

UNITED FIBER SYSTEM LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number: 199508589E

PROPOSED S\$1.88 BILLION ACQUISITION OF 66.9998% OF PT GOLDEN ENERGY MINES TBK – INTERIM IFRS FINANCIAL STATEMENTS FOR FINANCIAL PERIOD ENDED 30 JUNE 2014

The Board of Directors (the “**Board**”) of United Fiber System Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to update Shareholders that a consolidated financial statements for the financial period ended 30 June 2014 (“**FP2014**”) prepared in accordance with International Financial Reporting Standards (“**IFRS**”) (“**Interim FP2014 IFRS FS**”), has been prepared for the purpose of preparing the Proforma Information of the Enlarged Group, in connection with the proposed 66.9998% acquisition of the total issued and paid-up share capital of PT Golden Energy Mines Tbk from PT Dian Swastatika Sentosa Tbk (“**Proposed DSS Acquisition**”). There are no material differences between the accounting principles adopted by the Group in preparing the financial statements in accordance with IFRS and Singapore Financial Reporting Standards.

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to announce the following with regards to the independent auditor’s report (“**Auditor’s Report**”) issued by the Group’s independent auditor (“**Auditor**”) for FP2014:

Disclaimer opinion:

- 1) The Auditor in their Auditor’s Report have highlighted that the Group breached the debt covenant on the loan from a financial institution for which it is entitled to charge the Group default interest of US\$46.0 million up to 30 June 2014. On 26 September 2014, the financial institution agreed to waive the default interest on the completion of the Proposed DSS Acquisition. Notwithstanding that the condition has not been met, the Group did not provide for the default interest of US\$46.0 million and the related charges of US\$5.0 million. This is not in accordance with the requirements of IFRS 9 Financial Instruments: *Recognition and measurement*.
- 2) The Auditor have also in their Auditors’ Report highlighted that the Group incurred a net loss of US\$9,554,000 for the financial period ended 30 June 2014, and on 30 June 2014, the Group is in a net current liability position of US\$121,038,000 and a net liability position of US\$83,245,000. These factors indicated the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern.

Subject to the regulatory and shareholders’ approval, the Board is of the view that (i) the Proposed DSS Acquisition will be successfully completed, (ii) the compliance placement shares will be executed, and (iii) the Company liability under the corporate guarantees claim is contained. The success of the Proposed DSS Acquisition and the compliance share placement will result in (a) the settlement of the corporate guarantee claims through the issuance of shares of the Company, and (b) that the loan and borrowings will be repaid using the proceeds received from the compliance share placement. Based on the above, the Board is of the view that the Group is able to continue as going concern, and that the financial statements have been prepared on the basis that the Group will continue as going concern.

Copies of the aforesaid Interim FP2014 IFRS FS and Auditor's Report are annexed as "Appendix A" and "Appendix B" to this announcement.

By Order of the Board
Pauline Lee
Acting Chief Executive Officer
10 October 2014