

MEDIASTREAM LIMITED

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

MediaStream Limited (the "**Company**" or "**MSL**") refers to its announcement on 16 August 2004 (the "**Announcement**") in relation to the above captioned.

Further to the Announcement, the Company has on 17 August 2004, received a request from the Singapore Exchange Limited to provide additional information in respect of the Proposed Acquisition for clarification purposes. We have set out in this announcement the additional information requested and our responses thereto.

Terms used but not defined in this announcement shall have the same meanings as those used and defined in the Announcement.

2a.	In relation to the Safuan SA Land, to disclose the following:-
2a(i)	All approvals which are necessary for the development of phases 1 and 2.
	<p>The specific list of approvals to be sought for phases 1 and 2 of the development of the Safuan SA Land (the "Approvals") would be finalized upon completion of the due diligence to be carried out on Safuan SA in respect of the Proposed Acquisition, which pursuant to the conditions precedent to the Agreement as set out in Section 8 of the Announcement, must be completed within 3 months of the Agreement Date. The Company will make the relevant announcement when the list of the Approvals is received by the Company.</p> <p>Notwithstanding the aforesaid, pursuant to the Development Agreement, the City of Joburg Property Company (Pty) Ltd, a successor in title to the Southern Metropolitan Local Council of the Greater Johannesburg Metropolitan Council, (the "Council"), "<i>...will take all measures necessary to secure co-operation of various tiers of Government (being the government of South Africa) in respect of the project so as to procure all the requisite permits, authorizations and consents which may be necessary</i>". In addition, also pursuant to the Development Agreement, the Council had undertaken to assist Safuan SA to obtain all necessary authorizations from the appropriate authorities that may be necessary for the development and the project to enable Safuan SA to carry out and complete its functions, duties and responsibilities relating to the Development Project.</p>
2a(ii)	Whether such approvals have been obtained. If they have been, to state so and date on which the approval was given. Otherwise, to state when each approval is expected to be obtained.
	<p>In respect of our response to query 2(a)(i) above, none of the Approvals has been obtained as of the date of this announcement as the Approvals would have to be applied for upon the completion of certain milestones pertaining to the Development Project. As such, the Approvals will be applied for at the appropriate time as the Development Project progresses.</p>
2a(iii)	The name of the professional valuers and whether they are independent.

	CE Richard Ellis South Africa is expected to be appointed as an independent valuer to value the Safuan SA Land pursuant to the condition precedent to the Agreement as set out in Section 8.1(a) of the Announcement (the "Independent Valuer").
2a(iv)	Information as required under Rule 1010(5) of the Listing Manual.
	<p>Safuan SA has been dormant since its incorporation. Apart from an issued and paid-up capital of 200 Rand, there are currently no other assets in Safuan SA. The Safuan SA Land is in the process of being transferred into Safuan SA in preparation for the commencement of the Development Project. Taking into account that the minimum valuation of the Safuan SA Land is S\$120 million, (pursuant to the condition precedent to the Agreement as set out in Section 8.1(a) of the Announcement), the net tangible asset value of the Safuan SA Land would be at least approximately S\$120 million.</p> <p>The Company would make the relevant announcement when the valuation of the Safuan SA Land has been completed.</p>
2a(v)	The price per unit at which the 2,500 units will be sold to City of Joburg Property Company (Pty) Ltd.
	Pursuant to the undertaking set out in the Development Agreement, the said 2,500 units which forms part of phase 1 of the Development Project will be sold to the Council, commercial terms of which will be negotiated upon and finalized between Safuan SA and the Council.
2a(vi)	The amount needed to finance the development phases 1 and 2.
	Based on the initial estimates of the Development Project provided by the Vendor to the Company, the total development cost for the Safuan SA Land which comprises phases 1 and 2 of the Development Project, is approximately USD250 million over a period of 7 years.
2a(vii)	How the development for the phases 1 and 2 will be financed.
	Credit lines amounting to USD35 million (the "Credit Lines") have been secured by the Vendor to-date, which will be used to finance the Development Project. Once the Development Project commences, Safuan SA expects cash inflow to be generated from pre-sales/sales of housing units (the "Sales"). Such cash flow, together with the Credit Lines and possible end-user financing that can be arranged concurrently with the progress of the Development Project will be used to fund the Development Project over a 7-year period.
2a(viii)	Whether the funds will be sufficient to finance the development of the Safuan SA Land.
	As set out in the response to query 2(a)(vii) above, the Vendor has already secured the Credit Lines. With additional cash inflow from the Sales, Safuan SA believes that the said financing will be sufficient for the development of the Safuan SA Land.
The Company's responses to the queries in 2(a)(i) to 2(a)(viii) have been prepared based on information provided by the Vendor.	
2b.	Purchase Consideration
	How the price of S\$607,143 per Sale Share and the purchase consideration of S\$85 million were arrived at (i.e. the factors which were taken into consideration in arriving at the purchase consideration)?

	<p>The price of S\$607,143 per Sale Share was arrived at by dividing the purchase consideration of S\$85 million by 140 ordinary shares in the capital of Safuan SA of par value 1 Rand each, representing the 70% equity interest in Safuan SA that the Company is acquiring from the Vendor in respect of the Proposed Acquisition.</p> <p>The purchase consideration for the Proposed Acquisition of S\$85 million was arrived at based on the following factors:-</p> <p>(i) the minimum valuation of the Safuan SA Land of S\$120 million which is a condition precedent to the Agreement; and</p> <p>(ii) that in respect of the Proposed Acquisition, the Company would acquire from the Vendor its entire 70% equity interest in Safuan SA, a company that owns the exclusive right to undertake a mixed residential and commercial development project of the Safuan SA Land.</p>
2c.	<p>Terms of the Convertible Loan Agreement. If it is not possible to disclose the details at this point in time, to state the reasons why and when the Company is expected to announce the details.</p> <p>We note that the conversion of the Convertible Loan will take place latest by the Completion Date or upon any termination of the Agreement, whichever the sooner. Your attention is drawn to Rule 803 of the Listing Manual which prohibits the Company from issuing securities to transfer a controlling interest without prior approval of shareholders at a general meeting. Please ensure that the above requirement is complied with.</p>
	<p>The Parties have mutually agreed to enter into a convertible loan agreement within 14 days of the Agreement Date (the "CLA"), terms and conditions of which have been set out as conditions precedent to the Agreement and disclosed in Section 8.1(l) and (m) of the Announcement. Furthermore, as disclosed in the Announcement, additional terms and conditions pertaining to the CLA would be included in the CLA (the "Additional Terms and Conditions") and would be immediately announced by the Company upon signing of the CLA.</p> <p>The Company has noted Rule 803 of the Listing Manual and will ensure that the said rule will be complied with through the Additional Terms and Conditions.</p>
2d.	<p>The name of the financial adviser(s) to the Company on the Proposed Acquisition.</p>
	<p>The Company has appointed PrimePartners Corporate Finance Pte Ltd as a financial adviser to the Proposed Acquisition.</p>
2e.	<p>The moratorium undertaking by the Vendor on the Consideration Shares and the period for which the moratorium applies.</p>
	<p>In respect of the Proposed Acquisition, the Vendor will undertake a moratorium on the Considerations Shares received for such period and such other terms and conditions that will fulfill Rules 229 and 1015 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Vendor's Undertaking for Moratorium"). The Company will announce the Vendor's Undertaking for Moratorium in the circular to be provided to the Company's shareholders in respect of the Proposed Acquisition (the</p>

	"Circular").
2f.	The undertaking by the shareholders of the Vendor to maintain their effective interest in the Company after the Proposed Acquisition.
	As of the date of this announcement, there is no undertaking by shareholders of the Vendor to maintain their effective interest in the Company after the Proposed Acquisition (the "Vendor Shareholders' Undertaking"). However, the Company would in the Circular disclose the Vendor Shareholders' Undertaking.
2g.	A statement that is required under Rule 1011 of the Listing Manual.
	<p>A copy of the Agreement is currently available for inspection during normal business hours from 9.30 a.m. to 5.30 p.m. at the Company's registered office at 39 Tampines Street 92, MediaStream Building, Singapore 528883 (the "Company's Registered Office"), for a period of 3 months from the date of the Announcement.</p> <p>A copy of the valuation report on the Safuan SA Land conducted by the Independent Valuers would be made available for inspection at the Company's Registered Office for 3 months from the date at which the completion of such report is announced.</p>
2h.	An opinion by the Company as to whether the information provided to the public is sufficient to ensure the orderly trading in the Company's shares and the bases for such an opinion.
	Based on the information available to the Company and information provided by the Vendor, the board of directors of the Company (the "Directors") is of the view that to the best of their knowledge and belief, sufficient information has been disseminated to the market to ensure the orderly trading in the Company's shares and that it is appropriate for the trading of the Company's shares to be continued.
2i.	Any other material information.
	<p>Shareholders should note that the completion of the Proposed Acquisition is subject to the conditions precedent to the Agreement as set out under Section 8 of the Announcement. As none of the said conditions precedent has been met as at the date of this announcement, shareholders are advised to exercise caution when trading in their Shares.</p> <p>Save as disclosed, the Directors are not aware of any other material information in relation to the Proposed Acquisition that should be released to the public.</p>

By Order of the Board

George Thia Peng Heok
Executive Chairman
MediaStream Limited

Submitted by George Thia Peng Heok, Executive Chairman on 19/08/2004 to the SGX