

**MEDIASTREAM LIMITED (Under Judicial Manager)**  
**(Company Reg.No.197907641K)**

**DISPOSAL OF PROPERTY: 39 TAMPINES STREET 92, SINGAPORE 528883 (COMPRISING THE WHOLE OF LOT 5572K OF MUKIM 28)**

**Introduction**

The Judicial Manager, Mr Timothy James Reid of Ferrier Hodgson (the "JM") and the Board of Directors (the "Directors") of MediaStream Limited (the "Company" or "MSL") are pleased to announce that the option that was granted to Ever Expand Pte Ltd on 7 October 2005 ("Option") for the purchase of its leasehold estate owned by the Company located at 39 Tampines Street 92, Singapore 528883 (the "Property") at the price of S\$4,500,000.00 ("Purchase Price"), was exercised on 4 November 2005.

The sale of the property is subject to the approval of the Housing Development Board ("HDB") unless the HDB confirms in writing that obtaining of such approval is not required. The Property is sold subject to the "Singapore Law Society's Conditions of Sale 1999" insofar as the same are applicable to a sale by tender and are not varied by or inconsistent with the terms and conditions contained in the Tender Documents.

**Consideration**

The sale consideration of S\$4.5 million was arrived at after negotiation with the Purchaser, on a willing buyer-willing seller basis. Total amount of \$450,000 together with the Good and Services Tax ("GST") thereon paid upon exercising of the Option is deemed to be a deposit and payment to the account of the Purchase Price. The balance of \$4,050,000 together with GST thereon shall be paid upon completion of the purchase.

Accordingly, the JM considered the sale consideration to be a fair price.

The JM and the Directors of MSL are of the view that the terms and conditions of sale as stated in the Option are reasonable and that no independent valuation of the Property is required.

**Rationale for the Sale**

The disposal of the property is part of a restructuring being undertaken by MSL in connection with its acquisition of 100% of Opus IT Services Pte Ltd; and

As the property is under charge for bank borrowings by way of legal mortgage, deeds of assignment, mortgage-in-escrow and lodgment of caveat, the proceeds from the sale will be used to repay secured bank borrowings of the Company.

**Directors', Substantial Shareholders' and JM's Interest in the Sale**

None of the Directors and JM of MSL has, and MSL has not received any notification from any of its controlling shareholders that it has, any interest, direct or indirect, in the disposal of the Property.

**Financial Effects**

The computation of loss on the disposal of the Property, financial effects on net tangible assets ("NTA") and earnings per share ("EPS") are based on unaudited consolidated financial of MSL group for the financial year ended 31 December 2004.

Loss on the Disposal of Property

	S\$'000
Net Book Value	7,200
Sales proceeds	4,500
Loss on the disposal of property	2,700

Financial Effect on consolidated Net Tangible Assets (“NTA”) and NTA per Share

	NTA S\$'000	Number of Share ('000)	NTA per Share (Cents)
As at 31 December 2004 (unaudited)	(2,355)	721,611	(0.33)
After the disposal of property	(5,055)	721,611	(0.70)

**Notes:-**

(1) For the purpose of computing the NTA per share, the NTA was computed after deducting minority interest of S\$1,413,000 as at 31 December 2004.

Financial Effect on Earnings and earnings per share (“EPS”)

	Profit attributable to shareholders S\$'000	Number of Share ('000)	EPS (Cents)
For financial year ended 31 December 2004 (unaudited)	(1,618)	721,611	(0.22)
After the disposal of property	(4,318)	721,611	(0.60)

**Discloseable Transaction**

The sale of the Property would be subject to the provisions of Rule 1006 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual.

The relative figures that were computed on the bases on the purchase consideration and unaudited financial statements of MSL group for the financial year ended 31 December 2004.

The relative figure under Rule 1006 (b) is not comparable as MSL is making losses and the relative figure under Rule 1006 (d) is not applicable as there is no issuance of shares by MSL as consideration. The relative figures for Rule 1006(a) and (c) are as follows:

Net asset value of MSL group (\$'000)	(2,384)
Net asset value assets to be disposed (\$'000)	7,200
Rule 1006(a) relative figure (%)	302.01

**Notes:-**

(1) For the purpose of computing the net asset value of MSL Group, the net assets value was computed after deducting minority interest of S\$1,413,000 as at 31 December 2004.

Aggregate value of consideration received (\$'000)	4,500
Market capitalization of MSL as at 28 January 2005 (\$'000)	10,820
Rule 1006© relative figure (%)	41.59

**Directors’ and JM’s Responsibility Statement**

The Directors’ and the JM 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 facts the omission of which would make this announcement misleading.

**Document for Inspection**

A copy of the Option is available for inspection during normal business hours at the offices of the JM at 50 Raffles Place #16-06 Singapore Land Tower Singapore 048623 for three months from the date of this announcement.

**By Order of Tim Reid, Judicial Manager of MediaStream Limited**