

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT FOR THE QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL RESULTS

- 1(a)(i) An income statement (for the Group) together with a comparative statement for corresponding period of the immediately preceding financial year.

	Group		
	S\$'000		%
	2005	2004	+/(-)
Turnover	2,448	2,573	-4.86%
Other revenue	423	515	-17.86%
Total revenue	2,871	3,088	-7.03%
Cost and expenses			
Changes in inventories	(4)	(3)	33.33%
Raw material and consumables	57	60	-5.00%
Salaries and employee benefits	1,669	1,494	11.71%
Foreign exchange loss	-	2	-100.00%
Other operating expenses	2,022	1,883	7.38%
Total costs and expenses	3,744	3,436	8.96%
Operating Loss	(873)	(348)	150.86%
Finance costs	(229)	(308)	-25.65%
Loss before exceptional items	(1,102)	(656)	67.99%
Exceptional items	(109)	(100)	9.00%
Loss before taxation	(1,211)	(756)	60.19%
Taxation	-	(19)	-100.00%
Loss after taxation	(1,211)	(775)	56.26%
Minority interests	243	6	3950.00%
Loss attributable to members of the Company	(968)	(769)	25.88%

Explanatory notes to income statement

	Group		
	S\$'000		%
	2005	2004	+/(-)
Operating Loss after (crediting)/ charging:			
Rental income	(400)	(471)	-15.07%
Other income including interest income	(23)	(44)	-47.73%
Other revenue	(423)	(515)	-17.86%
Depreciation of fixed assets	638	734	-13.08%
Provision for doubtful debts - Trade	124	24	416.67%
Provision for stock obsolescence	(1)	(2)	-50.00%
Adjustment for under provision of tax in respective of prior years:	-	19	-100.00%
Exceptional items:			
Provision for doubtful - other debtor (Non-trade)	-	100	-100.00%
Fixed assets impairment loss	109	-	n/m
	109	100	9.00%

- 1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	S\$'000		S\$'000	
	30-Jun-05	31-Dec-04	30-Jun-05	31-Dec-04
Fixed Assets	9,970	10,691	7,010	7,213
Subsidiary Companies	-	-	1,498	1,498
Investment	26	26	26	26
Current assets				
Stock	31	26	-	-
Trade debtors	1,674	1,486	57	58
Other debtors	227	201	5	21
Amounts receivable from subsidiaries	-	-	950	1,018
Cash and bank balances	1,122	1,932	8	29
	3,054	3,645	1,020	1,126

Current liabilities

Trade creditors
Other creditors
Hire purchase creditors
Bank borrowings
Repayable grant from a government body (interest free)
Loan from minority shareholders of a subsidiary
Provision for taxation

327	412	174	166
3,716	3,455	3,262	2,950
299	254	-	-
9,104	6,691	9,104	6,572
98	98	-	-
900	1,000	-	-
49	51	14	16
14,493	11,961	12,554	9,704
(11,439)	(8,316)	(11,534)	(8,578)

Net current liabilities**Long term liabilities**

Hire purchase creditors
Bank borrowings
Repayable grant from a government body (interest free)

425	479	-	-
-	2,530	-	2,529
315	364	-	-
740	3,373	-	2,529
(2,183)	(972)	(3,000)	(2,370)
7,216	7,216	7,216	7,216
10,724	10,724	10,724	10,724
235	235	-	-
(288)	(288)	-	-
(21,240)	(20,272)	(20,940)	(20,310)
(3,353)	(2,385)	(3,000)	(2,370)
1,170	1,413	-	-
(2,183)	(972)	(3,000)	(2,370)

Share Capital**Share Premium****Reserve on Consolidation****Foreign Currency Translation Reserve****Revenue Reserve****Minority Interests****Explanatory notes to balance sheet:**

Amendments to consolidated balance sheet items as at 31 December 2004 announced on 1 March 2005 due to adjustment recommended by auditors of Infinite Frameworks Pte Limited, a subsidiary:

31-Dec-04		
Before	Amendment	Amended
\$'000	\$'000	\$'000

Group**Current Assets**

Trade debtors: adjusted against turnover for advance billing of uncompleted jobs

Current Liabilities

Hire purchase creditors: reclassified from current to non-current

Net current liabilities**Non-current liabilities**

Hire purchase creditors: reclassified from current to non-current

Net liabilities**Equity**

Revenue reserve/(losses): refer to amendment (a) and (b)

Minority interests: minority interests share of amendment on turnover

Net equity and minority interests**Other Creditors**

Amount due to directors
Accrued bank interest
Accrued expenses
Rental deposits received
Other creditors

Group		Company	
S\$'000		S\$'000	
30-Jun-05	31-Dec-04	30-Jun-05	31-Dec-04
460	442	447	430
565	478	565	478
742	457	434	233
100	218	100	218
1,849	1,860	1,716	1,592
3,716	3,455	3,262	2,951

Company

Increase in accrued expenses was due mainly to accrual of HDB land rental and outstanding FY2005's property tax of approximately \$70,000 and \$120,000 respectively.

Group

In addition to the increase of accrued expenses at the Company level, the other increases was mainly due to the half-year provision of AWS by a subsidiary. There was no such provision at end of FY2004 as AWS was paid in December 2004.

Bank borrowings (Group and Company)

The increase in short term (or current) bank borrowings was mainly due to reclassification of long term bank borrowings to short term upon appointment of Judicial Manager on 22 April 2005.

1(b)(ii) **Aggregate amount of the group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 30 June 2005		As at 31 December 2004	
Secured	Unsecured	Secured	Unsecured
(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
9,005	1,097	6,671	1,118

Amount repayable after one year

As at 30 June 2005		As at 31 December 2004	
Secured	Unsecured	Secured	Unsecured
(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
-	315	2,446	448

Details of collateral

The Company

Bank borrowings of the Company are secured by way of deeds of assignment, mortgage in escrow and lodgement of caveat at the Company's leasehold building.

Infinite Frameworks Pte Limited, a subsidiary

Bank borrowings of Infinite Frameworks Pte Limited, a subsidiary, amounting to zero (31 December 2003: \$118,519) are secured by a fixed and floating charge over the subsidiary's fixed assets and corporate guarantee given by the Company. In addition, a fixed deposit of S\$200,000 was placed with the bank as security and another corporate guarantee was provided by a shareholder of the subsidiary.

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group	
	S\$'000	
	2005	2004
Cash flow from operating activities		
Loss before taxation	(1,211)	(756)
Adjustment for:		
Depreciation of fixed assets	638	734
Provision for stock obsolescence	(1)	(2)
Interest income	(3)	-
Interest expenses	229	308
Currency realignment	-	2
Exceptional items	109	100
Operating loss before reinvestment in working capital	(239)	386
(Increase)/decrease in debtors	(216)	165
Increase in stocks	(4)	(2)
Increase in creditors	89	354
Cash (used in) / generated from operations	(370)	903
Interest income received	4	-
Interest expenses paid	(142)	(180)
Income tax paid	(2)	(8)
Net cash generated from/(used in) operations	(510)	715
Cash flow from investing activities		
Purchase of fixed assets	(26)	(97)
Net cash used in investing activities	(26)	(97)
Cash flow from financing activities		
Repayment of secured bank overdrafts	(112)	(362)
Repayment of term loan - unsecured	(5)	-
Repayment of term loan - secured	-	(91)
Repayment of loan from minority shareholders of a subsidiary	(100)	-
Repayment of repayable grant from MDA	(49)	-
Repayment of hire purchase instalment	(8)	(31)
Net cash used in financing activities	(274)	(484)
Net (decrease)/increase in cash and cash equivalents	(810)	134
Cash and cash equivalents at beginning of period	1,932	63
Cash and cash equivalents at end of period	1,122	197
Fixed deposits	500	-
Cash and bank balances	622	197
Cash and cash equivalents at end of period	1,122	197

- 1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group		Company	
	S\$'000		S\$'000	
	2005	2004	2005	2004
<u>Issued Share Capital</u>				
Balance as at 1 January	7,216	36,081	7,216	36,081
Reduction of par value of each ordinary share from \$0.05 to \$0.01	-	(28,865)	-	(28,865)
Balance as at 30 June	7,216	7,216	7,216	7,216
<u>Share Premium</u>				
Balance as at 1 January	10,724	10,724	10,724	10,724
Balance as at 30 June	10,724	10,724	10,724	10,724
<u>Accumulated Losses</u>				
Balance as at 1 January	(20,272)	(47,488)	(20,310)	(47,789)
Written off of losses against share capital	-	28,865	-	28,865
Loss for the year	(968)	(769)	(630)	(544)
Balance as at 30 June	(21,240)	(19,392)	(20,940)	(19,468)
<u>Reserve on consolidation</u>				
Balance as at 1 January	235	235	-	-
Balance as at 30 June	235	235	-	-
<u>Foreign currency translation reserve</u>				
Balance as at 1 January	(288)	(270)	-	-
Foreign currency translation adjustment, net of tax	-	2	-	-
Balance as at 30 June	(288)	(268)	-	-
Total equity and share outstanding	(3,353)	(1,485)	(3,000)	(1,528)

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

2. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not audited or reviewed by the auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computations in the financial statements for the current period with those of the audited financial statements as at 31 December 2004.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

6. **Earnings per ordinary share of the group for the current financial period report on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

- (a) Based on weighted average number of ordinary share in issue; and
(b) On a fully diluted basis

Group	
Cents	Cents
2005	2004
(0.13)	(0.11)
(0.13)	(0.11)

Loss per share for the period calculated by dividing the Group's loss attributable to members of the company with 721,610,850 share issued (2004:721,610,850).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

Net asset value per ordinary share based on issued share capital at end of the period reported on

Group		Company	
Cents	Cents	Cents	Cents
2005	2004	2005	2004
(0.46)	(0.21)	(0.42)	(0.21)

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

On 2 February 2005, the board of directors announced that Oversea-Chinese Banking Corporation Limited "OCBC") had petitioned for the grant of a judicial management order with respect to the Company. At the hearing on 18 March 2005, the court had, inter alia, granted an order for the Petitioners, OCBC, to nominate a Special Accountant to the Company in order to investigate all proposals for the investment in the Company (the "Order"). Pursuant to the Order, OCBC had nominated Mr Timothy James Reid of Ferrier Hodgson as the Special Accountant. At the hearing on 22 April 2005, the court granted an order for, inter alia, the Company to be placed under judicial management, and the appointment of Mr Timothy James Reid of Ferrier Hodgson as the Judicial Manager of the Company.

The validity of the going concern assumption on which the financial statements are prepared depends on successful completion of a reverse takeover of the Company and a scheme of arrangement for its creditors.

Group's turnover for the current period had decreased marginally by \$125,000 or 4.86% and recorded at \$2.45 million. 96.73% of the turnover for the current period was contributed by the Group's post production business and contribution from sound recording business and music and video (children education) continued to be marginal. The Group had ceased its sound recording business on 1 July 2005.

Other revenue for the Group for the current period was \$423,000, a decrease of 17.86% or \$92,00 as compared to the corresponding period of the last financial year ("FY"). The decrease was mainly caused by the decrease in rental income of \$70,000.

The additional manpower being engaged during second half FY 2004 in the post production business had increased its costs in salaries and employee benefits by \$263,000 to \$1.48 million. However, in the same period, the Company had reduced its salaries and employee benefit costs by \$84,000 to \$124,000. As a result, net increase in the Group's salaries and employee benefits costs for the period was \$175,000 or 11.71% as compared to the corresponding period. Other operating expenses for the Group had increased by \$139,000 or 7.38% where the movement of the major items were as follows:

	Increase/(decrease)
	\$'000
Post-production cost	19
Provision for doubtful debts	100
Travelling & transportation	17
Professional fees	24
Property tax	60
Utilities	11
Depreciation of fixed assets	(96)
	<u>135</u>

Group's finance costs for the period under review had decreased by \$79,000 or 25.65% to \$229,000. upon appointment of the judicial manager on 22 April 2005, the Company has ceased to accrue interest expenses on its bank borrowings incurred before the appointment of judicial manager. This resulted in decrease of \$106,113 in interest costs for the Company arising from bank borrowings. However, the decrease was partially offset by an increase of interest costs of \$25,000 in the production business. With a higher loss and increase shareholding of the minority interests ("MI") in the post production business, MI's share of loss for the current period had increased by 3950% from \$6,000 to \$243,000. Loss attributable to the shareholders of the Company had increased from \$968,000 \$769,000, mainly as a result of the abovementioned factors.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

On 23 August 2005, judicial manager and directors of the Company had announced that the Company had on 19 August 2005 entered into a conditional sale and purchase agreement with Mdm Wong Juat (Mrs Margaret WJJ Koh), Messrs. Koh Chin Hin, Ang Lay Leong, Yom Yoon Chong, Wong Wai Kin and Wong Wee Meng and ATWK PTE Ltd, who are all shareholders of Opus IT Services Private Limited ("Opus") (together the "Vendors"). The Company will acquire 100% of Opus from the vendors ("Proposed Acquisition"). The principal business of the Group is in video post production, sound recording services, children educational audio and video products. These businesses are currently being wound down and following the sale of assets and pursuant to a scheme of arrangement to be entered by the Company with certain of its creditors under Section 210 of the Companies Act, will result in the Company having no underlying business. As announced, the Company had on 8 September 2005 entered into and completed a sale and purchase agreement with Mr Kris Wiluan, a minority shareholder of Infinite Frameworks Pte Limited, to sell its entire 51.03% of the shares in Infinite Frameworks owned by the Company. The judicial manager and directors of the Company are of the view that the Proposed Acquisition will allow the Company to have a core business with an experienced management team. The Proposed Acquisition, will result in settlement with the Company's existing secured and unsecured creditors and allow the Company's shareholders to participate in the growth of the new business activity. The participation by the creditors shall be by way of a scheme of arrangement to be entered by MSL with certain of its creditors under Section 210 of the Companies Act ("Scheme Creditors") where the Scheme Creditors will be converting outstanding debts owing to them into new ordinary shares of S\$0.01 each in the share capital of the Company at the issue price of S\$0.02.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on ? None.

(b) Corresponding Period of Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year ? None.

(c) Date payable

Not applicable.

(d) Books closure dte

Not applicable.

12. **If no dividend has been declared/recommendeded, a statement to that effect.**

The directors do not recommend that a final dividend be paid for the financial year.

By Order of Timothy James Reid, Judicial Manager of MediaStream Limited