries of UFS, excluding Poh Lian Construction (Pte) Ltd. and its subsidiaries are as follows:

- Able Advance Limited
- Anrof Singapore Limited
- Shinning Spring Resources Limited
- Pacificwood Investment Ltd
- PT Mangium Anugerah Lestari
- PT Marga Buana Bumi Mulia
- PT Hutan Rindang Banua
- Poh Lian Development Private Limited
- Poh Lian (Cambodia) Ltd

**CORPORATE STRUCTURE OF UFS AS AT**  
**31 December 2014**



- (1) Bangladesh
- (2) British Virgin Islands
- (3) Cambodia
- (4) Indonesia
- (5) Mauritius
- (6) People's Republic of China
- (7) Singapore

# Poh Lian Construction (Pte.) Ltd. ("PLC") is in the process of winding up pursuant to an order of the High Court of Republic of Singapore dated 10 October 2014.

All the subsidiaries under PLC have been deconsolidated due to loss of control of PLC by the Group.

ii. Principal Business Activities

The principal business activity of UFS is investment in various business activities including investment in the field of (i) forestry and pulp paper; and (ii) construction and property (conducted by PLC, which is in the process of winding up).

iii. Capital and Shareholders

Issued and paid-up capital and number of shares of UFS as of 31 December 2014 are as follows:

<b>Information</b>	
Issued and Paid-up capital	USD 257,956,000
Number of Shares	3,864,251,008

Nominal value per share is USD 0.0677

Composition of UFS' shareholders as of 31 December 2014 is as follows:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>%</b>
CITIBANK NOMS S'PORE PTE LTD	633,040,309	16.38
PARAMOUNT ASSETS INVESTMENTS PTE LTD	351,000,000	9.08
HSBC (SINGAPORE) NOMS PTE LTD	283,789,985	7.34
METROPOLITAN REALTY PTE LTD	172,300,000	4.46
UOB KAY HIAN PTE LTD	170,202,298	4.41
UNITED OVERSEAS BANK NOMINEES PTE LTD	137,321,000	3.55
BANK OF S'PORE NOMS PTE LTD	134,177,000	3.47
DBS NOMINEES PTE LTD	45,326,844	1.17
MAYBANK KIM ENG SECURITIES PTE LTD	43,824,000	1.14
OCBC SECURITIES PRIVATE LTD	43,764,271	1.13

RAFFLES NOMINEES (PTE) LTD	34,763,000	0.90
DB NOMINEES (S) PTE LTD	33,231,000	0.86
PHILLIP SECURITIES PTE LTD	30,547,500	0.79
MAYBANK NOMINEES (S) PTE LTD	28,130,000	0.73
WISANGGENI LAUW	23,432,660	0.61
LIM & TAN SECURITIES PTE LTD	23,167,000	0.60
NG KIM CHOON	19,546,000	0.51
OCBC NOMINEES SINGAPORE PRIVATE LIMITED	17,764,000	0.46
DBS VICKERS SECURITIES (S) PTE LTD	16,690,000	0.43
SITARAM CHANDRA DAS	16,000,000	0.41
OTHER SHAREHOLDERS	1,606,234,141	41.57
<b>TOTAL</b>	<b>3,864,251,008</b>	<b>100.00</b>

iv. Management

<b>Name</b>	<b>Position</b>
Chan Kin	<i>Non-Executive Chairman</i>
Pauline Lee	<i>Executive Director, Acting CEO and CFO</i>
Paul Lim Yu Neng	<i>Independent Director</i>
Rahul Kumar	<i>Independent Director</i>
Ang Mong Seng	<i>Independent Director</i>
Peh Pit Tat	<i>Non-Executive Director</i>

v. Important Financial Highlights

**Consolidated Statements of Financial Position**

(in USD)

	<b>31 December</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>ASSETS</b>			
Current Assets	70,717,000	6,886,000	4,005,000
Noncurrent Assets	86,206,000	45,588,000	32,812,000

<b>TOTAL ASSETS</b>	<b>156,923,000</b>	<b>52,474,000</b>	<b>36,817,000</b>
<b>LIABILITIES AND EQUITY</b>			
Liabilities			
Current Liabilities	203,648,000	121,491,000	130,538,000
Noncurrent Liabilities	14,048,000	2,332,000	1,360,000
<b>Total Liabilities</b>	<b>217,696,000</b>	<b>123,823,000</b>	<b>131,898,000</b>
Equity			
Equity attributable to Owners of the Company	(60,768,000)	(71,344,000)	(95,075,000)
Non-controlling interests	(5,000)	(5,000)	(6,000)
<b>Total Equity</b>	<b>(60,773,000)</b>	<b>(71,349,000)</b>	<b>(95,081,000)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>156,923,000</b>	<b>52,474,000</b>	<b>36,817,000</b>

#### Consolidated Statements of Comprehensive Income

(in USD)

	For the years ended on 31 December		
	2012	2013	2014
Revenue	234,857,000	4,945,000	9,614,000
Gross (Loss) / Profit	(16,336,000)	938,000	(994,000)
Loss before tax	(166,650,000)	(14,438,000)	(28,778,000)
Net loss for the year	(153,575,000)	(10,723,000)	(27,515,000)
Total comprehensive loss for the year	(151,203,000)	(11,919,000)	(23,732,000)
Net loss attributable to Owners of the Company	(153,574,000)	(10,723,000)	(27,514,000)

#### c. PT Golden Energy Mines Tbk (“GEMS”)

##### i. Brief History

GEMS is a limited liability company incorporated under the laws of the Republic of Indonesia and domiciled in Central Jakarta, with headquarters at Sinar Mas Land Plaza Tower II, 6<sup>th</sup> floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350, phone number: (021) 5018 6888 and fax number: (021) 3199 0319.

GEMS was established under the name of PT Bumi Kencana Eka Sakti based on notarial deed No. 81 dated 13 March 1997 of Imam Santoso, S.H., notary in Jakarta. The Deed of Establishment was approved by the Ministry of Justice of the Republic of Indonesia (currently

the Ministry of Law and Human Rights of the Republic of Indonesia) in its Decision Letter No. C2-7.922HT.01.01.TH.98 dated 30 June 1998 and was published in the State Gazette of the Republic of Indonesia No. 30 dated 12 April 2002, Supplement No. 3667.

The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 10 dated 3 February 2012 of Linda Herawati, S.H., notary in Jakarta, to be in accordance with Bapepam-LK regulation No. IX.J.1 dated 14 May 2008 regarding Articles of Association of the Companies Conducting Public Offering. This amendment was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-08684.AH.01.02.Tahun 2012 dated 20 February 2012.

ii. Business Activities

Currently GEMS is engaged in coal mining, coal trading and other trading (whether directly or through its subsidiaries). GEMS started its commercial operations in 2010.

iii. Capital Structure and Share Ownership

Capital structure and shareholding of GEMS as of 31 December 2014 based on the GEMS Financial Statement as of 31 December 2014, Deed No.1 dated 1 February 2012 and Share Register Book of GEMS as of 31 December 2014 prepared by PT Sinartama Gunita as the Share Administration Bureau of GEMS are as follows:

No.	Shareholders	Share	Nominal Value (Rupiah) @Rp100	%
<b>Authorized Capital</b>		20,000,000,000	2,000,000,000,000	
<b><i>Paid Up Capital</i></b>				
1.	PT Dian Swastatika Sentosa Tbk	3,941,166,500	394,116,650,000	66.9998%
2.	GMR Coal Resources Pte, Ltd	1,764,706,000	176,470,600,000	30.0000%
3.	PT Sinar Mas Cakrawala	10,000	1,000,000	0.0002%
4.	Public	176,470,500	17,647,050,000	3.0000%
<b>Total Paid Up Capital</b>		5,882,353,000	588,235,300,000	100.0000%
<b>Shares in Portfolio</b>		14,117,647,000	1,411,764,700,000	

iv. Management and Supervision

The composition of Board of Commissioners and Board of Directors of GEMS based on Deed No. 45 dated 20 June 2014 of Linda Herawati, S.H., notary in Jakarta are as follows:

Board of Commissioners

President Commissioner : Lay Krisnan Cahya  
 Vice President Commissioner : Avinash Ramakant Shah  
 Commissioner : Hermawan Tarjono  
 Independent Commissioner : Ketut Sanjaya  
 Independent Commissioner : H. Agus Tagor (R.I.P)  
 Independent Commissioner : Bambang Setiawan

Board of Directors

President Director : Fuganto Widjaja  
 Vice President Director : Sulekera Lingadevaru Ravi  
 Director : Bambang Heruawan Haliman  
 Director : Kumar Krishnan  
 Director : Mochtar Suhadi  
 Independent Director : Indradjaja Lazuardi

v. Important Financial Highlights  
Consolidated Statements of Financial Position

(in Rupiah)

	31 December		
	2012*	2013*	2014
<b>ASSETS</b>			
Current Assets	1,773,950,668,122	1,861,966,556,285	1,757,801,329,334
Noncurrent Assets	1,587,191,681,966	2,131,702,425,896	2,164,002,024,184
<b>TOTAL ASSETS</b>	<b>3,361,142,350,088</b>	<b>3,993,668,982,181</b>	<b>3,921,803,353,518</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Current Liabilities	506,386,611,524	1,015,810,673,088	796,834,747,302
Noncurrent Liabilities	32,478,604,008	37,607,347,698	44,091,088,893
<b>Total Liabilities</b>	<b>538,865,215,532</b>	<b>1,053,418,020,786</b>	<b>840,925,836,195</b>
<b>Equity</b>			
Equity attributable to Owners of the Parents	2,817,652,776,232	2,933,848,987,937	3,072,100,610,479
Non-controlling interests	4,624,358,324	6,401,973,458	8,776,906,844
<b>Total Equity</b>	<b>2,822,277,134,556</b>	<b>2,940,250,961,395</b>	<b>3,080,877,517,323</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,361,142,350,088</b>	<b>3,993,668,982,181</b>	<b>3,921,803,353,518</b>

Consolidated Statements of Comprehensive Income

(in Rupiah)

	For the years ended on 31 December		
	2012*	2013*	2014
Net Sales	3,958,897,172,445	4,427,626,221,656	5,185,585,519,326
Gross Profit	658,039,936,332	861,222,895,087	1,748,336,369,542
Income before income tax	156,786,502,173	311,618,234,255	185,676,112,789
Profit for the year	132,285,903,491	228,478,877,062	133,821,901,227
Total comprehensive income for the year	148,829,490,881	304,694,052,525	138,626,555,928
Total comprehensive income for the year / attributable to Owners of the Parent	147,796,766,956	301,608,787,698	138,238,357,777

\* Restated in connection with the application of Interpretation of Statements of Financial Accounting Standards (ISAK) No.29 "Stripping Costs in the Production Phase of a Surface Mine"



## **7. PROPOSED CHANGE ON THE COMPOSITION OF UFS BOARD OF DIRECTORS**

Upon completion of the Proposed Transaction the current Board of Directors of UFS will resign and the following proposed new directors will be appointed with the respective designations:

<b>Name</b>	<b>Position</b>
Lay Krisnan Cahya	<i>Non-Executive Chairman</i>
Fuganto Widjaja	<i>Executive Director and Group Chief Executive Officer</i>
Mochtar Suhadi	<i>Executive Director</i>
Bambang Heruawan Haliman	<i>Executive Director</i>
Paul Lim Yu Neng	<i>Lead Independent Director</i>
Lew Syn Pau	<i>Independent Director</i>
Irwandy Arif	<i>Independent Director</i>

## **8. MATERIALITY OF THE PROPOSED TRANSACTION**

The Proposed Transaction which will be done by the Company is material transaction as referred in the Regulation No.IX.E.2 since the transaction value of the Proposed Transaction is more than 50% (fifty percent) from the equity of the Company based on the consolidated financial statements for the period ended on 31 December 2014 which is USD 838,299,547. The value of the Proposed Transaction is 141% of the Company's equity based on the consolidated financial statements for the period ended on 31 December 2014 with the exchange rate using middle rate of Bank of Indonesia on 31 December 2014 which is Rp. 12,440 per USD. Therefore, in accordance with Regulation No. IX.E.2 the Company will hold EGM to obtain approval from its shareholders for the Proposed Transaction.

Steps of execution of the Proposed Transaction are as follows::

1. The EGM of UFS to approve the Proposed Transaction
2. The EGM of the Company to approve the Proposed Transaction

(upon approval of the general meeting of shareholders of the Company and UFS :)

3. The execution of the proposed UFS Reverse Stock
4. Completion of the Proposed Transaction in accordance with the provisions of the Share Purchase Agreement
5. Suspension of trading of new UFS shares if UFS has not complied with compliance placement
6. Lodgment of the offer information statement in connection with the offering to meet the compliance placement
7. The execution of compliance placement
8. Lifting of the suspension of trading of the UFS Shares (including the new UFS Shares)

## **9. NATURE OF AFFILIATION**

The Proposed Transaction as referred in this Disclosure of Information is of affiliated transaction, involving two companies which are under common control.

The affiliation between the Company and UFS is because there is relation between the Company and UFS in terms of share ownership in the Proposed Transaction, considering that after the acquisition of New UFS Shares has become effective, the Company will be the owner of approximately 94.0020% (ninety four point zero zero two zero percent) of all issued shares in UFS (*enlarged capital*), before the Company transfers GEMS Shares Owned by the Company to UFS.

#### IV. INDEPENDENT PARTIES APPOINTED BY THE COMPANY

The independent parties appointed by the Company are as follows :

1. **Makes & Partners Law Firm**, being the independent legal counsel appointed by the Company to advise the Indonesia legal aspects of the Proposed Transaction and to review this Disclosure of Information

Address : Menara Batavia, 7<sup>th</sup> Floor, Jl. K.H. Mas Mansyur, Kav. 126, Jakarta 10220 - Indonesia  
Telephone : (021) 5747181  
Fax : (021) 5747180

2. **Latham & Watkins LLP**, being the independent legal counsel appointed by the Company to advise the Proposed Transaction, including the related Singapore legal aspects

Address : 9 Raffles Plaza, #42-02 Republic Plaza, Singapore 048619  
Telephone : + 65 6536 1161  
Fax : + 65 6536 1171

3. **Independent Appraiser Jennywati, Kusananto, dan Rekan**, being the independent appraiser appointed by the Company to perform the valuation on GEMS and provide the fairness opinion of the Proposed Transaction

Address : Plaza Bapindo, Citibank Tower Lantai 27, Jl. Jend. Sudirman Kav. 54055, Jakarta 12190, Indonesia.  
Telephone : (021) 5260808  
Fax : (021) 5266006

4. **Independent Appraiser Suwendho, Rinaldy, dan Rekan**, , being the independent appraiser appointed by the Company to perform the asset valuation of PT Hutan Rindang Banua and share valuation of UFS.

Address : Jl. Raya Kalibata Indah K16-17, Jakarta 12740, Indonesia.  
Telephone : (021) 7970913  
Fax : (021) 7973350

5. **Public Accountant Mulyamin Sensi Suryanto & Lianny**, being the public accountant doing the audit of the consolidated financial statements of the Company for the years ended on 31 December 2012, 2013, and 2014 and review on proforma consolidated financial statements before and after the Proposed Transaction.

Address : Intiland Tower, 7<sup>th</sup> Floor, Jl. Jenderal Sudirman Kav 32, Jakarta 10220  
Telephone : (021) 5708111  
Fax : (021) 5722737

#### V. IMPACT OF THE PROPOSED TRANSACTION ON THE FINANCIAL CONDITION OF THE COMPANY

The proforma consolidated statement of financial position and proforma consolidated statement of comprehensive income have been prepared to show the significant impact of the Proposed Transaction assuming that the Proposed Transaction occurred on 31 December 2014. In the preparation of the proforma consolidated statement of comprehensive income, the consolidated statement of comprehensive income of UFS for the year ended 31 December 2014 is not consolidated to the Company since UFS is not under the control of the Company from 1 January 2014 up to 30 December 2014,

Following are the proforma consolidated statement of financial position and proforma consolidated statement of comprehensive income of the Company as of 31 December 2014 which have been reviewed by Mulyamin Sensi Suryanto & Lianny Registered Public Accountants:

#### Proforma Consolidated Statement of Financial Position

	(in USD)			
	Before Transaction 31 December 2014	UFS Group	Adjustments	After Transaction 31 December 2014
<b>ASSETS</b>				
Current Assets	282,248,459	4,005,000	(2,698,140)	283,555,319
Noncurrent Assets	1,020,249,784	32,812,000	124,055,776	1,177,117,560
<b>TOTAL ASSETS</b>	<b>1,302,498,243</b>	<b>36,817,000</b>	<b>121,357,637</b>	<b>1,460,672,880</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Current Liabilities	148,407,679	130,538,000	(35,218,891)	243,726,788
Noncurrent Liabilities	315,790,967	1,360,000	-	317,150,967
<b>Total Liabilities</b>	<b>464,198,646</b>	<b>131,898,000</b>	<b>(35,218,891)</b>	<b>560,877,755</b>
<b>Equity</b>				
Equity Attributable to Owners of the Company	753,883,427	(95,075,000)	150,247,470	809,055,897
Non-controlling Interest	84,416,170	(6,000)	6,329,057	90,739,227
<b>Total Equity</b>	<b>838,299,597</b>	<b>(95,081,000)</b>	<b>156,576,528</b>	<b>899,795,125</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,302,498,243</b>	<b>36,817,000</b>	<b>121,357,637</b>	<b>1,460,672,880</b>

#### Proforma Consolidated Statement of Comprehensive Income

	(in USD)		
	Before Transaction 31 December 2014	Adjustments	After Transaction 31 December 2014
Revenues	599.631.085	-	599.631.085
Gross Profit	170.702.570	-	170.702.570
Income Before Tax	11.579.462	(1,999,937)	9,579,525
Net Income for the Year	8.870.881	(1,999,937)	6.870.944
Total Comprehensive Loss For The Year	(24.754.554)	(1,999,937)	(26.754.491)
Net Income Attributable to Owners of the Company	6.177.626	(1,999,937)	4.177.689

Notes to proforma adjustments:

- The total of the final tax on the transfer of shares in GEMS at the Indonesian Stock Exchange computed as 0.1% of the transfer value of GEMS shares and other transaction costs amounted to Rp 24,879,211,401 or equivalent to USD 1,999,937.
- The excess of the aggregate consideration transferred of US\$ 67,133,537 less the amount recognized for non-controlling interests of USD 3,638,073 over the net liabilities assumed of USD 60,560,312 (after considering the issuance of new shares arising from the conversion of mandatory convertible bonds of USD 35,218,891 and the transaction costs for purchases of GEMS shares by UFS of USD 698,203) is goodwill amounting to USD 124,055,776.
- Elimination of the investment of DSS in UFS with the net asset of UFS.

With the Proposed Transaction, some financial indicators of the Company decreased at the time of consolidation.

The imposition of final tax on the transfer of GEMS shares in the Indonesian Stock Exchange computed as 0.1% of transfer value of GEMS shares and other transaction costs totaling Rp 24,879,211,401 or equivalent to USD 1,999,937 resulted to a decrease in net income of the Company for the year ended 31 December 2014 from USD 8,870,881 to USD 6,870,944. After the implementation of the Proposed Transaction, the decrease in net income for the year and the

increase in the Company's total equity and total assets, has led to the decrease in ROE and ROA. ROE decreased from 1.06% to 0.76% and ROA decreased from 0.68% to 0.47%. Meanwhile, with the consolidation of the consolidated statement of financial position UFS in the consolidated statement of financial position of the Company, the Company's liabilities increased after the implementation of the Proposed Transaction.

In quantitative terms, the benefits of the Proposed Transaction on the Company's performance cannot be seen immediately after the implementation of the Proposed Transaction, but must be seen in the medium and long term.

## **VI. OPINION OF INDEPENDENT APPRAISERS**

### **A. Summary of the Valuation of 66.9998% GEMS Shares**

Kantor Jasa Penilai Publik (“**KJPP**”) Jennywati, Kusnanto & rekan (“**JKR**”) has been assigned by the management of the Company as an independent appraiser to give an opinion of the fair market value of 66.9998% shares of GEMS

The following is JKR’s summary of valuation report of shares for the valuation of 66.9998% shares of GEMS:

#### **1. The Parties in Proposed Transaction**

The parties involved in Proposed Transaction are the Company and UFS.

#### **2. The Valuation Object**

The Valuation Object in this valuation is the fair market value of 66.9998% shares of GEMS.

#### **3. The Objective of the Valuation**

The objective of the valuation is to obtain an independent opinion on the fair market value of the Valuation Object stated in Rupiah or its equivalence as of 31 December 2014.

#### **4. Limiting Conditions and Major Assumptions**

This valuation was prepared based on the market and economic conditions, general business and financial conditions as well as applicable government regulations until the date of issuance of this valuation report.

The valuation process of the Valuation Object performed with discounted future economic income was based on financial projections prepared by GEMS’s management. In preparing the financial projections, various assumptions were developed based on the performance of GEMS in previous years and management’s plan for the future. JKR has made some adjustments to the projections in order to describe the operating conditions and performance of GEMS more fairly. Overall, there were not any significant adjustments applied to the performance targets of GEMS. JKR is responsible for the valuation and fairness of the financial statements projection based on historical performance and GEMS’s management information for financial statements projections. JKR is also responsible for GEMS share valuation and final value conclusion.

In the valuation assignment, JKR assumed the fulfillment of all conditions and obligations of the Company and GEMS. JKR also assumed that from the date of the valuation until the date of issuance of the valuation report, there were no changes that could materially affect the assumptions used in the valuation. JKR is not responsible to reaffirm or to supplement or to

update JKR's opinion due to the changes in the assumptions and conditions as well as events that occur after the report date.

In performing the analysis, JKR assumed and relied on the accuracy, reliability and completeness of all financial information and other information provided to us by the Company and GEMS or publicly available information which was essentially true, complete and not misleading and JKR is not responsible to perform an independent investigation of such information. JKR also relied on assurances from the management of the Company that they did not know the facts which would lead to the information given to JKR to be incomplete or misleading.

The valuation analysis of the Valuation Object was prepared using the data and information as disclosed above. Any changes to the data and information may materially influence the outcome of JKR's opinion. JKR is not responsible for the changes in the conclusions of our valuation as well as any loss, damage, costs or expenses caused by undisclosed information due to incomplete or misinterpreted information.

Since the result of JKR's valuation depended on the data and the underlying assumptions, the changes in the data sources and assumptions based on market data would change the result of JKR's valuation. Therefore, JKR stated that the changes to the data used could affect the result of the valuation and that such differences could be material. Although this valuation report had been performed in good faith and in a professional manner, JKR is unable to accept the responsibility for the possibility of the differences in JKR's conclusion caused by additional analysis, the application of the valuation result as a basis to perform the analysis of the transaction or any changes in the data used as the basis of the valuation.

JKR's work related to the valuation of the Valuation Object was not and could not be interpreted in any form, a review or an audit or implementation of certain procedures on financial information. The work was also not intended to reveal weaknesses in internal control, errors or irregularities in the financial statements or violation of law. Furthermore, JKR has also obtained the information on the legal status of the Company and GEMS based on the articles of association of the Company and GEMS.

## **5. The Valuation Approaches and Procedures**

The valuation methods applied in the valuation of the Valuation Object was discounted future economic income method or Discounted Cash Flow Method and Guideline Public Company Method.

Discounted Cash Flow Method was used considering that the operations carried out by GEMS in the future will still fluctuate according to the estimated the GEMS's business development. In performing the valuation through this method, the GEMS's operations were projected based on the estimated the GEMS's business development. Future cash flows generated by the projections were converted into the present value using an appropriate discount rate to the level of risks. Indicative value was the total present value of future cash flows.

Guideline Public Company Method is a valuation method based on market comparison approach. Through this method, the fair market value of equity was determined by share price that has been or ever occurred from similar comparable and commensurate companies. The fair market value of the comparison companies was obtained from the capital market data of publicly-held companies.

The approaches and valuation methods above were considered to be the most suitable methods to be applied in this assignment and had been approved by the management of the Company. It is possible that application of other valuation approaches and methods may give different results.

The values obtained from each method were reconciled with by certain weighting.

## **6. Conclusion**

Based on the analysis of all data and information that JKR has received and by considering all relevant factors affecting the valuation, JKR is of the opinion that the fair market value of the Valuation Object as of December 31, 2014 was IDR 13.9 trillion.

### **B. Summary of the Valuation on 100.00% UFS Shares**

KJPP Suwendho Rinaldy & rekan (“**SRR**”) has been assigned by the management of the Company as an independent appraiser to give an opinion of the fair market value of 100.00% shares of UFS.

The following is SRR’s summary of valuation report of shares for the valuation of 100.00% shares of UFS:

#### **1. The Parties in Proposed Transaction**

The parties involved in Proposed Transaction are the Company and UFS.

#### **2. The Valuation Object**

The Valuation Object in this valuation is the fair market value of 100.00% shares of UFS.

#### **3. The Objective of the Valuation**

The objective of the valuation is to obtain an independent opinion on the fair market value of the Valuation Object stated in USD or its equivalence as of 31 December 2014.

#### **4. Limiting Conditions**

In conducting the analysis, SRR has assumed and relied upon the accuracy, reliability and completeness of all financial and other informations provided to SRR by the management of the Company and UFS or information available to us from public sources, which are correct, complete and not misleading, and SRR has no responsibility to do independent verification of such information. SRR has further relied upon the assurances of the management of the Company and UFS that they are unaware of any facts that would make the information the Company and UFS or its representatives provided to SRR incomplete or misleading.

Analysis for the valuation of the Valuation Object was conducting using data and information as stated above. Any changes to such data and information can influence SRR’s valuation conclusion significantly. SRR has no responsibility for any changes of valuation conclusion, nor any loss, damage, expenses or disbursement caused by undisclosed of information which made the data become incomplete and or misinterpreted.

Since SRR’s valuation is closely dependent on data and assumptions, any changes to the source of information and assumptions related to market will certainly change the conclusion. Therefore, any changes to data used can affect valuation conclusion, and the difference can be significant. Even though this valuation report has been compiled in good faith and in professional way, SRR has no responsibility for possibility of different conclusion due to additional analysis, application of valuation conclusion as a base of transaction analysis, or any data changes in basis of valuation.

SRR's assignment in respect to the valuation is not and cannot be regarded in any ways as, a review or an audit or an execution of certain procedures on financial information. SRR's assignment is not conducted for the purpose of expressing the disadvantages of internal control, errors or fraud in financial reports, or any violations of the law.

## **5. Major Assumptions**

This valuation has been prepared based on the market and economic condition, the general business and financial situation, and the government regulations as of the date of valuation. In preparing this valuation, SRR has considered certain assumptions, such as all conditions and obligations of the Company and UFS have been fulfilled. SRR has also assumed that there will not be any events which may cause any material effects on the assumptions used in the analysis from the effective date of valuation until the date of the issuance of this report.

## **6. The Valuation Approaches and Procedures**

The valuation method used in the valuation of the Valuation Object is adjusted net asset method.

The adjusted net asset method is chosen considering that Valuation Object is an investment company which only has a primary asset in the form of an investment in subsidiaries. In conducting valuation using the adjusted net asset method, the value of the Valuation Object is obtained by adjusting the book values of UFS' assets and liabilities, and deducting the adjusted value of UFS' total assets with the adjusted value of UFS' total liabilities. In performing the adjustment of the book value of the investment in subsidiaries. SRR performed valuation of PT Hutan Rindang Banua ("HRB") considering that HRB is the main investment of UFS.

The valuation methods used in the valuation of shares of HRB are Discounted Cash Flow Method and the Adjusted Net Asset Method.

The Discounted Cash Flow Method is chosen considering that the business activities conducted by HRB in the future will fluctuate in line with HRB' business development. In conducting valuation using this method, the operation of HRB is projected based on estimation of HRB' business development. Future cashflows resulting from projection is converted to present value by a discount rate appropriate with the risk factor. Indicative value is total present value of such future cashflows.

The Adjusted Net Asset Method is chosen considering that HRB is a company which has a primary asset in the form of industrial forest plantation. In conducting valuation using the adjusted net asset method, the value of shares of HRB obtained by adjusting the book values of HRB' assets and liabilities, and deducting the adjusted value of HRB' total assets with the adjusted value of HRB' total liabilities.

Furthermore, the values obtained from all methods applied were reconciled using weighted average to conclude the value of shares of HRB.

## **7. Conclusion**

Based on the analysis on all data and information provided to SRR and considering all factors relevant to the valuation, SRR is of the opinion that the fair market value of the Valuation Object as of 31 December 2014 was amounting to USD 112.6 million.

## **C. The Summary of Fairness Opinion Report for Proposed Transaction**

KJPP JKR has been assigned by the management of the Company to give fairness opinion of the Proposed Transaction (“**Fairness Opinion**”).

The following is the summary of JKR’s Fairness Opinion report for Proposed Transactions:

### **1. The Parties in Proposed Transaction**

The parties involved in Proposed Transaction are the Company and UFS.

### **2. The Fairness Opinion Object**

The Transaction Object of Fairness Opinion is the Proposed Transaction by the Company to perform share swap between 3,941,166,500 shares representing 66.9998% shares of GEMS owned by the Company to UFS with 1,978,327,436 new shares issue by UFS (after the Proposed UFS Reverses Stock) to the Company representing 94.0020% shares of UFS.

### **3. The Objective and Purpose of The Fairness Opinion**

The objective and purpose of the Fairness Opinion on Proposed Transaction is to provide an overview about the fairness of the Proposed Transaction from financial aspects and to comply with the applicable regulations, including without limitation Rule No. IX.E.1 and Rule No. IX.E.2.

### **4. Limiting Conditions and Major Assumptions**

The analysis of the Fairness Opinion on the Proposed Transaction was prepared using the data and information as disclosed above, data and information of which JKR have reviewed. In performing the analysis, JKR relied on the accuracy, reliability and completeness of all financial information, information on the legal status of the Company and other information provided to us by the Company or publicly available information and JKR is not responsible for the accuracy of such information. Any changes to the data and information may materially influence the outcome of JKR’s opinion. JKR also relied on assurances from the management of the Company that they did not know the facts which would lead to the information given to be incomplete or misleading. Therefore, JKR is not responsible for the changes in the conclusions of JKR’s Fairness Opinion caused by such changes in those data and information.

The Company's projected financial statements before and after Proposed Transaction was prepared by the Company's management. JKR has reviewed the projected financial statements and those projections have described the operating conditions and performance of the Company. Overall, there were not any significant adjustments to be made to the performance targets of the Company.

JKR did not perform an inspection of the Company's fixed assets or facilities. In addition, JKR also did not give an opinion on the tax impact of the Proposed Transaction. The services JKR provided to the Company in connection with the Proposed Transaction merely were the provision of the Fairness Opinion on the Proposed Transaction, not accounting, auditing or taxation services. JKR did not perform observation on the validity of the Proposed Transaction from legal aspects and implication of taxation aspects. The Fairness Opinion on the Proposed Transaction was only performed from economic and financial aspects. Furthermore, JKR has also obtained the information on the legal status of the Company and UFS based on the articles of association of the Company and UFS.



JKR's work related to the Proposed Transaction was not and could not be interpreted in any form, a review or an audit or an implementation of certain procedures of financial information. The work was also not intended to reveal weaknesses in internal control, errors or irregularities in the financial statements or violation of law. In addition, JKR did not have the authority and was not in a position to obtain and analyze other transactions that existed and might be available to the Company other than the Proposed Transaction and the effect of these transactions to the Proposed Transaction.

This Fairness Opinion was prepared based on the market and economic conditions, general business and financial conditions as well as government regulations related to the Proposed Transaction on the date of issuance of this Fairness Opinion.

The calculation and analysis in the Fairness Opinion have been performed properly and JKR is responsible for the Fairness Opinion report.

In preparing the Fairness Opinion, JKR applied some assumptions, such as the fulfillment of all conditions and obligations of the Company and all parties involved in the Proposed Transaction. The Proposed Transaction would be executed as described accordingly to a predetermined time period and accuracy of the information regarding the Proposed Transaction which was disclosed by the Company's management.

The Fairness Opinion should be viewed as a whole and the use of a portion of the analysis and the information without considering other information and analysis as a whole may lead to misleading views and conclusions on the process underlying the Fairness Opinion. The preparation of the Fairness Opinion might not be possible to perform through incomplete analysis.

JKR also assumed that from the date of issuance of the Fairness Opinion to the execution date of the Proposed Transaction, there were no changes that could materially affect the assumptions used in the preparation of the Fairness Opinion. JKR is not responsible to reaffirm or to supplement or to update JKR's opinion due to the changes in the assumptions and conditions as well as events occurring after the report date.

The conclusion of the Fairness Opinion is applicable for no changes that might materially have impact on the Proposed Transaction. Such changes include, but not limited to, the changes in conditions both internally on the Company and externally on the market and economic conditions, general conditions of business, trading and financial as well as government regulations of Indonesia and other relevant regulations after the date of issuance of the Fairness Opinion report. Whenever after the date of issuance of this Fairness Opinion such changes occur, the Fairness Opinion on the Proposed Transaction might be different.

## **5. Approaches and Procedures**

In evaluating the Fairness Opinion on the Proposed Transaction, JKR had performed analysis through the approaches and procedures of the Fairness Opinion on the Proposed Transaction as follows:

- Analysis of the Proposed Transaction;
- Qualitative and Quantitative Analysis of the Proposed Transaction; and
- Analysis of the Fairness on the Proposed Transaction.

## **6. Conclusion**

Based on the scope of work, assumptions, data and information received from the Company's management which was used in the preparation of this report, a review of the financial impact on the Proposed Transaction as disclosed in the Fairness Opinion, JKR is of the opinion that the Proposed Transaction is Fair.

## **VII. STATEMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS**

The Board of Directors and the Board of Commissioners of the Company are fully responsible for the truth of all information provided in this Disclosure of Information and have fully disclose the material facts and that there is no other relevant material facts which are not disclosed and may create misunderstanding on the Proposed Transaction.

The Board of Directors and Board of Commissioners of the Company hereby state that the Proposed Transaction is a material transaction as referred to in Bapepam Regulation No.IX.E.2, with the transaction value of more than 50% (fifty percent) of the Company's equity based on the financial statements of the Company as of 31 December 2014. The Proposed Transaction is an affiliated transaction but does not contain a conflict-of-interest as referred to in Bapepam Regulation No.IX.E.1 since there is no conflict on the economic interest of the Company and the economic interest of the member(s) of the Board of Directors, Board of Commissioners, and the main shareholders which can have an adverse effect to the Company.

## **VIII. EGM**

EGM of the Company is planned to be held on 8 April 2015 from 11:00 Western Indonesian Time until finished, at Hotel Pullman Jakarta, 2<sup>nd</sup> floor, the Gallery Room, Jl. M.H. Thamrin No. 59, Central Jakarta 10350, with the following agenda:

1. Approval on the Company's plan to acquire United Fiber System Ltd., a listed company in Singapore, through equity participation, which is a material transaction for the Company ("Proposed Equity Participation"); and
2. Approval on the plan to transfer Company's shares in PT Golden Energy Mines Tbk. which represent 66.9998% of issued and paid-up capital of PT Golden Energy Mines Tbk. to United Fiber System Ltd., of which the transfer is a material and an affiliated transaction for the Company and is an integral and inseparable part of the Proposed Equity Participation.

Shareholder or its proxy who wishes to attend the EGM must bring the copy of its Collective Share Certificate and Identification Card or any other form of identification, and then submits the copy of such documents to the registration officer before entering the meeting room. The shareholder whose shares are in the custodian KSEI shall submit Written Confirmation To Attend The Meeting issued by KSEI to the registration officer before entering the meeting room.

Shareholder who is unable to attend may be represented by his/her proxy by providing written and valid power of attorney with the format and substance as determined by the Company. The power of attorney form is available on business days and working hours at Company's Share Administration Bureau, PT Sinartama Gunita which located at Sinar Mas Land Plaza, Tower I, 9<sup>th</sup> floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350

The EGM of the Company may be held if it is attended by the shareholders of the Company with a valid voting right which represent minimum 75% from all issued and paid-up shares of the Company. Furthermore, the Proposed Transaction is considered approved if it has been approved by the shareholders of the Company which represent 75% of all shares validly represented in the EGM.

If the minimum attendance quorum is not achieved in the first EGM or if the Proposed Transaction is not approved by the shareholders in the first EGM, then the Company will hold a second EGM in accordance with the procedure stipulated in its Articles of Association and the applicable regulations, of which invitation for the second EGM must be done at least 7 days before the second EGM is held without calculating the invitation date and the date of the second EGM and by mentioning that the first EGM was held but did not reach quorum. The second EGM shall be held at the soonest 10 days and at the latest 21 days from the first EGM.

If the Proposed Transaction is not approved by the shareholders in the first EGM and the parties have agreed to extend the deadline for the fulfillment of the conditions precedent at least until the approval from the EGM, then the Company may only re-submit the plan for the second EGM, 12 months after the first EGM as regulated in Regulation No.IX.E.2 regarding Material Transaction and Change of Principal Business Activity and with the procedure as stipulated in the Articles of Association of the Company and the applicable regulations.

If the Proposed Transaction has been approved by the EGM, then such Proposed Transaction may be done within 12 months as stipulated in Regulation IX.E.2. If the execution of the Proposed Transaction cannot be completed within such period of time, then the Company is required to hold another EGM, if the Proposed Transaction is still ongoing.

The Proposed Transaction was approved by the EGM of the Company on 31 December 2013. Since the Proposed Transaction had not been completed within 12 months after such approval, the Company hereby intends to hold another EGM in connection with the Proposed Transaction.

## **IX. ADDITIONAL INFORMATION**

To obtain additional information in connection with the Proposed Transaction, the shareholders of the Company may contact the Corporate Secretary of the Company, on business days and business hours of the Company at the following address:

**Corporate Secretary**  
**PT Dian Swastatika Sentosa Tbk**  
Sinar Mas Land Plaza Tower II, 27<sup>th</sup> Floor  
Jl. M.H. Thamrin No. 51  
Central Jakarta 10350  
Telephone: (021) 31990258  
Fax: (021) 31990259  
Email : hermawan.tarjono@dss.co.id  
website: www.dss.co.id

**Jakarta, 27 February 2015**  
**The Board of Directors of the Company**