

OFFER INFORMATION STATEMENT DATED 17 MAY 2006

(Lodged with The Monetary Authority of Singapore on 17 May 2006)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.

A copy of this offer information statement (“**Offer Information Statement**”) has been lodged with The Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Cap. 289, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined below) being offered or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the Rights Issue (as defined below) and for the dealing in, listing of and quotation for the Rights Shares (as defined below). The Rights Shares will be admitted to the Official List of the SGX-ST and the official quotation will commence after all the certificates relating thereto have been issued and the allotment letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched.

Approval in-principle granted by the SGX-ST for the Rights Issue, the admission to the Official List of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares are in no way reflective of and are not to be taken as an indication of the merits of the Company, its subsidiaries, the Rights Issue or the Rights Shares. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement.



mediaring

MEDIARING LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199304568R)

THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 245,579,689 NEW ORDINARY SHARES IN THE CAPITAL OF MEDIARING LTD (THE “RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.16 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING ORDINARY SHARES OF MEDIARING LTD AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)

Manager



UOB ASIA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197201862K)

IMPORTANT DATES AND TIMES:

Last date and time for splitting	:	30 May 2006 at 4.45 p.m.
Last date and time for acceptance and payment*	:	2 June 2006 at 4.45 p.m.
Last date and time for renunciation and payment	:	2 June 2006 at 4.45 p.m.
Last date and time for excess application and payment*	:	2 June 2006 at 4.45 p.m.

* The last date and time for acceptance and/or excess application and payment through an ATM of a Participating Bank (as defined hereinafter) is 2 June 2006 at 9.30 p.m.

For Entitled Depositors (as defined hereinafter), acceptances of the Rights Shares and/or (if applicable) applications with excess Rights Shares may be made through CDP, or by way of Electronic Application (as defined hereinafter) at any ATM of a Participating Bank.

For Entitled Scripholders (as defined hereinafter), acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar, Lim Associates (Pte) Ltd.

The existing Shares (as defined hereinafter) of the Company are quoted on the Official List of the SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, performance and prospects of the Company and the Group (as defined hereinafter), and the rights and liabilities attaching to the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their legal, financial, tax or other professional adviser before deciding whether to acquire the Rights Shares or purchase any Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or UOB Asia Limited (“**Manager**” or “**UOB Asia**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement Offer Information Statement with the Authority. All Singapore Registered Shareholders (as defined hereinafter) and their renounees should take note of any such announcement and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company nor the Manager is making any representation to any person regarding the legality of an investment in the Rights Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be a business, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, legal or tax advice regarding an investment in the Rights Share.

The Manager makes no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Share, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Rights Share. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any person other than Singapore Registered Shareholders to whom it is despatched by the Company and their renounees or for any other purpose.

This Offer Information Statement, the PAL (including the Excess Rights Shares Application Form contained therein), the ARE and the ARS (as defined hereinafter), may not be used for the purpose of, and do not constitute, an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The rights and Rights Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and, subject to certain exceptions, may not be offered to or sold within the United States or to, or for the benefit of, U.S. persons (as defined under Regulation S under the U.S. Securities Act (“Regulation S”)). The Rights Shares are being offered and sold outside of the United States in reliance on Regulation S.

The distribution of this Offer Information Statement and/or its accompany documents may be prohibited or restricted by law in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions.

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CORPORATE INFORMATION

Board of Directors	:	Walter J. Sousa Koh Boon Hwee Khaw Kheng Joo Thomas Henrik Zilliacus Eileen Tay-Tan Bee Kiew Sin Hang Boon
Company Secretaries	:	Yvonne Lau Yee Wan, B. Acc. Dorothy Ho Lai Yong, FFCS
Registered Office	:	750A Chai Chee Road #05-01 Technopark @ Chai Chee Singapore 469001
Share Registrar and Share Transfer Office	:	Lim Associates (Pte) Ltd 10 Collyer Quay #19-08 Ocean Building Singapore 049315
Manager of the Rights Issue	:	UOB Asia Limited 80 Raffles Place UOB Plaza Singapore 048624
Solicitors to the Rights Issue	:	Rajah & Tann 4 Battery Road #26-01 Bank of China Building Singapore 049908
Auditors to the Company	:	Ernst & Young 10 Collyer Quay #21-01 Ocean Building Singapore 049315

DEFINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires, have the following meanings:

- “Act” or “Companies Act” : Companies Act, Cap 50 of Singapore, as amended or modified from time to time
- “ARE” : Application and acceptance form for Rights Shares and excess Rights Shares issued to Entitled Depositors in respect of their Rights Entitlements under the Rights Issue
- “ARS” : Application and acceptance form for Rights Shares issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “ATM” : Automated teller machine of a Participating Bank
- “Authority” : The Monetary Authority of Singapore
- “Books Closure Date” : 5.00 p.m. on 16 May 2006, being the time and date at and on which the Register of Members and the Transfer Books of the Company were closed to determine the Rights Entitlements of Shareholders
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : The circular to Shareholders of the Company dated 10 April 2006 in relation to the Rights Issue and the General Offer
- “Closing Date” : 4.45 p.m. on 2 June 2006, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through the CDP or the Share Registrar; or 9.30 p.m. on 2 June 2006, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
- “Company” or “MediaRing” : MediaRing Ltd
- “Conditions” : Conditions, the satisfaction or waiver of which the General Offer is subject, as set out in the General Offer Announcement and the Offer to Purchase
- “CPF” : Central Provident Fund
- “Directors” : Directors of the Company as at the date of this Offer Information Statement
- “Electronic Application” : Acceptance of the Rights Shares and (if applicable) application for the excess Rights Shares through the ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement

“Entitled Depositors”	:	Singapore Registered Shareholders with Shares entered against their names in the Depository Register maintained by CDP
“Entitled Scripholders”	:	Singapore Registered Shareholders with Shares registered in their own names
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per share
“ESOS”	:	Collectively, the 1999 MediaRing Employees’ Share Option Scheme and 1999 MediaRing Employees’ Share Scheme II, as may be amended, supplemented or modified from time to time
“Exercisable Share Options”	:	Outstanding employee share options granted pursuant to the ESOS to subscribe for an aggregate of 68,267,479 Shares, which are exercisable as at 16 May 2006, being the Books Closure Date. For the avoidance of doubt, Exercisable Share Options excludes the outstanding employee share options granted under the ESOS to subscribe for an aggregate of 18,370,885 Shares, which are only exercisable after 16 May 2006
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who had not, at least five (5) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or ending 31 December, as the case may be
“General Offer”	:	The voluntary conditional general offer by MediaRing to acquire the shares in PacNet, as set out in the Offer to Purchase
“General Offer Announcement”	:	Announcement dated 27 April 2006 of MediaRing’s firm intention to make the General Offer, released by UOB Asia for and on behalf of MediaRing, and filed with the SEC pursuant to a Tender Offer Statement on Schedule TO
“Group”	:	The Company, its subsidiaries and associated company collectively
“Latest Practicable Date”	:	10 May 2006, being the latest practicable date preceding the date of lodgment of this Offer Information Statement
“Listing Manual”	:	The listing manual issued by the SGX-ST, as may be amended, supplemented or revised from time to time
“Manager” or “UOB Asia”	:	UOB Asia Limited
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Minimum Acceptance”	:	Valid tenders for such number of shares in PacNet which will result in MediaRing and parties acting or deemed to be acting in concert with it (taking into account the shares in PacNet owned by MediaRing) owning more than 50% of the issued share capital of PacNet as at the expiration of the General Offer
“Nasdaq”	:	The National Association of Securities Dealers Automated Quotations

“NAV”	:	Net asset value
“NTA”	:	Net tangible assets
“Offer Information Statement”	:	This document including (where the context requires) the PAL, ARE, ARS, and all other accompanying documents issued herein
“Offer to Purchase”	:	The offer to purchase document dated 12 May 2006 in connection with the General Offer, filed with the SEC pursuant to a Tender Offer Statement on Schedule TO and despatched by MediaRing to registered shareholders of PacNet
“PAL”	:	The provisional allotment letter issued to the Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue
“Participating Banks”	:	United Overseas Bank and its subsidiary Far Eastern Bank (“ UOB ”), DBS Bank Ltd (including POSB) (“ DBS ”), and Oversea-Chinese Banking Corporation Limited (“ OCBC ”)
“PacNet”	:	Pacific Internet Limited
“Pre-Conditional General Offer”	:	The pre-conditional voluntary general offer announced by UOB Asia for and on behalf of MediaRing on 27 February 2006, in relation to the Company’s intention to make the General Offer, subject to the satisfaction or waiver (as applicable) of the Pre-Conditions
“Pre-Conditional General Offer and Rights Issue Announcement”	:	Announcement made by the Company on 27 February 2006 and filed with SGX-ST in connection with the Pre-Conditional General Offer and Rights Issue
“Pre-Conditional General Offer Announcement”	:	Announcement dated 27 February 2006 in connection with the Pre-Conditional Offer which was released by UOB Asia for and on behalf of MediaRing, and filed with the SEC pursuant to a Tender Offer Statement on Schedule TO
“Pre-Conditions”	:	Pre-conditions to the making of the General Offer as set out in the Pre-Conditional General Offer Announcement
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or with CDP in order to participate in such dividends, rights, allotments or other distributions
“Rights Entitlements”	:	Provisional allotments of Rights Shares
“Rights Issue”	:	The renounceable non-underwritten rights issue by the Company of up to 245,579,689 Rights Shares at an issue price of S\$0.16 for each Rights Share (assuming all Exercisable Share Options have been exercised and all Shares issued pursuant to such exercise), on the basis of one (1) Rights Share for every four (4) existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded

“Rights Shares”	:	Up to 245,579,689 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“SCCS”	:	Securities Clearing and Computer Services (Pte) Ltd
“SEC”	:	United States Securities and Exchange Commission
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities and Futures Act”	:	Securities and Futures Act, Cap 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Lim Associates (Pte) Ltd
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore Registered Shareholders”	:	Shareholders as at the Books Closure Date whose registered addresses with CDP or the Company, as the case may be, are in Singapore or who had, at least five (5) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
“Substantial Shareholder”	:	A substantial shareholder of the Company as defined under Section 81 of the Companies Act
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Undertaking”	:	The irrevocable undertaking dated 27 February 2006 given by the Undertaking Shareholder to the Company to subscribe for Rights Shares, as described under paragraph 1(f) Part X of this Offer Information Statement
“Undertaking Shareholder”	:	Venture One Finance Limited
“U.S.” or “United States”	:	United States of America
“U.S. Securities Act”	:	Securities Act of 1933, as amended or modified from time to time
“US\$” and “US cents”	:	United States dollars and United States cents, respectively
“%” or “per cent.”	:	Per centum or percentage

The term “Depositor,” “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them in section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to the time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other dates(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act or the Listing Manual or such statutory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Companies Act, Securities and Futures Act, or the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

CAUTIONARY NOTE:

These materials are not an offer for sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act. The Company does not intend to register any portion of the rights and Rights Issue in the United States or to conduct a public offering of rights or Rights Shares in the United States.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

(a) Registered Shareholders

Singapore Registered Shareholders have been provisionally allotted the Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date and are entitled to participate in the Rights Issue and to receive the Offer Information Statement together with its accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the AREs may obtain copies of the ARE and this Offer Information Statement from CDP for the period up to the Closing Date of the Rights Issue. Entitled Scripholders who do not receive the PAL and this Offer Information Statement may obtain them from the Share Registrar for the period up to the Closing Date of the Rights Issue.

Singapore Registered Shareholders are at liberty to accept, decline, renounce or trade their Rights Entitlements on the SGX-ST during the rights trading period prescribed by the SGX-ST and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

All dealings in, and transactions of, the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

(b) Purchasers of the provisional allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (the “Purchasers”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARS accompanied by this Offer Information Statement, by ordinary post and at the Purchasers’ own risk, to their respective Singapore addresses as recorded with CDP. Purchasers should ensure that the ARS is accurately and correctly completed, failing which the acceptance of the provisional allotments of Rights Shares may be rejected.

(c) Foreign Shareholders / Purchasers

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered or filed in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or unless relevant securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares has been made to Foreign Shareholders and no purported acceptance thereof or application therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to Purchasers through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“Foreign Purchasers”). Foreign Purchasers who wish to accept the provisional allotment of Rights Shares credited by CDP to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. The Company further reserves the right to reject any acceptances of the Rights Shares and/or application for excess Rights Shares where it believes, or has reason to believe, that such acceptance and/or application may violate the applicable legislation of any jurisdiction. The Rights

Shares have not been and will not be registered under the U.S. Securities Act, and, subject to certain exceptions, may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined under Regulation S). The Rights Shares are being offered and sold outside the U.S. in reliance on Regulation S.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotment of the Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed among Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such net proceeds will be retained or dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP in respect of such sales or proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotment of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotment of Rights Shares, the Rights Shares represented by such provisional allotment will be used to satisfy excess applications for Rights Shares or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP in connection therewith.

Shareholders should note that the special arrangements described above would apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other legal requirements in those territories.

Fractional entitlements to the Rights Shares will be disregarded in arriving at Shareholders' allotments and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Rights Shares (if any) or otherwise disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotment of Rights Shares and to the application of excess Rights Shares, including the different modes of application and payment, are contained in Appendices IV to VI of this Offer Information Statement and in the PAL, the ARE and the ARS.

TRADING

Upon listing and quotation on the SGX-ST, the Rights Shares, when issued, will be traded under the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of the Rights Shares, effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" and the "Terms and Conditions for CDP to act as Depository for the Rights Shares", as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept and (if applicable) apply for the Rights Shares should open Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and if applicable, the excess Rights Shares that may be allotted to them may be credited into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited by CDP into their Securities Accounts must fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or who have provided incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in the Securities Accounts currently maintained with CDP will be issued physical certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares. Physical certificates, if issued, will be forwarded to them by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from the address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with the CDP.

A holder of physical certificates, or an Entitled Scripholder who has not deposited his Share certificates with CDP but wishes to trade on the SGX-ST, must deposit with CDP the respective certificates, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or, are, forward-looking such as "anticipate", "believe", "could", "estimate", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, business strategy, plans and future prospects of the Group's industry are forward-looking statements. These forward-looking statements, including statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. Neither the Company, the Manager nor any other person represents or warrants that the Group's actual future results, performance or achievements will be as discussed in those statements.

Further, the Company and the Manager disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, under Section 241 of the SFA, the Company may lodge a supplementary or replacement document with the Authority in the event, *inter alia*, that it becomes aware of a new circumstance that has arisen since the lodgment of this Offer Information Statement with the Authority, but before the Closing Date of the Rights Issue and that is materially adverse from the point of view of an investor or required to be disclosed pursuant to law. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES)
REGULATIONS 2005**

PART II - DIRECTORS

- 1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity**

Name of Director	Address
Walter J. Sousa	181 Austin Avenue, Atherton, CA 94027 United States of America
Koh Boon Hwee	27 Queen Astrid Park, Singapore 266832
Khaw Kheng Joo	61 Holland Grove Drive, Singapore 278889
Thomas Henrik Zilliacus	34 Seah Im Road, Singapore 099107
Eileen Tay-Tan Bee Kiew	7 St Helier's Avenue, Singapore 555803
Sin Hang Boon	41 Kasai Road, Singapore 808288

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- 2. Provide the names and addresses of (a) the Issue Manager to the offer, if any (b) the underwriter to the offer, if any (c) the legal adviser for or in relation to the offer, if any.**

Please refer to the section on "Corporate Information" in this Offer Information Statement for further details on the Manager and Solicitors to the Rights Issue. There is no underwriter to the Rights Issue.

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- 3. Provide the names and addresses of the entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**

Please refer to the section on "Corporate Information" in this Offer Information Statement for further details on the Share Registrar.

PART III – OFFER STATISTICS

Offer Statistics

1. For each method of offer, state the number of securities being offered

Rights Shares

Method of offer and issue size	:	Renounceable non-underwritten Rights Issue for up to a maximum of 245,579,689 Rights Shares to be issued (assuming that all Exercisable Share Options are exercised and all relevant Shares are issued pursuant to such exercise prior to the Books Closure Date).
Minimum subscription	:	Pursuant to the Undertaking given by the Undertaking Shareholder as set out under paragraph 1(f) of Part X of this Offer Information Statement, a minimum of 37,582,553 Rights Shares will be subscribed for.
Issue Price	:	S\$0.16 per Rights Share, payable in full on acceptance and/or application.
Basis of provisional allotment	:	One (1) Rights Share for every four (4) existing Shares held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Status of the Rights Shares	:	The Rights Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date of which falls on or after the date of issue of the Rights Shares.
Listing of Rights Shares	:	In-principle approval for the listing of and quotation for the Rights Shares on the SGX-ST was granted on 28 March 2006.
Trading of the Rights Shares	:	Upon the listing of and quotation for the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry scripless settlement systems. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 1,000 Shares.
Governing law	:	Law of the Republic of Singapore.

2. Provide the information referred to in paragraphs 3 to 7 of this Part in relation to the Rights Issue

Noted. Please refer to paragraphs 3 to 7 of this Part.

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- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extensions or early closure of the offer period shall be made public.**
-

Entitled Shareholders will receive this Offer Information Statement together with the ARE or the PAL, as the case may be, at their respective Singapore addresses.

Entitled Shareholders will be provisionally allotted the Rights Shares and are at the liberty to accept, decline, renounce or trade their provisional allotments on the SGX-ST. The Rights Issue will open from 18 May 2006. The important dates and times for the Rights Issue are as follows:-

Books Closure Date	:	16 May 2006 at 5.00 p.m.
Despatch of Offer Information Statement and ARE or PAL, as the case may be, to Entitled Shareholders	:	19 May 2006
Commencement of trading of "nil-paid" rights	:	19 May 2006 at 9.00 a.m.
Trading of "nil-paid" rights ceases	:	29 May 2006 at 5.00 p.m.
Last date and time for splitting rights	:	30 May 2006 at 4.45 p.m.
Last date and time (Closing Date) for acceptance of and payment for Rights Shares	:	2 June 2006 at 4.45 p.m. (9.30 p.m. for Electronic Applications)
Last date and time (Closing Date) for renunciation of and payment for Rights Shares	:	2 June 2006 at 4.45 p.m.
Last Date and time (Closing Date) for application and payment for excess Rights Shares	:	2 June 2006 at 4.45 p.m. (9.30 p.m. for Electronic Applications)

The above timetable may be subject to such modifications as the Company may, in consultation with the Manager and with the approval of the SGX-ST, decide, subject to any limitation under any applicable laws. As at the Latest Practicable Date, the Company does not expect the timetable to be modified.

The Company will publicly announce any change in the Closing Date, through a SGXNET announcement to be posted on the internet at the SGX-ST website at <http://www.sgx.com>.

Please refer to Appendices IV to VI to this Offer Information Statement for details of the procedures for acceptance and/or application of, the Rights Shares under the Rights Issue.

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- 4. State the method and the time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**
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Please refer to Appendices IV to VI of this Offer Information Statement for details of the procedures for acceptance and/or application of, and payment for, the Rights Shares under the Rights Issue.

5. State, where applicable, the methods of and time limits for-

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers**
-

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 17 May 2006 by crediting the provisional allotments to the Securities Accounts of Entitled Depositors maintained with CDP or through the despatch of the relevant PALS to Entitled Scripholders.

After the receipt of valid acceptances, excess applications and payments for the Rights Shares before the Closing Date, the Rights Shares will be registered in the name of CDP and held by CDP for and on behalf of Shareholders who maintain, either directly or through Depository Agents, Securities Accounts with CDP. CDP will send to the relevant subscriber a notification letter stating the number of Rights Shares credited to the relevant subscriber's Securities Account.

In the case of Entitled Scripholders who apply for Rights Shares and excess Rights Shares, if, *inter alia*, an incorrect or invalid Securities Account number is furnished to CDP, physical share certificates will be despatched to such subscribers at the subscribers' own risk.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

The Company will publicly announce the results of the allotment or allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the internet at the SGX-ST website at <http://www.sgx.com>.

Please refer to Appendices IV to VI of this Offer Information Statement for details of refunding excess amounts paid by applicants.

PART IV – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

2. **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact**

Assuming only the Undertaking Shareholder subscribes for 37,582,553 Rights Shares as set out in paragraph 1(f) of Part X of this Offer Information Statement, the net proceeds of the Rights Issue (after deducting estimated expenses of approximately S\$0.5 million) are expected to be approximately S\$5.5 million.

Assuming that all the Exercisable Share Options are exercised before the Books Closure Date and the Rights Issue is fully subscribed, the net proceeds of the Rights Issue (after deducting estimated expenses of approximately S\$0.5 million) are expected to be approximately S\$38.8 million.

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3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities**

We intend to use the net proceeds of up to approximately S\$38.8 million (assuming the Rights Issue is fully subscribed) for the acquisition and/or investment in assets or businesses, which are synergistic with the Group's business, which may include the partial funding of the General Offer or the partial repayment of the financing obtained for the General Offer, if successful (details of which are set out in the General Offer Announcement and the Offer to Purchase).

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem appropriate.

In the opinion of the Directors, no minimum amount must be raised by the Rights Issue.

The financial resources for making the General Offer, will be funded out of the following:

- (i) internal resources of the MediaRing Group; and
- (ii) committed bank borrowings.

The existing internal resources and committed bank borrowings available to the Company will be sufficient to fund the General Offer, if successful, and therefore the funding for the General Offer will not be dependent upon the results of the Rights Issue.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer

The following is an estimate of the allocation of each dollar of the gross proceeds from the issue of the Rights Shares, assuming all the Exercisable Share Options are exercised before the Books Closure Date and the Rights Issue is fully subscribed:-

- (i) approximately 98.8% in respect of paragraph 3 of this Part; and
- (ii) approximately 1.2% in respect of expenses incurred in connection with the Rights Issue.

5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined

One of the possible uses of the net proceeds arising from the Rights Issue is for the partial funding of the General Offer, if successful, or the partial repayment of the financing obtained for the General Offer.

On 27 February 2006, the Company, through UOB Asia, released the Pre-Conditional General Offer Announcement in which it was announced therein that, subject to the satisfaction or waiver (as applicable) of the certain Pre-Conditions, MediaRing intends to make the General Offer to acquire all the issued shares in PacNet, other than those already owned by the Company, its related corporations or the respective nominees of the Company or its related corporations as at the date of the General Offer.

On 27 April 2006, the Company, through UOB Asia, released the General Offer Announcement setting out MediaRing's firm intention to make the General Offer for all the issued shares in PacNet, other than those already owned by the Company.

On 12 May 2006, the Offer to Purchase of the Company setting out the terms and conditions of the General Offer together with the letter of transmittal, was despatched to registered holders of the PacNet shares.

The General Offer is in respect of all the shares of PacNet (other than those already owned by the Company), and is subject to certain conditions including, *inter alia*, the Company having received, by the expiration of the General Offer, valid tenders in respect of such number of PacNet shares which, when taken together with the shares in PacNet already owned by the Company, will result in the Company and parties acting or deemed to be acting in concert with it holding such number of shares in PacNet carrying more than 50% of the voting rights attributable to the issued shares of PacNet as at the expiration of the General Offer.

The options granted under the Pacific Internet Limited 1999 Share Option Plan (the "**PacNet Options**") are not freely transferable by the holders thereof. In view of this restriction, the Company is not making an offer to acquire the PacNet Options, but has made a proposal ("**Options Proposal**") to the holders of the PacNet Options to pay them for the cancellation of their PacNet Options on a "see-through basis" (a consideration equal to the positive difference between the offer price for the shares of PacNet and the exercise price of the PacNet Options).

PacNet was incorporated in Singapore on 28 March 1995 as Sembawang Media Pte Ltd, and changed its name to Pacific Internet Pte Ltd on 17 March 1998. On 23 November 1998, it was converted to a public company and was listed on the Nasdaq National Market on 5 February 1999.

Based on publicly available information as at the Latest Practicable Date, PacNet is one of the leading Internet service providers of data, voice and video Internet services with established presence in Singapore, Hong Kong, China, the Philippines, Australia, India, Thailand and Malaysia.

Based on the information provided by PacNet, as at 8 May 2006, PacNet has an issued share capital of approximately 13,518,162 ordinary shares.

Based on the audited consolidated financial statements of PacNet for the financial year ended 31 December 2005 (“**FY 2005**”) as set out in its Annual Report for FY 2005 (which can be downloaded from the website of PacNet at www.pacific.net.sg/business/investor), the audited consolidated net asset value of PacNet was approximately US\$61.1 million as at 31 December 2005 and its audited consolidated earnings amounted to approximately US\$6.5 million for FY 2005.

The General Offer is made on the following basis:-

For each General Offer share : US\$8.25 in cash

Based on the terms of the General Offer and the 13,518,162 issued shares in the capital of PacNet as at 8 May 2006 and assuming all the outstanding 914,474 PacNet options as of 8 May 2006 are exercised, the aggregate cash consideration payable under the General Offer is between approximately:-

- (a) US\$54.2 million (assuming Minimum Acceptance); and
- (b) US\$113.7 million (assuming full acceptance).

The terms of the General Offer are, however, subject to such amendments and revision as the Directors may deem fit.

6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition

Please see paragraph 5 of this Part above.

7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put

As stated in paragraphs 3 and 4 of this Part, all or part of the proceeds may be used for the partial funding or the partial repayment of the financing obtained for the General Offer, if successful.

The Company has obtained from United Overseas Bank Limited a revolving loan facility of up to US\$82.0 million (“**RCF**”) for a term of up to 36 months solely for the purpose of funding the Company’s all-cash General Offer. The amortisation schedule for this RCF provides that the facility limits for this RCF shall gradually be reduced every 6 months from the date of first drawdown, with the final maturity date being 36 months from the date of first drawdown or 30 September 2009, whichever is the earlier date.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained

Not applicable as the Rights Issue is not underwritten.

Information on Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office)

Registered address and principal place of business : 750A Chai Chee Road
#05-01 Technopark @ Chai Chee
Singapore 469001

Telephone number : (65) 6441 1213

Fax number : (65) 6441 3013

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group

MediaRing was incorporated under the name of "Mediacom Technologies Pte Ltd" on 15 July 1993. On 18 October 1999, MediaRing changed its name to "MediaRing.com Pte Ltd." It changed its name to "MediaRing.com Ltd" when it was converted to a public company on 25 October 1999. On 19 November 1999, MediaRing was listed on the Official List of the SGX-ST. On 6 November 2002, it changed its name to MediaRing Ltd.

The principal activities of the Company, its subsidiaries and associated company are marketing and sale of telecommunications services. Prior to FY 2001, the principal activities of the Group were advertising and the provision of free Internet voice communication services. Since FY 2001, the Group embarked on a new set of principal activities to transform from the free Internet usage model to a fee based model delivering telecommunications services via the internet with a focus on the service of Voice over Internet Protocol ("VoIP"). The Company is also engaged in research and development, design and marketing of telecommunications software.

The current subsidiaries and associated company of the Group and their respective principal activities are as follows:-

Name of subsidiary/ associated company	MediaRing's percentage ownership interest	Principal activities	Place of incorporation/ business
MediaRing.com Inc	100%	To market and sell telecommunications services	USA
Borderless Technology Pte Ltd	100%	To market and sell telecommunications services	Singapore
MediaRing (Europe) Limited	100%	Dormant	United Kingdom

Name of subsidiary/ associated company	MediaRing's percentage ownership interest	Principal activities	Place of incorporation/ business
i2u Pte Ltd	100%	To market and sell telecommunications services	Singapore
MediaRing (Hong Kong) Limited	100%	To market and sell telecommunications services	Hong Kong
MediaRing TC, Inc	100%	To market and sell telecommunications services	Japan
i2u Sdn Bhd	100%	To market and sell telecommunications services	Malaysia
MediaRing.com Shanghai Limited	100%	To market and sell telecommunications services	People's Republic of China
PT Atlasat Solusindo	95%	To market and sell telecommunications services	Indonesia
(Cambodia) Data Communication Company Ltd	40%	To provide Internet access and Very Small Aperture Terminal ("VSAT") services	Cambodia

(c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since:

- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published**

The general development of our business for FY 2005, FY 2004 and FY 2003 are set out below. The FY 2005 financial information is based on the Group's audited consolidated financial statements for FY 2005. The FY 2003 and FY 2004 financial information are based on the audited financial statements for those years, restated to conform to the changes to the Singapore Financial Reporting Standards ("FRS") applicable with effect from 1 January 2005.

FY 2003

Amidst the tumultuous events of FY 2003, including the outbreak of Severe Acute Respiratory Syndrome (SARS) and the Iraq war, the Group continued its strong growth momentum and increased significantly its share of the pure-play global VoIP market. VoIP became the dominant segment of the overall business to comprise 86% of the total revenue. This segment grew by 93% year-on-year. Advertising revenue declined to comprise less than 1% of total revenue. The transformation from a business model based on advertising revenue by providing free telecommunications services over the Internet to one that is a fee-based telecommunications service provider was complete.

FY 2004

Continuing its recovery, the Group achieved profitability in FY 2004 and was cash-flow positive for the year. Riding on the wave of significant growth in traffic volume, revenue from the VoIP segment grew by 90% year-on-year to comprise 94% of total revenue.

FY 2005

During the year, Group revenue increased mainly due to continued strong growth in its VoIP retail operations. Riding on the rapid growth in the VoIP industry, the Group's performance was boosted in FY 2005 by its VoIP retail operations which grew 89% to US\$92.5 million from US\$48.8 million in FY 2004. The Group further expanded its marketing and distribution network to more than 1,400 resellers and partners in over 100 countries as compared to approximately 1,100 in over 90 countries for FY 2004. In FY 2005, all categories of expenses for the Group increased as a result of the substantial growth in revenue. While direct service fees and selling expenses increased in tandem with revenue growth, the other operating expenses increased at a much slower pace reflecting the increased economies of scale associated with revenue growth. Driven by strong growth in revenue, the Group achieved net profit of US\$5.2 million for the year ended 31 December 2005.

Save as disclosed herein or otherwise publicly announced, there has been no material change in the affairs of the Group since the last annual report of the Group for FY 2005 up to the Latest Practicable Date.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing:

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon

As at the Latest Practicable Date:

Share capital

Issued and paid-up share capital : US\$130,954,997.25 comprising 914,051,279 Shares

Loan capital : Nil

(e) where:

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or

(ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date

The interests of the substantial Shareholders of the Company in the Shares, based on information as recorded in the Register of Substantial Shareholders of the Company

maintained pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, were as follows:-

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Venture One Finance Limited ⁽⁷⁾	150,330,214	16.45	–	–
NewSmith Opportunities Private Equity Fund LP ⁽¹⁾	–	–	150,330,214	16.45
NewSmith Capital GP Limited ⁽²⁾	–	–	150,330,214	16.45
NewSmith Capital Partners LLP ⁽³⁾	–	–	150,330,214	16.45
GGV II Delaware L.L.C. ⁽⁴⁾	–	–	150,330,214	16.45
Granite Global Ventures II, L.P. ⁽⁵⁾	–	–	150,330,214	16.45
Granite Global Ventures II, L.L.C. ⁽⁶⁾	–	–	150,330,214	16.45
L&H Investment Company	53,092,270	5.81	–	–
Pol Lucien Comeel Houspie ⁽⁸⁾	–	–	53,092,270	5.81
Paramount Assets Investments Pte. Ltd.	80,000,000	8.75	–	–
Lee Pineapple Company (Pte) Limited ⁽⁹⁾	–	–	80,000,000	8.75

Notes:

- (1) NewSmith Opportunities Private Equity Fund LP is deemed to have an interest in 150,330,214 MediaRing Shares by virtue of its 45% shareholding in Venture One Finance Limited.
- (2) NewSmith Capital GP Limited is deemed to have an interest in 150,330,214 MediaRing Shares by virtue of it being the general partner of NewSmith Opportunities Private Equity Fund LP, which in turn has a 45% shareholding interest in Venture One Finance Limited.
- (3) NewSmith Capital Partners LLP is deemed to have an interest in 150,330,214 MediaRing Shares through its 100% shareholding in NewSmith Capital GP Limited, the general partner of NewSmith Opportunities Private Equity Fund LP, which in turn has a 45% shareholding interest in Venture One Finance Limited.
- (4) GGV II Delaware L.L.C. is deemed to have an interest in 150,330,214 MediaRing Shares by virtue of its 45% shareholding in Venture One Finance Limited.
- (5) Granite Global Ventures II, L.P. is deemed to have an interest in 150,330,214 MediaRing Shares by virtue of its 97.95% shareholding interest in GGV II Delaware L.L.C., which in turn has a 45% shareholding interest in Venture One Finance Limited.
- (6) Granite Global Venture II, L.L.C. is deemed to have an interest in 150,330,214 MediaRing Shares by virtue of it being the general partner of Granite Global Ventures II, L.P., which in turn has a 97.95% shareholding interest GGV II Delaware L.L.C., which in turn holds a 45% shareholding interest in Venture One Finance Limited.
- (7) Messrs Walter J Sousa and Koh Boon Hwee, directors of MediaRing, collectively hold just below 10% of the issued shares of Venture One Finance Limited.
- (8) Pol Lucien Comeel Houspie is deemed to have an interest in 53,092,270 MediaRing Shares by virtue of his equity interest in L&H Investment Company.
- (9) Lee Pineapple Company (Pte) Limited is deemed to be interested in the shares held by Paramount Assets Investments Pte. Ltd. by virtue of its 100% shareholding in Paramount Assets Investments Pte. Ltd..

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- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group
-

As at the date of this Offer Information Statement, the Directors are not aware of any litigation or arbitration proceedings to which the Company, any of its subsidiaries or associated company is a party or which is contemplated, which may have or have had in the last 12 months before the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date:
- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; and
- (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests
-

The Company issued the following Shares within the 12 months immediately preceding the Latest Practicable Date pursuant to the exercise of employee share options under the ESOS and a placement of 150,330,214 new Shares at a price of S\$0.1608 per Share by way of placement on 19 September 2005:-

Date of issue	Number of Shares issued	Issue price per Share (S\$)
13 May 2005	40,000	0.1000
13 May 2005	4,500	0.1200
1 July 2005	171,000	0.1200
15 July 2005	10,000	0.1200
29 July 2005	25,000	0.1000
26 August 2005	35,000	0.1000
26 August 2005	56,000	0.1200
9 September 2005	125,000	0.1350
9 September 2005	230,000	0.1000
9 September 2005	67,000	0.1200
16 September 2005	40,000	0.1000
16 September 2005	106,000	0.1200
16 September 2005	406,000	0.1540
19 September 2005	150,330,214	0.1608
30 September 2005	55,000	0.1000
30 September 2005	20,000	0.1010
30 September 2005	52,000	0.1200
30 September 2005	93,000	0.1350
30 September 2005	25,000	0.1810
7 October 2005	30,000	0.1000
7 October 2005	16,000	0.1200
7 October 2005	32,000	0.1350
7 October 2005	100,000	0.1790
7 October 2005	29,000	0.1810
14 October 2005	3,000	0.1000
14 October 2005	12,000	0.1020
14 October 2005	17,000	0.1200
14 October 2005	8,000	0.1540
14 October 2005	66,000	0.1810
28 October 2005	4,000	0.1200

Date of issue	Number of Shares issued	Issue price per Share (S\$)
28 October 2005	13,000	0.1810
11 November 2005	150,000	0.1000
25 November 2005	30,000	0.1000
9 December 2005	69,000	0.1810
6 January 2006	150,000	0.1000
6 January 2006	32,000	0.1200
6 January 2006	31,000	0.1540
6 January 2006	137,500	0.1550
6 January 2006	12,000	0.1810
6 January 2006	50,000	0.1960
13 January 2006	34,000	0.1200
13 January 2006	30,000	0.1350
13 January 2006	24,000	0.1810
20 January 2006	280,000	0.1000
20 January 2006	161,000	0.1200
20 January 2006	30,000	0.1540
20 January 2006	40,000	0.1810
27 January 2006	2,153,000	0.1000
27 January 2006	20,000	0.1200
27 January 2006	3,000	0.1810
10 February 2006	100,000	0.1000
10 February 2006	80,000	0.1200
10 February 2006	31,000	0.1540
10 February 2006	17,000	0.1810
17 February 2006	71,000	0.1000
17 February 2006	10,000	0.1200
24 February 2006	100,000	0.1000
24 February 2006	50,000	0.1020
24 February 2006	93,000	0.1200
24 February 2006	140,000	0.1350
24 February 2006	28,000	0.1810
3 March 2006	8,000	0.1810
10 March 2006	2,000	0.1810
10 March 2006	20,000	0.1200
17 March 2006	10,000	0.1810
17 March 2006	71,000	0.1200
17 March 2006	30,000	0.1000
24 March 2006	150,000	0.1960
24 March 2006	62,500	0.1550
24 March 2006	200,000	0.1510
24 March 2006	100,000	0.1000
7 April 2006	75,000	0.1590
13 April 2006	6,000	0.1000
13 April 2006	21,000	0.1200
13 April 2006	75,000	0.1590
13 April 2006	32,000	0.1350
13 April 2006	29,000	0.1810
21 April 2006	423,000	0.1000
21 April 2006	136,000	0.1200
21 April 2006	200,000	0.1790
21 April 2006	180,000	0.1810
21 April 2006	87,000	0.1960
28 April 2006	17,000	0.1010
28 April 2006	46,000	0.1200
28 April 2006	82,000	0.1540
28 April 2006	26,000	0.1810
5 May 2006	841,000	0.1000
5 May 2006	4,000	0.1020
5 May 2006	326,000	0.1200
5 May 2006	16,000	0.1350
5 May 2006	4,000	0.1540
5 May 2006	112,000	0.1590

Date of issue	Number of Shares issued	Issue price per Share (S\$)
5 May 2006	1,200,000	0.1790
5 May 2006	203,000	0.1810
5 May 2006	49,000	0.1960
5 May 2006	56,000	0.4490
8 May 2006	428,000	0.1000
8 May 2006	363,000	0.1200
8 May 2006	187,000	0.1350
8 May 2006	75,000	0.1590
8 May 2006	221,000	0.1810
8 May 2006	100,000	0.4490
Total	162,650,714	

Save as disclosed above, no Shares have been issued by the Company within the 12 months preceding the Latest Practicable Date.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be

Save as disclosed in Appendix III, the Company, its subsidiaries and associated company have not entered into any contracts not being contracts entered into in the ordinary course of business, within the two (2) preceding years before the date of lodgment of this Offer Information Statement.

PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from:
 - (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
 - (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published
2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim

combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities

The financial information for FY 2005, FY 2004 and FY 2003 are set out below. The FY 2005 financial information is based on the Group's audited consolidated financial statements for FY 2005. The FY 2003 and FY 2004 financial information are based on the audited financial statements for those years, restated to conform to the changes to the FRS applicable with effect from 1 January 2005.

SELECTED OPERATING RESULTS OF THE GROUP

The restated consolidated profit and loss financial information of the Group for FY 2003, FY 2004 and the audited consolidated financial information for FY 2005 are set out below:-

	FY 2003 US\$'000 Restated based on audited financial statements ⁽¹⁾	FY 2004 US\$'000 Restated based on audited financial statements ⁽¹⁾	FY 2005 US\$'000 Audited
Turnover	29,981	51,882	95,153
Other income	172	55	1
<i>(Less)/Add:</i>			
Direct service fees incurred	(14,961)	(25,113)	(41,907)
Commissions and other selling expenses	(6,282)	(13,693)	(31,489)
Personnel costs	(7,267)	(8,318)	(10,240)
Infrastructure costs	(1,962)	(1,859)	(2,195)
Depreciation of fixed assets	(1,049)	(1,101)	(1,310)
Amortisation of intangible assets	(67)	(92)	(113)
Marketing expenses	(374)	(280)	(317)
Foreign exchange (loss)/gain	142	538	(237)
Other operating expenses	(2,481)	(2,630)	(3,652)
Share of results of an associate	-	-	(46)
Profit/(loss) from operating activities	(4,148)	(611)	3,648
Interest income	759	789	1,066
Non-operating income	49	263	453
Profit/(loss) from operating activities before taxation	(3,340)	441	5,167
Less: taxation	-	-	-
Net profit/(loss) for the year	(3,340)	441	5,167
EPS (Basic)			
US Cents	(0.45)	0.06	0.64

Note:

- (1) With effect from FY 2005, the Company adopted FRS21 (revised): "The Effects of Changes in Foreign Exchange Rates"; and FRS102: "Share Based Payments". The Group's FY 2003 and FY 2004 financial information have been restated to reflect the adoption of the aforesaid standards.

No dividends were declared for the periods under review.

For further details, please refer to the extracts of the audited consolidated profit and loss statement of the Group for the financial years ended 31 December 2003 and 31 December 2004 which are set out in Appendix I.

Effects of the Rights Issue on consolidated EPS

Assuming full subscription of the Rights Issue and the issuance of 245,579,689 Rights Shares on 1 January of each of the financial years ended 31 December 2003, 31 December 2004 and 31 December 2005 respectively, the adjusted consolidated EPS are as follows:-

	Before the Rights Issue (US cents)	Adjusted for the Rights Issue ⁽¹⁾ (US cents)
For FY 2003	(0.45)	(0.34)
For FY 2004	0.06	0.04
For FY 2005	0.64	0.49

Note:

- (1) The profit/(loss) amounts used for the EPS computation ignore any provision or adjustment for transaction costs, and have not been adjusted for any interest income that may be derived from the Rights Issue.

Assuming full subscription of the Rights Issue and based on the adjusted weighted number of Shares for each of the financial years ended 31 December 2003, 31 December 2004 and 31 December 2005 respectively, the following weighted number of Shares were used in the EPS computations:-

	Before the Rights Issue (Number of Shares)	Adjusted for the Rights Issue ⁽¹⁾ (Number of Shares)
For FY 2003	745,324,532	990,904,221
For FY 2004	749,613,423	995,193,112
For FY 2005	802,149,303	1,047,728,992

Note:

- (1) The adjusted number of Shares excludes both new Shares issued between 1 January 2006 to the Latest Practicable Date and the Shares to be issued pursuant to the exercise of the Exercisable Share Options before the Books Closure Date.

3. In respect of:

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods

The financial review for FY 2005, FY 2004 and FY 2003 are set out below. The FY 2005 financial information is based on the Group's audited consolidated financial statements for FY 2005. The FY 2003 and FY 2004 financial information are based on the audited financial statements for those years, restated to conform to the changes to the FRS applicable with effect from 1 January 2005.

Financial Review of FY 2003 to FY 2005

FY 2003

Amidst the tumultuous events of FY 2003, including the outbreak of Severe Acute Respiratory Syndrome (SARS) and the Iraq war, the Group continued its strong growth momentum and increased significantly its share of the pure-play global VoIP market. VoIP became the dominant segment of the overall business to comprise 86% of the total revenue. This segment grew by 93% year-on-year. Advertising revenue declined to comprise less than 1% of total revenue. The transformation from a business model based on advertising revenue by providing free telecommunications services over the Internet to one that is a fee-based telecommunications service provider was completed.

Group revenue increased to US\$30.0 million, a growth of 53% over the previous year. Net loss reduced to US\$3.3 million.

FY 2004

Continuing its recovery, the Group achieved profitability in FY 2004 and was cash-flow positive for the year.

Riding on the wave of significant growth in traffic volume, revenue from the VoIP segment grew by 90% year-on-year to comprise 94% of total revenue.

Group revenue increased to US\$51.9 million, a growth of 73% over the previous year and net profit for the full year was US\$0.4 million.

FY 2005

During the year, Group revenue increased by 83% to US\$95.2 million from US\$51.9 million in FY 2004, mainly due to continued strong growth in its VoIP retail operations. Riding on the rapid growth in the VoIP industry, the Group's performance was boosted in FY 2005 by its VoIP retail operations which grew 89% to US\$92.5 million from US\$48.8 million in FY 2004.

The Group further expanded its marketing and distribution network to more than 1,400 resellers and partners in over 100 countries as compared to approximately 1,100 in over 90 countries for FY 2004.

In FY 2005, all categories of expenses for the Group increased as a result of the substantial growth in revenue. While direct service fees and selling expenses increased in tandem with revenue growth, the other operating expenses increased at a much slower pace reflecting the increased economies of scale associated with revenue growth.

Driven by strong growth in revenue, the Group achieved net profit of US\$5.2 million for the year ended 31 December 2005.

Financial Position

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of:**
 - (a) **the most recent completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period**

5. **The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:**
 - (a) **number of shares after any adjustment to reflect the sale of new securities;**

- (b) net assets or liabilities per share; and
- (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities

SELECTED FINANCIAL POSITION OF THE GROUP

The audited consolidated balance sheet of the Group as at the end of FY 2005 is as follows:-

	FY 2005 US\$'000 Audited
Share capital	54,113
Share premium	75,887
Accumulated losses	(83,163)
Other reserves	215
Translation reserves	(146)
Total Shareholders Equity	46,906
Fixed assets	2,542
Intangible assets	186
Investment in an associate	154
Investment in long-term bonds and deposits	5,661
Other investments	3,716
Current assets	48,487
Stocks	276
Trade debtors	2,172
Other debtors and deposits	1,210
Prepayments	3,178
Due from an associate	333
Investment in short-term bonds	2,420
Fixed deposits	37,437
Cash and bank balances	1,461
Current liabilities	(13,840)
Trade creditors	(2,834)
Other creditors and accruals	(4,614)
Deferred revenue	(6,392)
Net current assets	34,647
Net Assets	46,906
NAV per Share (US cents)	5.19
NAV per Share after adjusting for Rights Issue ⁽¹⁾ (US cents)	6.27

Note:

- (1) The NAV amounts used for the computation ignore any provision or adjustment for transaction costs, and have not been adjusted for any interest income that may be derived from the Rights Issue. The NAV per Share is calculated based on 1,149,449,968 Shares, on the assumption that the Rights Issue is fully subscribed. The above excludes any Shares and proceeds from the exercise of Exercisable Share Options.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of:
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period
-

The audited consolidated cash flow statement of the Group for FY 2005 is set out below:-

	FY 2005 US\$'000 Audited
Cash flows from operating activities	
Profit before taxation	5,167
Adjustments for:	
Allowance for doubtful debts - trade	316
Allowance for doubtful debts - non trade	86
Fixed assets written off	171
Amortisation of intangible assets	113
Depreciation of fixed assets	1,310
Gain on disposal of investment	(453)
Gain on disposal of fixed assets	(27)
Interest income from bonds and deposits	(1,066)
Allowance for stock obsolescence	4
Share-based payments	381
Share of results of an associate	46
Translation differences	141
	<hr/>
Operating profit before working capital changes	6,189
Increase in stocks	(9)
Increase in trade debtors	(127)
Increase in other debtors and deposits	(599)
Increase in prepayments	(937)
Increase in amount due from an associate	(333)
Increase in trade creditors	852
Increase in other creditors and accruals	1,130
Increase in deferred revenue	1,095
	<hr/>
Net cash generated from operating activities	7,261
	<hr/>
Cash flows from investing activities	
Proceeds from redemption of short-term bonds	1,983
Purchase of fixed assets	(1,843)
Proceeds from disposal of fixed assets	67
Purchase of intangible assets	(130)
Interest income received from bonds and deposits	1,158
Proceeds from disposal of long-term bonds and other investments	3,478
Investment in an associate	(200)
Purchase of other investments	(4,032)
	<hr/>
Net cash generated from investing activities	481
	<hr/>
Cash flows from financing activities	
Proceeds from issuance of ordinary shares	14,513
	<hr/>
Net cash generated from financing activities	14,513
	<hr/>
Net increase in cash and cash equivalents	22,255
Cash and cash equivalents at beginning of the year	16,643
	<hr/>
Cash and cash equivalents at end of the year	38,898
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7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided**
-

In the reasonable opinion of the Directors of the Company, the working capital available to the Group is sufficient for its present requirements.

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide:**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable)**
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Not applicable.

Trend Information

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect**
-

We remain focused on our VoIP business. Notably, with the recent acquisitions, MediaRing has gained strategic presences in Cambodia and Indonesia and built effective platforms for its telecommunications services in these new markets.

Looking ahead, MediaRing will continue to find avenues for sustainable growth through continued market and product development; and will remain open to possible strategic alliances with and investments in other synergistic businesses.

With the Company's current momentum and the anticipated continued growth of VoIP, the Group is optimistic about the business outlook in 2006. We have made steady progress in growing our share of the global VoIP market over the past years and MediaRing continues to be a leading company in the pure-play VoIP market outside the U.S.

With increasing market adoption of VoIP technology and public recognition of the many benefits it brings to consumers and businesses alike, we are optimistic of our growth prospects.

RISK FACTORS

Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding to invest in the Rights Shares. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Company, or that the Company may currently deem immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations and financial condition of the Company and the Group could be materially and adversely affected. In that event, the trading price of the Rights Shares could decline due to any of these considerations and uncertainties, and investors may lose all or part of their investment in the Rights Shares.

We are dependent on the adoption of VoIP technology

With the increasing adoption of the VoIP technology and public recognition of the many benefits it brings to consumers and businesses alike, the Group will continue to focus on its core business of providing VoIP services globally.

Our ability to sell such services may be inhibited by, *inter alia*, the reluctance of some end users in switching from traditional telephony services to VoIP based solutions, by concerns with the quality and security in using such services. As a result, our financial performance may be adversely affected.

We are subject to changes in the legal and regulatory framework in providing our services

VoIP is a form of enhanced data services, which is still in a nascent state of development. The global legal and regulatory environment in relation to such services has been undergoing continuous changes.

In addition, more than 95% of the Group's revenue is from outside Singapore. There are certain risks inherent in doing business overseas such as unexpected changes in the legal and regulatory requirements, especially in the telecommunications industry.

In the event that the Group is unable to comply with any change in such legal and regulatory requirements or adapt to such business developments, our operations and financial results may be adversely affected.

We are subject to expansion risks as we invest in and/or acquire new businesses in Singapore and overseas

We are in a continual process of investing in and/or acquiring new businesses, where suitable opportunities arise. As part of our on-going expansion strategy, we may invest in related businesses both locally and overseas, when we believe there are business growth prospects and synergies with our Group's existing operations. Our continuing expansion may strain our resources.

In the event that we are unable to successfully integrate such newly acquired businesses, or manage our growth and expansion locally and overseas, our operations and financial performance may be adversely affected.

In the event that we are unable to successfully close the General Offer, the costs and expenses incurred by us in implementing the General Offer may have a material adverse effect on the financial performance of the Group for FY 2006.

Save as disclosed in this Offer Information Statement or as previously disclosed to the public, the Directors are not aware of any material information including any special business factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast

Not applicable.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be

Not applicable.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements

Not applicable.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast**
-

Not applicable.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part:

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**

- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast

Not applicable.

Significant Changes

15. Disclose any event that has occurred from the end of:

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement

Save as disclosed in this Offer Information Statement, the General Offer Announcement, the Circular and the Offer to Purchase, or otherwise previously disclosed to the public, the Directors are not aware of any event that has occurred in the period from the end of FY 2005 up to the Latest Practicable Date which could have a material effect on the financial position and results of the Group.

PART VI – OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained**

Offer Price : S\$0.16 for each Rights Share

Amount of any expense specifically charged to the subscriber or purchaser : Nil

- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price**
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Not applicable.

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3. If:
- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price

Not applicable.

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange:

- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
 - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities:
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange
-

- 4(a)(i) The price range and volume of the Shares traded on the SGX-ST from each month from May 2005 to April 2006 are as follows:

Month	Low (S\$)	High (S\$)	Volume ('000 Shares)
May 2005	0.145	0.160	13,676
June 2005	0.150	0.175	42,072
July 2005	0.145	0.165	36,730
August 2005	0.145	0.195	144,230

Month	Low (S\$)	High (S\$)	Volume (‘000 Shares)
September 2005	0.185	0.315	616,657
October 2005	0.215	0.300	265,049
November 2005	0.235	0.275	127,901
December 2005	0.245	0.265	89,234
January 2006	0.250	0.295	164,729
February 2006	0.270	0.350	409,311
March 2006	0.290	0.365	296,497
April 2006	0.370	0.620	666,745

Source: Bloomberg

4(a)(ii) The range of highest and lowest market prices for the Shares traded on the SGX-ST for the period from 1 May 2006 to the Latest Practicable Date was S\$0.465 to S\$0.540.

4(c) There is no significant trading suspension that has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide:

(a) a statement of the rights, preferences and restrictions attached to the securities being offered; and

(b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered

Not applicable.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer

Not applicable, as the Rights Issue is not underwritten.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter

Not applicable, as the Rights Issue is not underwritten.

PART VII –ADDITIONAL INFORMATION

Statement of Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications**
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Not applicable.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**

- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement**
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Not applicable.

Consent from Issue Manager

- 3. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer**
-

UOB Asia, as the Manager, has given and has not withdrawn its consent to being named in this Offer Information Statement and references to its name in the form and context in which it appears in this Offer Information Statement and to act in such capacity in relation to this Offer Information Statement.

Other Matters

- 4. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —**

- (a) the relevant entity's business operations or financial position or results; or**
 - (b) investments by holders of securities in the relevant entity**
-

Please refer to Appendix II of this Offer Information Statement for the proforma financial effects of the Rights Issue and the General Offer (based on terms of the Rights Issue and the General Offer set out in the Pre-Conditional General Offer and Rights Issue Announcement, the Circular and the Offer to Purchase) on the consolidated NTA, NAV per Share, EPS and gearing of the Group for FY 2005, which are purely for illustrative purposes only.

Save as disclosed in this Offer Information Statement, the Circular and the Offer to Purchase or as previously disclosed to the public, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations and financial position or results or the investments by the Shareholders of the Company.

PART X – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

1. Provide:

- (a) the particulars of the rights issue;
- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;
- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;
- (d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;
- (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;
- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and
- (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue

-
- (a) Please see paragraph 1 of Part III of this Offer Information Statement.
 - (b) Please see paragraph 3 of Part III of this Offer Information Statement.
 - (c) Please see paragraph 3 of Part III of this Offer Information Statement.
 - (d) Please see paragraph 3 of Part III of this Offer Information Statement.
 - (e) Please see Appendices IV to VI of this Offer Information Statement.

(f) Irrevocable Undertaking

As at the Latest Practicable Date, the Undertaking Shareholder holds a total of 150,330,214 Shares, representing an aggregate shareholding of 16.45% of the current issued and paid-up capital of the Company. Based on such shareholding, the Undertaking Shareholder is entitled to subscribe for 37,582,553 Rights Shares. The Undertaking Shareholder has irrevocably undertaken to subscribe for 37,582,553 Rights Shares, representing its full Rights Entitlement under the Rights Issue.

(g) Non-underwritten Rights Issue

The Company expects the Rights Issue to be well received because the Issue Price is at a discount of 51.5% to the last traded price of the Shares on 24 February 2006, being the Market Day immediately preceding the date of the Pre-Conditional General Offer and Rights Issue Announcement. Moreover, the making of the General Offer will not be dependent on the success of the Rights Issue and accordingly, there is no minimum amount required to be raised from the Rights Issue. In view of the above, the Undertaking of the Undertaking Shareholder, and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

**EXTRACTS OF THE AUDITED CONSOLIDATED PROFIT AND LOSS STATEMENT
OF THE GROUP FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2003 AND
31 DECEMBER 2004**

CONSOLIDATED PROFIT AND LOSS STATEMENT OF THE GROUP

(Amounts in Singapore dollars unless otherwise stated)

	FY 2004 S\$'000	FY 2003 S\$'000
Turnover	87,765	52,353
Other income	94	270
Costs and expenses		
Direct service fees incurred	(42,516)	(26,122)
Personnel costs	(13,581)	(12,621)
Infrastructure costs	(3,150)	(3,428)
Foreign exchange loss	(1,010)	(692)
Depreciation of fixed assets	(1,873)	(1,833)
Amortisation of intangible assets	(159)	(118)
Selling and marketing expenses	(23,627)	(11,625)
Other operating expenses	(4,453)	(4,320)
Loss from operating activities	(2,510)	(8,136)
Interest income	1,337	1,326
Non-operating income	457	83
Loss from ordinary activities before taxation	(716)	(6,727)
Taxation	–	–
Net loss for the year	(716)	(6,727)
Loss per share (cents)		
- basic	(0.10)	(0.90)
- diluted	(0.10)	(0.90)

PROFORMA FINANCIAL EFFECTS OF THE RIGHTS ISSUE AND GENERAL OFFER

The proforma financial effects of the Rights Issue and the General Offer (based on the terms of the Rights Issue and the General Offer set out in the Pre-Conditional General Offer and Rights Issue Announcement, the Circular and the Offer to Purchase) on the consolidated NTA, NAV per Share, EPS and gearing of the Group for FY 2005, are purely for illustrative purposes only. The proforma financial effects stated below are neither indicative of the actual financial effects of the Rights Issue and the General Offer on the consolidated NTA, NAV per Share, EPS and gearing of the Group, nor represent the actual financial position and/or results of the Group immediately after the completion of the Rights Issue and the General Offer.

The financial effects have been prepared using the following bases and assumptions:

- (a) assuming that all the outstanding 914,474 PacNet Options as of 8 May 2006 are exercised and based on 13,518,162 shares in the capital of PacNet as of 8 May 2006, the General Offer is for the enlarged issued share capital of 14,432,636 ordinary shares in PacNet.
- (b) the audited consolidated financial statements of the Group for FY 2005, which is prepared in accordance with Singapore Financial Reporting Standards;
- (c) the audited consolidated financial statements of the PacNet group of companies ("**PacNet Group**") for FY 2005, which is prepared in accordance with the United States generally accepted accounting principles;
- (d) no adjustment relating to differences in the accounting standards, if any, has been made to align the audited consolidated financial statements of the PacNet Group to that of the Group;
- (e) translation exchange rate of US\$1.00 to S\$1.5608; (exchange rate as quoted as at the Latest Practicable Date)
- (f) assuming the net fair value of the assets and liabilities of the PacNet Group at date of acquisition is equal to its net asset value of US\$61.1 million at 31 December 2005. Accordingly, no further fair value adjustment is made to the assets and liabilities on the balance sheet, and to other unrecorded intangibles, if any;
- (g) assuming the difference between the purchase consideration and the assumed fair value of US\$61.1 million (as per (f) above) is completely attributed to goodwill on acquisition;
- (h) assuming that there is no impairment loss to be made on the goodwill on acquisition of the PacNet Group;
- (i) ignoring any provision or adjustment for transaction costs; and
- (j) assuming no synergies arising from the General Offer.

For illustration purposes, the financial effects have been based on the following scenario assumptions:

- (1) Scenario 1 – Assuming only the Rights Issue is completed, the General Offer is not completed; or
- (2) Scenario 2 – Assuming the Rights Issue is completed and Minimum Acceptance of the General Offer had been completed on 31 December 2005; or
- (3) Scenario 3 – Assuming the Rights Issue is completed and full acceptance of the General Offer had been completed on 31 December 2005, and

as well as assuming (i) either none or all of the Company's vested and Exercisable Share Options are exercised before the Books Closure Date, and (ii) either only the Undertaking Shareholder subscribes for the Rights Issue pursuant to the Shareholder's Undertaking ("**Minimum**" case) or the Rights Issue is fully subscribed ("**Maximum**" case).

A. Net Tangible Assets ("NTA")

The effects of the Rights Issue and the General Offer on the consolidated NTA per Share of the Group as at 31 December 2005, are summarised as follows:

- (1) Assuming only the Rights Issue is completed and the General Offer is not completed

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
NTA (US\$'000)	46,720	50,573	69,884	58,615	79,937
NTA per Share (US cents)	5.17	5.37	6.19	5.75	6.51

- (2) Assuming the Rights Issue is completed and Minimum Acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
NTA (US\$'000)	46,720	15,767	35,079	23,809	45,131
NTA per Share (US cents)	5.17	1.67	3.10	2.33	3.68

- (3) Assuming the Rights Issue is completed and full acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
NTA (US\$'000)	46,720	-20,251	-940	-12,209	9,113
NTA per Share (US cents)	5.17	-2.15	-0.08	-1.20	0.74

B. Net Asset Value (“NAV”)

The effects of the Rights Issue and the General Offer on the consolidated NAV per share of the Group as at 31 December 2005, are summarised as follows:

- (1) Assuming only the Rights Issue is completed and the General Offer is not completed

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
NAV (US\$'000)	46,906	50,759	70,070	58,801	80,123
NAV per Share (US cents)	5.19	5.39	6.20	5.77	6.53

- (2) Assuming the Rights Issue is completed and Minimum Acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
NAV (US\$'000)	46,906	50,759	70,070	58,801	80,123
NAV per Share (US cents)	5.19	5.39	6.20	5.77	6.53

- (3) Assuming the Rights Issue is completed and full acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
NAV (US\$'000)	46,906	50,759	70,070	58,801	80,123
NAV per Share (US cents)	5.19	5.39	6.20	5.77	6.53

C. Earnings per Share (“EPS”)

The effects of the Rights Issue and the General Offer on the consolidated EPS of the Group as at 31 December 2005, are summarised as follows:

- (1) Assuming only the Rights Issue is completed and the General Offer is not completed

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
Consolidated profit after tax (US\$'000)	5,167	5,256	5,700	5,441	5,931
EPS (US cents)	0.57	0.56	0.50	0.53	0.48

- (2) Assuming the Rights Issue is completed and Minimum Acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
Consolidated profit after tax (US\$'000)	5,167	7,048	7,943	7,551	8,174
EPS (US cents)	0.57	0.75	0.70	0.74	0.67

- (3) Assuming the Rights Issue is completed and full acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Issued and paid up share capital	903,870,279	941,452,832	1,129,837,848	1,019,901,311	1,227,898,447
Consolidated profit after tax (US\$'000)	5,167	8,604	9,811	9,107	10,418
EPS (US cents)	0.57	0.91	0.87	0.89	0.85

D. Gearing

The effects of the Rights Issue and the General Offer on the gearing of the Group as at 31 December 2005, are summarised as follows:

- (1) Assuming only the Rights Issue is completed and the General Offer is not completed

There is no impact on gearing.

- (2) Assuming the Rights Issue is completed and Minimum Acceptance of the General Offer had been completed on 31 December 2005

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Total Borrowings (US\$'000)	0	12,888	1,479	4,846	1,479
Adjusted shareholders' funds (US\$'000)	46,906	50,759	70,070	58,801	80,123
Gearing (times)	0.00	0.25	0.02	0.08	0.02

- (3) Assuming the Rights Issue is completed and full acceptance of the General Offer had been completed on 31 December 2005 -

	As at 31 Dec 05 (audited)	Assume no exercise of Exercisable Share Options		Assume full exercise of Exercisable Share Options	
		Minimum	Maximum	Minimum	Maximum
Total Borrowings (US\$'000)	0	28,816	9,505	20,775	0
Adjusted shareholders' funds (US\$'000)	46,906	50,759	70,070	58,801	80,123
Gearing (times)	0	0.57	0.14	0.35	0

MATERIAL CONTRACTS

The dates of, parties to and general nature of the material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries within the two (2) years preceding the date of this Offer Information Statement, and the amount of any consideration received or paid by the Company or any of its subsidiaries, are as follows:-

1. Partnership Agreement between the Company and Sok Channda dated 23 February 2005 relating to a 40% investment by MediaRing in (Cambodia) Data Communication Ltd for an aggregate consideration of US\$200,000;
2. Placement Agreement between the Company and Venture One Finance Limited dated 26 August 2005 for the placement of 150,330,214 new ordinary shares in the capital of MediaRing to Venture One Finance Limited for an aggregate consideration of approximately US\$24.17 million;
3. Sale and Purchase Agreement between the Company and PT Weson Mitra Utama, PT Berdikari Lintas Utama and Accufix Technology dated 13 December 2005, as supplemented on 13 December 2005 and 22 February 2006, relating to the sale and purchase by the Company of 95% of the shares in PT Atlasat Solusindo for an aggregate consideration of US\$3.35 million; and
4. Facility agreement between the Company and United Overseas Bank Limited dated 9 May 2006 relating to a revolving loan facility of up to US\$82.0 million to finance the General Offer.

PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement.

The provisional allotment of the Rights Shares is governed by the terms and conditions of this Offer Information Statement and the enclosed ARE. The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements to a Rights Share, if any, having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the number of Rights Shares provisionally allotted to them as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in whole or in part. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares are set out in this Offer Information Statement and the ARE.

Approval has been obtained from the CPF Board for those of its members participating in its investment scheme (collectively, “**IS Shareholders**”) to use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts (“**CPF Funds**”) to pay for the Rights Shares. IS Shareholders who wish to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct the respective approved banks, where such IS Shareholders hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf in accordance with this Offer Information Statement. CPF Funds, may not, however, be used for the purchase of the provisional allotment of Rights Shares.

If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares in addition to the Rights Shares provisionally allotted to him, he may do so by completing the relevant portions of the ARE or by way of an Electronic Application (as described below). An Entitled Depositor should ensure that the ARE is accurately and correctly completed, failing which the acceptance of his provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

Entitled Depositors may accept their provisional allotments of Rights Shares specified in their ARE and (if applicable) apply for excess Rights Shares either through CDP or by way of Electronic Application through an ATM of a Participating Bank.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of any application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application and/or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and the CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence or payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

(i) Acceptance/Application through CDP

To accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, the duly completed ARE must be accompanied by a **SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for, and submitted by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, at the Entitled Depositor's own risk, to **THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment must be made in Singapore currency in the form of a cashier's order or banker's draft drawn on a bank in Singapore and made payable to "**THE CENTRAL DEPOSITORY (PTE) LIMITED – MEDIATING RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written on the reverse side.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

(ii) Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix V of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. An Entitled Depositor who wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST should:-

- (a) complete the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the ARE together with payment in the prescribed manner as described above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of an Electronic Application in the prescribed manner as described above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotment of Rights Shares will be tradable in board lots, each board lot comprising a provisional allotment of 1,000 Rights Shares, 250 Rights Shares or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market during the provisional allotment trading period

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares (the “**Purchasers**”) as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARS accompanied by this Offer Information Statement, by ordinary post and at the Purchasers’ own risk, to their respective Singapore addresses as recorded with CDP. Purchasers should ensure that the ARS is accurately and correctly completed, failing which the acceptance of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS accompanied by this Offer Information Statement may obtain the same from CDP for the period up to the close of the Rights Issue at **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments or Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

Purchasers should inform their finance companies or Depository Agents if their purchases of such provisional allotments of Rights Shares are settled through these intermediaries. In such instances, if the Purchasers wish to accept the Rights Shares represented by the provisional allotments purchased, they will need to go through these intermediaries who will then accept the provisional allotments of Rights Shares on their behalf.

As an illustration, if an Entitled Depositor has 1,000 Shares in his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 250 Rights Shares in his Securities Account, as set out in his ARE, and the Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:–

Alternatives

(a) Accept his entire provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares

Procedures to be taken

- (i) Accept his entire provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares by way of Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (ii) Complete the ARE in accordance with the instructions contained therein for the full provisional allotment of Rights Shares and (if applicable) the number of excess Rights Shares applied for and:-
 - (1) forward the ARE together with a single remittance for S\$40.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier’s Order or Banker’s Draft drawn in Singapore and made payable to **“THE CENTRAL DEPOSITORY (PTE) LIMITED – MEDIATING RIGHTS ISSUE ACCOUNT”** and crossed **“NOT NEGOTIABLE, A/C PAYEE ONLY”** for the full amount due on acceptance by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY**

#02-01, SGX CENTRE 2, SINGAPORE 068807 or by post, at his own risk, in the self-addressed envelope provided to **THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor written on the reverse side. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODE OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

- (b) Accept a portion of his provisional allotment of Rights Shares, for example, accept his entitlement to 100 provisionally allotted Rights Shares and reject the balance
- (i) Accept the provisional allotment of 100 Rights Shares by way of Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (ii) Complete the ARE in accordance with the instructions contained therein for the provisional allotment of 100 Rights Shares and:-
- (1) forward the ARE together with a single remittance for S\$16.00 in the prescribed manner described in alternative (a)(ii)(1) above to CDP so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 150 Rights Shares which are not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through ATM of a Participating Bank by **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

- (c) Accept a portion of his provisional allotment of Rights Shares, for example, his entitlement to 100 provisionally allotted Rights Shares and trade the balance on the SGX-ST
 - (i) Accept the provisional allotment of 100 Rights Shares by way of Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
 - (ii) Complete the ARE in accordance with the instructions contained therein for the provisional allotment of 100 Rights Shares and:-
 - (1) forward the ARE together with a single remittance for S\$16.00 in the prescribed manner described in alternative (a)(ii)(1) above to CDP so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 150 Rights Shares may be traded on the SGX-ST during the provisional allotment trading period.

During the provisional allotment trading period, Entitled Depositors should note that the provisional allotment of Rights Shares will be tradable in board lots, each board lot comprising provisional allotment of 1,000 Rights Shares, 250 Rights Shares or any other board lot size which the SGX-ST may require. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market during the provisional allotment trading period.

If acceptance and payment for the Rights Shares in the prescribed manner as set out in this Offer Information Statement and the ARE/ARS (as the case may be) is not received through CDP by **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through an ATM of a Participating Bank by **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the Rights Shares provisionally allotted to that Entitled Depositor or Purchaser shall be deemed to have been declined and shall forthwith lapse and become void. Such provisional allotments of Rights Shares not so accepted by Entitled Depositors or Purchasers will be used to satisfy excess applications (if any) or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit, in the interests of the Company. **If any Entitled Depositor or Purchaser is in any doubt as to the action he should take, he should consult his legal, financial, tax or other professional adviser immediately.**

The excess Rights Shares are available for application subject to the terms and conditions contained in this Offer Information Statement, the ARE and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares that are not validly taken up by the Entitled Depositors, the original allottees or their respective renounees or the Purchasers of the provisional allotments of Rights Shares, together with those from the aggregate fractional entitlements, the unsold "nil-paid" provisional allotments of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in this Offer Information Statement, the ARE and (if applicable) the Memorandum and Articles of Association of the Company. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

CDP takes no responsibility for any decisions that the Directors may make. The Company reserves the right to refuse any application for excess Rights Shares in whole or in part without giving any reason whatsoever therefor. In the event that the number of Rights Shares allotted to an applicant is less than the number of Rights Shares applied for, he shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded by CDP, on behalf of the Company, to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom within 15 Market Days after the Closing Date, by crediting their accounts with the relevant Participating Banks (if they apply by way of an Electronic Application) at their own risk, the receipt by such bank being a good discharge to CDP, the Company and the Manager for their obligations, if any, thereunder, or by means of a crossed cheque drawn on a bank in Singapore and sent to them at their mailing addresses in Singapore BY ORDINARY POST (if they apply through CDP) at their own risk.

THE FINAL TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS ISSUE IS:-

- (A) 4.45 P.M. ON 2 JUNE 2006 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF AN ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS ISSUE IS MADE THROUGH CDP; OR**
- (B) 9.30 P.M. ON 2 JUNE 2006 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF AN ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS ISSUE IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**

It should be particularly noted that unless:-

- (i) acceptance and payment in Singapore currency by cashier's order or banker's draft drawn on a **bank in Singapore** and made out in favour of "**THE CENTRAL DEPOSITORY (PTE) LIMITED – MEDIATING RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount of the provisionally allotted Rights Shares due on acceptance and with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written on the reverse side is submitted by hand to **THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post at the Entitled Depositor's or the Purchaser's (as the case may be) own risk, in the self-addressed envelope provided to reach **THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD, P.O. BOX 1597, SINGAPORE 903147 by 4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (ii) acceptance of the provisionally allotted Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through the ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void. All monies received will be returned to the Entitled Depositors or the Purchaser (as the case may be) without interest or any share of revenue or other benefit arising therefrom, BY ORDINARY POST (where acceptance is through CDP) or crediting their accounts with the relevant Participating Banks (where acceptance is by way of Electronic Application through the ATMs of the Participating Banks), and at the Entitled Depositors' or the Purchasers' (as the case may be) own risk within 15 Market Days after the Closing Date. **ACCEPTANCES ACCOMPANIED BY ANY OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the instructions set out on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out in this Offer Information Statement before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used in respect of the acceptance of and (if applicable) the excess application for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts or (as the case may be) who applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement including but not limited to the terms and conditions appearing below:-

1. In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:-
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (if applicable) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to the effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, SCCS, CDP, CPF Board, the SGX-ST, the Company and the Manager (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter,” “OK,” “Confirm” or “Yes” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter,” “OK,” “Confirm” or “Yes” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of and the Third Schedule to the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of his account to the Relevant Parties.

2. An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of his Securities Account as at the close of the Rights Issue. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final.
4. If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter,” “OK,” “Confirm” or “Yes” key, as the case may be, on the ATM) of the number of Rights Shares accepted and (if applicable) excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares and/or excess Rights Shares applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Shares both by way of ARE and/or ARS (as the case may be) and by way of acceptance through Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of Rights Shares not exceeding the number of provisionally allotted Rights Shares which are standing to the credit of his Securities Account as at the close of the Rights Issue. CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier’s Order or Banker’s Draft drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of the acceptance through Electronic Application through the ATM of a Participating Bank.
6. If applicable, in the event that the Applicant applies for excess Rights Shares by way of ARE and by way of application through Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of application through Electronic Application through the ATM of a Participating Bank and by way of ARE. CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of cashier’s order or banker’s draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through the ATM of a Participating Bank.

7. The Applicant irrevocably requests and authorises the Company to:-
 - (a) register or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 15 Market Days after the Closing Date; and
 - (c) return (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 15 Market Days after the Closing Date.
8. **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
9. The Application irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, loss, theft (in each case whether or not within the control of CDP, the Participating Banks, the Company and/or the Manager) and any event whatsoever beyond the control of CDP, the Participating Banks, the Company and the Manager and if, in any such event, CDP and/or the Participating Banks and/or the Company and/or the Manager do not record or receive the Applicant's Electronic Application or data relating to the Applicant's Electronic Application by **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Company, the Participating Banks or the Manager in relation to the Rights Shares and (if applicable) excess Rights Shares or to any compensation, loss or changes in connection therewith or in relation thereto.
10. **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
11. Electronic Applications shall close at **9.30 p.m. on 2 June 2006** or such other time as the Directors may, in their absolute discretion, deem fit in the interests of the Company.
12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
14. Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 15 Market Days of the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.

15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and by making and completing an Electronic Application, the Applicant agrees that:-
- (a) his Electronic Application is irrevocable (whether or not any supplementary document or replacement document referred to in Section 241 of the Securities And Futures Act is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, the Manager or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage, transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective controls;
 - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his provisional allotment of Rights Shares and (if applicable) his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars, as recorded by both CDP and the relevant Participating Banks, are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
17. The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
18. In the event that the Applicant accepts the provisional allotment of Rights Shares or applies for excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through the ATM of a Participating Bank, the provisional allotment of Rights Shares and/or Excess Rights Shares will be allotted in such manner as the Directors of Company or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) excess application or the surplus acceptance and (if applicable) excess application monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising therefrom within 15 Market Days of the Closing Date by any one or a combination of the following:-
- (a) by means of a crossed cheque sent by ORDINARY POST at his own risk if he accepts and (if applicable) applies through CDP; and

- (b) crediting the Applicant's Bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of a Participating Bank.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company, the Manager and CDP are entitled and the Applicant hereby authorises the Company, the Manager and CDP to take into consideration:-
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE(s) or any other form of application (including Electronic Application through the ATM) for the Rights Shares;
- (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the Securities Account of the Entitled Depositor which is available for acceptance; and
- (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Entitled Depositor.

The Applicant hereby acknowledges that the determination of CDP, the Manager or the Company shall be conclusive and binding on him.

20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.

With regard to any application which does not conform strictly to the instructions set out in the Offer Information Statement, the ARE, ARE, PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of the Offer Information Statement, or in the case of an application by the ARE, ARS, PAL and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application and present the payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:-

Renounceable PAL incorporating:-

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

The provisional allotment of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments for Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions of the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.

Entitled Scripholders should note that all dealings in and transactions of the provisional allotment of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PAL will not be valid for delivery pursuant to trades done on the SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement or the PAL with respect to enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete the Form of Acceptance (Form A) of the PAL for the number of Rights Shares which they wish to accept and forward the PAL, in its entirety, together with payment in the prescribed manner to **MEDIARING LTD C/O THE SHARE REGISTRAR, LIM ASSOCIATES (PTE) LTD, 10 COLLYER QUAY #19-08 OCEAN BUILDING, SINGAPORE 049315**, so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B) of the PAL, request to have their provisional allotments of Rights Shares under the PAL split into separate PALs (the “**Split Letters**”) according to their requirements. The duly completed Form B together with the PAL, in its entirety, should be returned to reach the Share Registrar not later than **4.45 p.m. on 30 May 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). No Split Letters will be issued to Entitled Scripholders if the Form B is received after **4.45 p.m. on 30 May 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares, which Entitled Scripholders intend to renounce, may be renounced by completing the Form of Renunciation (Form C) before delivery to the renounees. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to the Share Registrar so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounees.

Payment in relation to PAL must be made in Singapore currency in the form of a cashier's order or banker's draft drawn on a bank in Singapore and made payable to "**MEDIATING RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written on the reverse side of the remittance. The completed PAL and payment should be addressed and forwarded, at the sender's own risk, to **MEDIATING LTD C/O THE SHARE REGISTRAR, LIM ASSOCIATES (PTE) LTD, 10 COLLYER QUAY #19-08 OCEAN BUILDING, SINGAPORE 049315** so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the prescribed manner as set out in the PAL is not received by **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith BY ORDINARY POST and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or benefit arising therefrom within 15 Market Days after the Closing Date.

Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares in the form and manner set out above, at their own risk to **MEDIATING LTD C/O THE SHARE REGISTRAR, LIM ASSOCIATES (PTE) LTD, 10 COLLYER QUAY #19-08 OCEAN BUILDING, SINGAPORE 049315** so as to arrive not later than **4.45 p.m. on 2 June 2006** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for the excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' discretion, be satisfied from such Rights Shares as are not validly taken up, the unsold "nil-paid" provisional Rights allotment (if any) of Foreign Shareholders and the aggregated fractional entitlements of Rights Shares and any Rights Shares that are otherwise not allotted for any reason. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. The Directors reserve the right to allot the excess Rights Shares applied for under the Form E in any manner they deem fit and to refuse, in whole or in part, any application for excess Rights Shares without assigning any reason whatsoever.

If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within 15 Market Days of the Closing Date, **BY ORDINARY POST** at their **OWN RISK**.

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Upon listing and quotation on the Official List of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" as the same may be amended from time to time. Copies of the above are available from CDP.

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain a Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into the Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("NRIC")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares that are allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. These physical share certificates will be sent BY ORDINARY POST to person(s) entitled thereto at his/their own risk.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

THE FINAL TIME AND DATE FOR ACCEPTANCE AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 4.45 P.M. ON 2 JUNE 2006 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:-

DBS

OCBC

UOB

The foregoing constitutes full and true disclosure of all material facts relating to the shares being offered by this Offer Information Statement.

Dated this 17th day of May 2006

For and on behalf of **MediaRing Ltd**

Walter J Sousa
Director

Koh Boon Hwee
Director

Khaw Kheng Joo
Director

Thomas Henrik Zilliacus
Director

Eileen Tay-Tan Bee Kiew
Director

Sin Hang Boon
Director