

## PROPOSED ACQUISITION OF 70% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SAFUAN BARA-LINK S.A. (PTY) LTD (THE "PROPOSED ACQUISITION")

### 1. INTRODUCTION

In MediaStream Limited's ("**MSL**" or the "**Company**") announcement dated 29 June 2004, the Company had disclosed, *inter alia*, that it would continue its ongoing restructuring efforts to identify other investment opportunities to diversify its business portfolio as well as to seek additional capital given the continued uncertain financial performance of the Company.

The board of directors of the Company (the "**Directors**") is pleased to announce that it had on 12 August 2004 (the "**Agreement Date**"), entered into a conditional sale and purchase agreement with Safuan Group International Limited (the "**Vendor**") to acquire from the Vendor its entire 70% equity interest in Safuan Bara-Link S.A. (Pty) Ltd ("**Safuan SA**") (the "**Agreement**") comprising 140 ordinary shares of par value 1 Rand each in the capital of Safuan SA (the "**Sale Shares**"). Further details pertaining to the Vendor, its directors and registered shareholders are disclosed in Section 3 of this announcement. Under the Agreement, the purchase consideration in respect of the Proposed Acquisition of S\$85 million (the "**Purchase Consideration**") is proposed to be satisfied by the allotment and issuance of 4,250,000,000 new ordinary shares of par value S\$0.01 each in the share capital of the Company at an issue price of S\$0.02 each (the "**Issue Price**") credited as fully paid up (the "**Consideration Shares**"). Further details in respect of the Purchase Consideration are set out in Section 7 of this announcement.

Safuan SA owns the exclusive right to undertake a mixed development project in a precinct commonly referred to as the Bara-Link Precinct 9 in South Africa (the "**Safuan SA Land**") under a development agreement entered into between the Vendor, Sam Sisonke and the Greater Johannesburg Metropolitan Council on 22 September 2000, as amended by a supplemental agreement dated 18 September 2003 signed between Safuan SA (which replaced the Vendor) and the City of Joburg Property Company (Pty) Ltd (which replaced the Greater Johannesburg Metropolitan Council) (the "**Development Agreement**"). The City of Joburg Property Company (Pty) Ltd was established in 2000 as the property management and development arm of the City of Johannesburg and its utilities, agencies and corporate entities, as part of a specific program to streamline operations to achieve a better financial situation and service delivery for the City of Johannesburg. Further details pertaining to the Safuan SA Land is disclosed in Section 5 of this announcement.

Amongst the conditions precedent to the Agreement, the Company will, within 14 days of the Agreement Date enter into a convertible loan agreement with the Vendor and subsequently enter into a scheme of arrangement with the Company's creditors, details of which are set out

in Sections 8.1(l), (m) and (q) of this announcement. The completion of the Proposed Acquisition (the "**Completion**") shall take place on the completion date, being 12 May 2005 (the "**Completion Date**") or such other date as may be mutually agreed between the Company and the Vendor (collectively the "**Parties**" or individually the "**Party**" whichever the case may be) in writing provided that such date shall not occur after 12 August 2005.

## **2. VERY SUBSTANTIAL ACQUISITION OR REVERSE TAKEOVER**

The Purchase Consideration represents approximately 592% of the Company's market capitalization of S\$14.36 million, based on MSL's volume-weighted average share price of S\$0.01990 each for trades done on the SGX SESDAQ on 12 August 2004 being the latest available trading day immediately preceding the signing of the Agreement. In addition, the Consideration Shares represent approximately 589% of the Company's current number of shares in issue of 721,610,850 ordinary shares of par value S\$0.01 each in the share capital of the Company (the "**Shares**").

Accordingly, the Proposed Acquisition shall be deemed as a "Very Substantial Acquisition or Reverse Takeover" pursuant to Rule 1006(c), 1006(d) and 1015(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Under the provisions of Rule 1015(2) of the SGX-ST Listing Manual, the completion of the Proposed Acquisition shall be conditional upon the approval of the Company's shareholders at a general meeting and the approval of the SGX-ST being obtained.

The relative net profits threshold (as set out in Rule 1006(b) of the SGX-ST Listing Manual) is below 5% while the relative net asset threshold (as set out in Rule 1006 (a) of the SGX-ST Listing Manual) is not applicable as the Proposed Acquisition is an acquisition transaction (as opposed to a disposal).

## **3. BACKGROUND INFORMATION ON THE VENDOR, ITS DIRECTORS AND REGISTERED SHAREHOLDERS**

Safuan Group International Limited, the Vendor, was incorporated in the British Virgin Islands on 21 December 1995 with its registered office at Offshore Incorporations Limited, P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The Vendor has an authorized share capital of US\$5,000,000 comprising 5,000,000 ordinary shares of par value US\$1.00 each. The current issued and paid-up share capital of the Vendor is US\$3,315,001 comprising 3,315,001 ordinary shares of par value US\$1.00 each. The principal activity of the Vendor is that of an investment holding company. As at 12 August 2004, the exchange rate was US\$0.58294 for S\$1.00 (Source: Bloomberg).

The directors of the Vendor are Dato' Matshah Safuan and Mohd Faizal bin Matshah (the son of Dato' Matshah Safuan). The registered shareholders of the Vendor are Safuan Group Berhad (the "**Safuan Group**") and Dato' Matshah Safuan with shareholdings in the Vendor of 1,450,000 and 1,865,001 ordinary shares of par value of US\$1.00 each representing approximately 43.74% and 56.26% of the share capital of the Vendor respectively.

The Safuan Group is a public limited company in Malaysia incorporated in 1965 and has its principal operations in Malaysia. As at the date hereof, the Safuan Group has an authorized share capital of RM422.5 million comprising RM422.5 million shares of par value RM1 each. The history of the Safuan Group dates back to 1965, where as a sole proprietorship, it was awarded construction projects from the Malaysian government and the private sector in Malaysia. Since 1965, the Safuan Group has grown into a leading wholly-owned Bumiputra conglomerate in the field of large scale housing and property development in Malaysia. As at 12 August 2004, the exchange rate was RM 2.21516 to S\$1.00 (Source: Bloomberg).

Today, the Safuan Group is a Malaysian conglomerate consisting of more than 70 companies with business and commercial interests ranging from housing and property development, hotels and resorts, tourism and travel, dredging and reclamation, construction, quarrying and mining, trading, civil engineering, aviation and financial and management services. Notwithstanding the aforesaid, the core business activity of the Safuan Group lies in property development. Under its property development group of businesses, the Safuan Group has built more than 10,000 residential shop houses and offices, commercial and industrial estates throughout Malaysia, including property developments in Kuala Lumpur such as the Menara Safuan, the Safuan Plaza as well as the new Regency International Hotel Kuala Lumpur and is currently undertaking several other property development projects in various regions in Malaysia. In addition, as the franchisee of the Regency International Hotel chain, the Safuan Group owns and manages several hotels and resorts under the Regency International Hotel name in Pattaya, Thailand, Kuala Lumpur and Negri Semblian, Port Dickson.

Dato' Matshah Safuan, aged 58, is the Executive Chairman and the major shareholder of the Safuan Group. Dato' Matshah Safuan is a director of a number of Malaysian and overseas companies and has acted as a nominee to the Malaysian Government on various statutory corporations and boards including being a member of the Executive Board of Trustees in the Islamic Economic Development Foundation of Malaysia since 1989, President of the Malay Chamber of Commerce, President of the City Hall Council and a former member of the Kuala Lumpur City Advisory Council.

Dato' Matshah Safuan has over 30 years of experience in the real estate development and construction industry and has participated in a variety of Trade and Commercial Associations, including acting as the Chairman of the Malay Developers Association of Malaysia and the deputy Chairman of the Malaysian Malay Businessman and Industrialists Association. For his outstanding public contributions, he has been awarded the title of "Dato" from the Head of the Negri Semblian State.

#### **4. BACKGROUND INFORMATION ON SAFUAN SA**

Safuan SA was incorporated in South Africa in October 1998 with an authorized share capital of 1,000 Rand comprising 1,000 ordinary shares of 1 Rand each. The current issued and paid-up share capital of Safuan SA is 200 Rand comprising 200 ordinary shares of 1 Rand each. As at 12 August 2004, the exchange rate was 3.74902 Rand for

S\$1.00 (Source: Bloomberg).

Safuan SA owns the exclusive right to undertake Safuan SA Land, a mixed development project in Bara-Link Precinct 9 in South Africa under the Development Agreement.

The Vendor currently owns 70% equity interest in Safuan SA, while Mr Ralph Lawrence Peterson, a representative of the City of Joburg Property Company (Pty) Ltd holds the remaining 30% equity interest in Safuan SA on behalf of the City of Joburg Property Company (Pty) Ltd. In addition, the Vendor has warranted that Safuan SA would have by the Completion Date, be the legal and beneficial owner of, and beneficially entitled to the whole of the proceeds of sale of, and have good and marketable title to the whole of, the Safuan SA Land of which it will be named as owner free from all encumbrances other than those particulars of which are set out a disclosure letter in respect of the Vendor's warranties made by the Vendor to the Company to be executed and delivered within 3 weeks after the Agreement Date (the "**Disclosure Letter**").

## **5. BACKGROUND INFORMATION ON THE SAFUAN SA LAND**

The Safuan SA Land forms part of a bigger development project that is undertaken by the City of Joburg Property Company (Pty) Ltd to develop a total of up to 1,500 hectares of land. The entire development project is segregated into the development of 9 precincts to be completed in 3 separate phases.

The Development Agreement relates the development of Precinct 9 which is a mixed commercial and residential housing project to be carried out in several stages on a plot of land with an area of approximately 230 hectares (the "**Development Project**"). The Development Project is currently in the 1st phase of development involving the development of 2,500 units of walk-up apartments of up to 4 storeys. Pursuant to the Development Agreement, the said 2,500 units will be bought by the City of Joburg Property Company (Pty) Ltd.

The 2nd phase of the development comprises 10,000 units of mixed development inclusive of apartments, townhouses, shop houses, retail and commercial developments.

The 3rd phase of the development comprises the development of Precincts 1 through 8, which is part of the larger development project undertaken by the City of Joburg Property Company (Pty) Ltd. However, the 3rd phase of the development does not currently form part of the Development Agreement.

The Safuan SA Land is situated approximately 8 km west from the central business district of Johannesburg and forms part of a development node in terms of the latest Integrated Development Plans, a land development project that is being undertaken by the City of Joburg Property Company (Pty) Ltd for the greater Johannesburg.

## **6. RATIONALE OF THE PROPOSED ACQUISITION**

The Directors have previously stated in its various announcements that the financial performance and outlook of the Company and its subsidiaries (the "**MSL Group**") remain uncertain. As part of the

Company's ongoing restructuring efforts, the Directors have considered various opportunities to invest in new business activities.

The Directors believe that the Proposed Acquisition is an investment opportunity that would be in the best interests of the Company. In view of the experience and expertise of the Safuan Group in the area of property project development, the participation of the City of Joburg Property Company (Pty) Ltd and the potential of the Development Project, the Directors note that completion of the Proposed Acquisition would allow the Company to:

- (i) diversify the business activities of the MSL Group;
- (ii) enjoy the benefits accruing to a long-term investment and broaden the earnings base of the MSL Group; and
- (iii) eventually serve to enhance shareholders' value.

## **7. PURCHASE CONSIDERATION**

The purchase consideration for the Proposed Acquisition is approximately S\$607,143 per Sale Share, amounting to an aggregate consideration of S\$85 million for the Sale Shares.

The issue price of new Shares for the Purchase Consideration at S\$0.02 each was negotiated at arm's length and arrived at based on a "willing buyer willing seller" basis, and represents a premium of 33.07% to the volume weighted average price of the Shares of approximately S\$0.01503 for a period of 5 trading days immediately preceding the Agreement Date

The Consideration Shares, when issued and allotted, will be issued free from all claims, charges, liens and other encumbrances and shall rank *pari passu* in all respects with and carry all rights similar to the then existing issued Shares. The Consideration Shares, when issued, will represent approximately 83.62% of the enlarged issued and paid-up share capital of the Company, having taken into account the effects on the share capital of the Company of the Proposed Acquisition and the Loan (pursuant to Section 8.1(I) below) and also assuming that the maximum amount of loan to the Company is S\$1.5 million.

## **8. CONDITIONS PRECEDENT**

8.1 Completion under the Agreement shall be conditional upon the following conditions precedent ("**Conditions Precedent**"):

- (a) completion, on or before the Completion Date, of professional valuations on the Safuan SA Land by valuers appointed by the Company with the Safuan SA Land being valued at no less than S\$120 million;
- (b) the Vendor having obtained all necessary consents, approvals and waivers from the relevant authorities in South Africa, the British Virgin Islands and/or Malaysia (if any) for the sale and transfer of the Sale Shares to the Company, and such consents, approvals and waivers not having been amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Parties;
- (c) the Company having obtained all necessary consents, approvals and waivers from the relevant authorities in Singapore (if any) for the sale and transfer of the Sale Shares to the Company and the allotment and listing of the Consideration Shares

issued to the Vendor, and such consents, approvals and waivers not having been amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Parties;

(d) the approval of the board and shareholders of the Company for the transactions described in the Agreement being obtained at a general meeting of such shareholders on or before the Completion Date;

(e) the approval of the board and shareholders of the Vendor for the transactions described in the Agreement being obtained at a general meeting of such shareholders on or before the Completion Date;

(f) the Company having obtained approval of the SGX-ST for the transactions described in the Agreement on or before the Completion Date;

(g) the Company having obtained approval-in-principle from the SGX-ST for the listing and quotation of the Consideration Shares on the Official List of the SGX-SESDAQ on terms (if any) acceptable to the Vendor and such approval-in-principle not having been revoked or amended on or before the Completion Date;

(h) a waiver having been granted by the Securities Industry Council of Singapore that a mandatory offer for shares in the Company under Rule 14 of the Singapore Code on Take-overs and Mergers is not required in connection with the issue of the Consideration Shares;

(i) the issue of the Consideration Shares by the Company not being prohibited by any statute, order, rule or regulation promulgated after the date of the Agreement by any legislative, executive or regulatory body or authority of Singapore;

(j) the sale of the Sale Shares by the Vendor not being prohibited by any statute, order, rule or regulation promulgated after the date of the Agreement by any legislative, executive or regulatory body or authority of South Africa, the British Virgin Islands and/or Malaysia;

(k) all of the representations and warranties of each Party (considered collectively) and each of these representations and warranties (considered individually), must have been accurate in all material aspects as of the date of the Agreement, and must be accurate in all material aspects as of the Completion Date as if made on the Completion Date;

(l) the Parties entering into a convertible loan agreement within two (2) weeks after the Agreement Date (the "**CLA**") which shall include but not be limited to the following terms and conditions:

(i) The maximum amount to be loaned by the Vendor to the Company shall not exceed S\$1.5 million (the "**Loan**");

(ii) To the extent permitted by applicable law, the Company shall utilise the Loan for the purpose of paying the fees, costs and expenses of third parties engaged or to be engaged to advise on and in relation to the transactions described in the Agreement and such other purposes as may be mutually agreed between both Parties in writing;

(iii) The disbursement of the Loan shall take place as and when required by the Company but subject to the approval of the Vendor (such approval not to be unreasonably withheld) over a period commencing from the date of the signing of the CLA and ending on the Completion Date;

(iv) The Loan shall be made available to the Company by way of deposit in a bank account to be opened under the name of the Company and operated jointly by duly appointed representatives of both the Company and the Vendor, or in some other manner as may be mutually agreed between both Parties in writing;

(v) The Vendor may assign all or part of its rights or transfer all or part of its obligations under the CLA to a third party, and in such event, the Vendor and/or such third party shall comply with any requirements that the Securities Industry Council of Singapore may impose to determine that the Vendor and such third party are not acting in concert with each other;

(vi) The Vendor and/or such third party as referred to in Clause 8.1(l)(v) shall convert all or part of the Loan outstanding into such number of new Shares to be issued at the weighted average price of the Company's Shares over the last five (5) trading days immediately preceding the Agreement Date less a 10% discount (the "**Loan Issue Price**"), credited as fully paid up upon the conversion of the Loan, such new Shares to rank *pari passu* in all respects with all other Shares. Such conversion shall take place latest by the Completion Date or upon any termination of the Agreement, whichever is the sooner;

(m) The Loan must have been fully disbursed by Completion in accordance with the terms and conditions of the CLA;

(n) the completion within three (3) months after the date of disbursement of the first tranche of the Loan, and satisfactory outcome, of all financial and legal due diligence investigations by the Company in respect of Safuan SA;

(o) the completion within three (3) months after the date of disbursement of the first tranche of the Loan, and satisfactory outcome, of all financial and legal due diligence investigations by the Vendor in respect of the Company;

(p) the Company entering into an in-principle agreement with its creditors by one (1) month after the date of signing of the Agreement, temporarily imposing a moratorium on the said creditors' rights to recover their outstanding debts as against the Company, pending the entry into the scheme of arrangement described in Clause 8.1(q) below;

(q) the Company entering into a scheme of arrangement with its creditors, including but not limited to Overseas-Chinese Banking Corporation Limited ("**OCBC**"), International Factors Singapore Limited ("**IFS**") (if applicable) and United Overseas Bank Limited ("**UOB**") (collectively the "**Creditors**"), under Section 210 of the Singapore Companies Act (Cap. 50) within three (3) months after the date of signing of the Agreement on terms and conditions acceptable to the Vendor (the "**Scheme of Arrangement**"), including but not limited to the following terms and conditions:

(i) With regards to OCBC, the Company shall sell the building known as 39, Tampines Street 92, MediaStream Building, Singapore 528883 (the "**MSL Building**") (under an open tender duration of between four (4) to six (6) weeks) and use the entire proceeds to satisfy OCBC's outstanding debts as against the Company. Any remaining outstanding debts as against the Company shall then be converted into new Shares to be issued by the Company at the price of S\$0.02 each (the "**Conversion Shares**");

(ii) With regards to all other creditors, all respective outstanding debts as against the Company shall be converted into Conversion Shares;

(r) the Company procuring the appointment of a person within one (1) month after the

date of signing of this Agreement, who shall be nominated by the Vendor, to the board of directors of the Company;

(s) the Company shall enter into a sale and purchase agreement by the Completion Date to sell its entire shareholdings in the capital of Infinite Frameworks Pte Ltd by the Completion Date, such agreement to be completed within three (3) months after the Completion Date; and

(t) the acceptance by the Company of the exceptions to the Vendor's warranties as disclosed in the Disclosure Letter, such acceptance being deemed to have been given by two (2) weeks after the delivery of the Disclosure Letter. In the event of any written notification of non-acceptance by the Company, the Parties shall use their best endeavours to resolve the differences, save that such acceptance by the Company shall be deemed to have been given by the expiry of two (2) weeks after the second written notification of non-acceptance by the Company (if any).

8.2 The Vendor shall be entitled in its absolute discretion, by written notice to the Company, to waive any or all of the Conditions Precedent either in whole or in part.

8.3 If any of the Conditions Precedent is not fulfilled (or waived by mutual agreement between the Parties) by the relevant date stated above or latest by Completion Date, the Agreement shall ipso facto cease and determine and neither Party shall have any claim of any nature whatsoever against the other Party under the Agreement (save in respect of any breaches by any Party of the obligations under Clause 8.4 or any other rights and liabilities of the Parties which have accrued prior to termination).

8.4 Each Party shall use its respective best endeavours to procure the fulfilment of the Conditions Precedent for which it is respectively responsible as soon as reasonably practicable and to the satisfaction of the other Party, and in particular shall furnish such information, supply such documents, pay such fees and do all such acts and things as may be required to enable such Conditions Precedent to be fulfilled by it.

## **9. EFFECT OF THE PROPOSED ACQUISITION, THE LOAN AND THE SCHEME OF ARRANGEMENT ON THE SHAREHOLDING OF MSL, ITS SUBSIDIARIES AND ASSOCIATED COMPANIES (COLLECTIVELY THE "MSL GROUP")**

At Completion, the Company shall allot and issue 4,250,000,000 new Shares to the Vendor in relation to the Proposed Acquisition.

Assuming that all terms and conditions stipulated in Section 8.1 above, including the terms and conditions pertaining to the are met, and that the Loan to be disbursed to MSL amounts to the maximum of S\$1.5 million (the "**Maximum Loan Amount**") over the period commencing from the Agreement Date and ending on the Completion Date and, *for illustrative purposes only*, the Maximum Loan Amount is converted at an issue price of S\$0.01353 (being the weighted average price of the Shares over the last 5 trading days immediately preceding the Agreement Date less a 10% discount), there would be a conversion of the Maximum Loan Amount into an aggregate of 110,864,745 new Shares (the "**Maximum CLA Shares**"). The shareholders of MSL had during the Company's annual general meeting held on 15 June 2004 passed the resolution to give the Directors a general mandate to allot and issue new Shares not exceeding 20% of the existing issued share capital (the "**General Mandate**") (the "**Resolution**") at the time of passing of the Resolution ("**Existing Share Capital**") pursuant to section 161 of the Companies Act (Cap. 50). As the Maximum CLA Shares represent approximately 15.4% of the Existing Share Capital,



shareholders' approval is not required as the issue of the Maximum CLA Shares is within the limit of the General Mandate.

Based on the aforesaid assumptions, the effects of the Proposed Acquisition and the Loan on the shareholdings of the MSL Group are set out below:

	Before Completion		After Completion(1)	
	No. of issued and paid-up Shares	(%)	No. of issued and paid-up Shares	(%)
Vendor	-	-	4,250,000,000	83.62
Vendor or its assigned third parties in respect of CLA	-	-	110,864,745	2.18
Existing Shareholders George Thia Peng Heok(2)	63,254,560	8.77	63,254,560	1.25
Irisca Investments Pte Ltd(2)	65,937,000	9.14	65,937,000	1.30
Frandeur Holdings Pte Ltd(2)	60,000,000	8.31	60,000,000	1.18
Marison Investments Ltd(2)	60,000,000	8.31	60,000,000	1.18
Poh Kee Ping Desmond	115,500,000	16.01	115,500,000	2.27
Public shareholders	356,919,290	49.46	356,919,290	7.02
Subtotal	721,610,850	100.00	721,610,850	14.20
<b>Total</b>	<b>721,610,850</b>	<b>100.00</b>	<b>5,082,475,595</b>	<b>100.00</b>

Note:

(1) The shareholding effects after completion set out in this table does not take into account the effect of the Scheme of Arrangement. The effect of the Scheme of Arrangement on the shareholdings of the MSL Group would be shown in a later announcement pending further discussions with the Creditors in respect of the Scheme of Arrangement.

(2) By virtue of his shareholding in Irisca Investments Pte Ltd, Frandeur Holdings Pte Ltd and Marison Investments Limited, Mr George Thia Peng Heok, as a substantial shareholder of the Company, is also deemed to have an interest in the Shares held by these companies.

## 10. FINANCIAL EFFECTS

**For illustrative purposes only**, the following sets out the financial effects of the Proposed Acquisition and the Loan (the "**Financial Effects**") on the issued and paid-up share capital, net tangible assets, gearing and earnings of the MSL Group (respectively, the "**Share Capital**", the "**NTA**", the "**Gearing**" and the "**Earnings**"), assuming that the Proposed Acquisition and the Loan had been completed and fully disbursed and converted by 31 December 2003.

Shareholders are advised to note that the financial effects of the Scheme of Arrangement on the Share Capital, the NTA, the Gearing and the Earnings have been excluded in this section and will be announced at a later date pending further discussions between the Company and its creditors in respect of the Scheme of Arrangement.

### Share Capital

	<b>Par Value (\$)</b>	<b>No. of Shares</b>	<b>Share Capital (\$)</b>
▪ As at 31 December 2003 (audited)	0.01	721,610,850	7,216,108.50
▪ After conversion of the Loan(1)	0.01	832,475,595	8,324,755.95
▪ Upon completion of Proposed Acquisition	0.01	5,082,475,595	50,824,755.95

Note:

(1) The effect on the Share Capital relating to the Loan is based on the assumptions as stipulated in Section 9 above.

### NTA

	<b>NTA(1) (\$)</b>	<b>No. of Shares</b>	<b>NTA per Share (Singapore Cents)</b>
▪ As at 31 December 2003 (audited)	(718,343)	721,610,850	(0.100)
▪ After conversion of the Loan	781,657	832,475,595	0.094
▪ Upon completion of Proposed Acquisition (2)	84,781,657	5,082,475,595	1.67

Notes:

(1) The NTA is calculated based on total assets net of total liabilities and intangibles, excluding minority interests.

(2) The NTA upon the completion of the Proposed Acquisition is

calculated based on a valuation of S\$120 million of the Safuan SA Land of which S\$36 million in minority interests is deducted.

Gearing

	<b>Total Debt of MSL Group (S\$)</b>	<b>Total Shareholders' Funds of MSL Group (1) (S\$)</b>	<b>Gearing (times) (2)</b>
▪ As at 31 December 2003 (audited)	9,879,118	(718,343)	n.m(3)
▪ After conversion of the Loan	9,879,118	781,657	11.56
▪ Upon completion of Proposed Acquisition (4)	9,879,118	84,781,657	0.12

Notes:

(1) The total shareholders' funds of MSL Group were calculated excluding minority interests.

(2) The Gearing is calculated based on total bank borrowings divided by shareholders' funds.

(3) "n.m." means not meaningful.

(4) The Gearing upon completion of the Proposed Acquisition is calculated based on a valuation of S\$120 million of the Safuan SA Land of which S\$36 million in minority interest is deducted.

Earnings

As at the date of this announcement, Safuan SA has not yet recorded any sales or earnings. Based on this, completion of the Proposed Acquisition would not have a material impact on the earnings of the Company.

**11. INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has any interests, direct or indirect, in the Proposed Acquisition.

**12. SERVICE CONTRACTS**

Pursuant to the Section 8.1(r) of this announcement, there is no service contract for the director proposed to be appointed to the Company's board of directors in connection with the Proposed Acquisition (the "**Proposed Director**").

**13. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors 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

Thia Peng Heok  
Executive Chairman  
MediaStream Limited