

UNITED FIBER SYSTEM LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number: 199508589E

CLARIFICATION IN RELATION TO A BUSINESS TIMES ARTICLE DATED 11 OCTOBER 2014

Capitalised terms used herein shall have the definitions ascribed to them in the announcements released by the Company on 5 June 2013, 16 July 2013 and 7 July 2014 (collectively, "Relevant Announcements") in relation to the proposed S\$1.88 billion acquisition ("Proposed DSS Acquisition") of 66.9998% of PT Golden Energy Mines Tbk ("Gems"), unless otherwise stated or the context otherwise requires.

The Board of Directors ("**Board**") of United Fiber System Limited ("**UFS**" or "**Company**" or "**UniFiber**") wishes to refer to an article dated 11 October 2014 in The Business Times titled "UniFiber Auditor, Directors Differ on Going-Concern Issue" ("**BT Article**"), a copy of which is attached herewith for reference.

The Board refers more specifically to the following statement in the BT Article:-

"UniFiber's directors, however, have a different view on the firm being able to settle its debt - on the assumption that the firm's proposed acquisition of Gems would be successful. Pointing to a planned compliance share placement of up to 226.5 million shares - to restore the firm's public float and maintain its listing status - the US\$160.4 million that will be raised will be used to settle the group's loans and borrowings as well as for expansion and general working capital purposes, they said."

As disclosed in the Relevant Announcements, pursuant to the terms of the share and purchase agreement between the Company and DSS in relation to the Proposed DSS Acquisition ("**SPA**"), the Company has undertaken to use all reasonable endeavours to carry out a fully underwritten placement of its shares to restore minimum public float in the event that following completion of the Proposed DSS Acquisition, the minimum public float requirements to maintain its listing on the Main Board of the SGX-ST are not met. Further, it is a Condition Precedent to the Proposed DSS Acquisition that the Company receives a letter of interest from a financial institution expressing its intention to fully underwrite a placement of the shares of the Company at such placement price to be mutually acceptable to the Company and DSS ("**Proposed Compliance Placement**").

The Company wishes to clarify that the proposed compliance share placement of up to 226,500,000 UFS Shares raising proceeds of US\$160.4 million, as quoted in the BT Article, is an estimate by the Company, having consulted its financial advisor to the Proposed DSS Acquisition with regards to the number of new UFS Shares required to be issued on a post-consolidation basis to restore public float requirements following completion of the DSS Acquisition, taking into account, *inter alia*, the Proposed Share Consolidation of 50 UFS Shares into 1 consolidated UFS Share and the maximum number of Compensation Shares and MCB Shares to be issued in connection with the Proposed DSS Acquisition, and assuming that the issue price of the placement shares is the same as that for the issuance of new consolidated shares to DSS pursuant to the Proposed DSS Acquisition. The terms of the Proposed DSS Acquisition, including the Proposed Share Consolidation and the Proposed Compliance Placement, remain subject to, *inter alia*, approval of SGX-ST and shareholders of the Company.

While the Company shall, as required under the SPA, use all reasonable endeavours to procure the underwriting of the Proposed Compliance Placement at the appropriate time, the Board wishes to further clarify, for the avoidance of doubt, that as at the date of this Announcement, the Company has not received any formal commitment from any financial institution to underwrite the Proposed Compliance Placement.

The Company remains fully committed to the Proposed DSS Acquisition and in the event that any Condition Precedent could not be satisfied (or waived, as the case may be) or that the Proposed DSS Acquisition is terminated, the Company will make an appropriate announcement, but pending such occurrence, the Group's financial statements have been prepared on the premise that, *inter alia*, the Proposed DSS Acquisition and the Proposed Compliance Placement will be completed.

Shareholders are reminded to continue exercising caution in trading their shares as the Proposed DSS Acquisition remain 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), including the Condition Precedent relating to the Proposed Compliance Placement, or that the Proposed DSS Acquisition will be completed. Shareholders are advised to read the Relevant Announcements together with all other existing and future announcements by the Company in relation to the Proposed DSS Acquisition 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.

RESPONSIBILITY STATEMENT

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 Chief Executive Officer
13 October 2014