

UNITED FIBER SYSTEM LIMITED

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

ISSUANCE OF 5% MANDATORY CONVERTIBLE BONDS IN CONNECTION WITH THE PROPOSED S\$1.88 BILLION ACQUISITION OF 66.9998% OF PT GOLDEN ENERGY MINES TBK – CLOSING OF BONDS ISSUE

Capitalised terms used herein shall have the definitions ascribed to them in the RTO Announcements and the MCB Announcements (as herein defined), unless otherwise stated or the context otherwise requires.

The Board of Directors (“**Board**”) of United Fiber System Limited (“**UFS**” or “**Company**”) refers to the announcement released by the Company on 16 July 2013, 31 January 2014, 7 July 2014 and 23 January 2015 (collectively, “**RTO Announcements**”) in relation to the Proposed DSS Acquisition and the announcements released by the Company on 30 August 2013 (“**MCB Announcement**”) and 31 July 2014 (“**MCB Supplemental Announcement**”), in relation to the Bonds Issue (collectively, “**MCB Announcements**”).

The Company wishes to announce that the Bonds Issue has successfully closed on 13 February 2015 (“**Closing Date**”) and Bonds of an aggregate principal amount of S\$45,834,458.56 (as set out in column 4 of Appendix A) has been issued to The Bank of East Asia Ltd (“**BEA**”) and the Escrow Agent (collectively, the “**Bondholders**”). Other than BEA, the remaining Subscribers (each an “**Escrow Subscriber**”) have notified the Company to issue the Bonds to the Escrow Agent.

Accordingly, as announced in the MCB Announcement, the Bonds Issue to:

- (a) BEA, shall constitute full and final settlement by the Company of (i) the Aggregate Liabilities and Indebtedness to BEA; and (ii) all amounts due and owing by the PLC Companies to BEA, and BEA shall be deemed to have fully and irrevocably released and discharged the Company from all its obligations and liabilities (whether actual or contingent) under the Corporate Guarantee to BEA; and
- (b) the Escrow Agent, shall (i) constitute full and final settlement by the Company of the Aggregate Liabilities and Indebtedness to each Escrow Subscriber, and each Escrow Subscriber shall be deemed to have fully and irrevocably released and discharged the Company from all its obligations and liabilities (whether actual or contingent) under the Corporate Guarantee to each Escrow Subscriber, and any claims that the Escrow Subscriber may have against the Company shall only be made against, and compensated from the Bonds that are held in escrow by, the Escrow Agent; and (ii) notwithstanding the issuance of the Bonds to the Escrow Agent, each Escrow Subscriber shall retain its right to claim on any outstanding amounts due and owing by PLC Companies to such Escrow Subscriber, provided always that if such Escrow Subscriber recovers any outstanding amounts from either PLC Companies or the Escrow Agent, there shall be no double recovery by such Escrow Subscriber for that amount from both the Escrow Agent and PLC Companies.

The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Company, and will at all times rank *pari passu* without any preference among themselves and with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Company other than those preferred by applicable laws.

Subject to the Conditions Precedent to Conversion being satisfied (or waived), the Bonds to be issued to each Subscriber shall, unless previously converted into Conversion Shares by the Subscriber, be mandatorily and automatically converted into Conversion Shares on the date of the Proposed DSS Acquisition Completion.

For illustration only, based on the issue of Bonds of an aggregate principal amount of S\$45,834,458.56, the Conversion Price, the yield calculated at a rate of 5% per annum on the basis of a 365-day year and the actual number of days elapsed from the Closing Date up to until the Conversion Date which is assumed to be 3 June 2015 and the Maximum Liabilities Limit of S\$46.5 million, approximately 2,447,368,421 Conversion Shares may be allotted and issued by the Company assuming full conversion of the Bonds, and such Conversion Shares will represent 63.33% of the existing issued share capital of the Company and approximately 2.14% of the enlarged share capital of the Company¹. An illustration of the foregoing is set out in Appendix A of this Announcement.

The Bonds will not be listed and quoted on the SGX-ST or any other exchange, but application will be made to the SGX-ST in due course to list the Conversion Shares (if issued).

Shareholders are advised to exercise caution in trading their UFS Shares as the Proposed DSS Acquisition and/or the issuance of the Conversion Shares are still subject to numerous conditions precedent and there is no certainty or assurance as at the date of this Announcement that all of the conditions precedent will be satisfied (or waived, as the case may be), or that the Proposed DSS Acquisition and/or the issuance of the Conversion Shares will be completed. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

The Directors (including those who may have delegated detailed supervision of the preparation of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed herein are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading.

BY ORDER OF THE BOARD
UNITED FIBER SYSTEM LIMITED

Pauline Lee
Acting CEO
13 February 2015

¹ Assuming DSS Completion (including completion of the Proposed Share Consolidation (at a consolidation ratio of 50 UFS Shares into 1 consolidated UFS Share) and issuance of the maximum number of 180,000,000 Consolidated DSS Compensation Shares) is on 3 June 2015, the 48,947,368 consolidated Conversion Shares issued by the Company represents approximately 2.14% of the enlarged share capital of the Company comprising 2,284,559,824 consolidated UFS Shares.

APPENDIX A

1. Assumptions: For the purpose of illustration of the Maximum Yield Amount accruing to the Subscribers and the Maximum Number of Conversion Shares to be issued to the Subscribers, following the Bonds Issue on 13 February 2015:

- (a) the yield is calculated at a rate of 5% per annum on the basis of a 365-day year and the actual number of days elapsed from 13 February 2015 (instead of 15 December 2014 as set out in Appendix A of the MCB Supplemental Announcement) up to the Conversion Date which is assumed to be 3 June 2015 (instead of 31 March 2015 as set out in Appendix A of the MCB Supplemental Announcement); and
- (b) the Bonds of an aggregate principal amount of S\$45,834,458.56 and the aggregate Maximum Yield Amount are assumed to be converted into Conversion Shares at an issue price of S\$0.019 per Conversion Share.

2. Illustration:

S/N	Unsecured Creditor / Subscriber	Aggregate Liabilities and Indebtedness at Closing Date (S\$)	Maximum Principal Amount ⁽¹⁾ (S\$)	Maximum Yield Amount ⁽¹⁾ (S\$)	Maximum Principal Amount plus Maximum Yield Amount ⁽¹⁾ (S\$)	Maximum Number of Conversion Shares ⁽¹⁾⁽²⁾
1	RHB Bank Berhad	3,202,847.58	3,190,849.53	46,332.88	3,237,182.41	170,378,022 ⁽³⁾
2	First Capital Insurance Limited	20,525,016.18	20,448,128.29	296,918.03	20,745,046.32	1,091,844,543 ⁽³⁾
3	ECICS Limited	1,054,471.26	1,050,521.15	15,254.14	1,065,775.29	56,093,436 ⁽³⁾
4	EQ Insurance Company Ltd	7,643,040.46	7,614,409.19	110,565.39	7,724,974.58	406,577,609 ⁽³⁾
5	The Bank of East Asia Ltd	258,979.97	258,009.82	3,746.44	261,756.26	13,776,645
6	United Overseas Bank Limited	2,940,395.60	2,929,380.71	42,536.21	2,971,916.92	156,416,680 ⁽³⁾
7	First Gulf Bank PJSC	10,382,051.63	10,343,159.87	150,188.35	10,493,348.22	552,281,485 ⁽³⁾
TOTAL		46,006,802.68	45,834,458.56	665,541.44⁽¹⁾	46,500,000.00	2,447,368,420⁽²⁾

Note:

- (1) Notwithstanding the aggregate actual yield amount on the Bonds of all Subscribers accruing from 13 February 2015 to 3 June 2015 (being the assumed Conversion Date) exceeds S\$665,541.44, the Maximum Yield Amount is adjusted such that the aggregate Maximum Principal Amount and the Maximum Yield Amount of all Subscribers shall not exceed the Maximum Liabilities Limit.
- (2) The aggregate maximum number of Conversion Shares is less than 2,447,368,421, due to each Subscriber's maximum number of Conversion Shares being rounded down to the nearest whole Conversion Share.
- (3) The Conversion Shares will be issued to the Escrow Agent.

IMPORTANT NOTICE

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for or a sale of the Bonds and/or Conversion Shares in the United States or any other jurisdiction. The Bonds and/or Conversion Shares to be issued have not been, and will not be registered under the United States Securities Act of 1933 (as amended) ("**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Neither this notice nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.