



Half-Year Financial Statement And Dividend Announcement for the Period Ended 30/06/2007 (Unaudited)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

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

	Group		
	US\$'000		%
	1H 07	1H 06	Change
Turnover	51,297	53,319	-3.8%
Other income	20	17	17.6%
Direct service fees incurred (Note 1)	(25,306)	(21,647)	16.9%
Commissions and other selling expenses (Note 2)	(14,772)	(17,465)	-15.4%
Personnel costs	(5,963)	(6,175)	-3.4%
Infrastructure costs (Note 3)	(2,275)	(1,683)	35.2%
Depreciation of fixed assets (Note 3)	(1,401)	(979)	43.1%
Amortisation of intangible assets (Note 3)	(470)	(72)	552.8%
Marketing expenses	(280)	(329)	-14.9%
Foreign exchange (loss)/gain	(150)	310	N.M.
Other operating expenses (Note 4)	(2,512)	(2,770)	-9.3%
Share of results of associates	590	(86)	N.M.
(Loss)/Profit from operations	(1,222)	2,440	N.M.
Interest income from bonds and deposits	751	965	-22.2%
Non-operating income (Note 5)	4,572	11	N.M.
Non-operating expense - impairment on goodwill (Note 6)	(1,997)	-	N.M.
Profit before tax	2,104	3,416	-38.4%
Tax	92	-	N.M.
Profit for the period	2,196	3,416	-35.7%

N.M. - Not Meaningful

Note 1

Direct service fees increased by 16.9% compared to the same period last year as a result of change in sales mix as well as escalating termination costs for one of our major destinations.

Note 2

Commissions and other selling expenses decreased by 15.4% compared to the same period last year due to the change in sales mix as well as the decrease in turnover by 3.8%.

Note 3

Infrastructure costs, depreciation of fixed assets and amortisation of intangible assets increased by 35.2%, 43.1% and 552.8% respectively compared to the same period last year. The increase was due to the consolidation of PT Atlasat Solusindo and NetPlus Communications Pte Ltd, which were acquired in April 2006 and July 2006 respectively.

Note 4

Other operating expenses include the following:

	Group		
	US\$'000		%
	1H 07	1H 06	Change
Loss on disposal of fixed assets	(1)	(10)	-90.0%
Write back of allowance for stock obsolescence	-	11	N.M.
Allowance for doubtful trade debts	(32)	(205)	-84.4%
Travelling & entertainment	(581)	(975)	-40.4%
Professional fees	(568)	(473)	20.1%
Others	(1,330)	(1,118)	19.0%
Total other operating expenses	(2,512)	(2,770)	-9.3%

Note 5

Non-Operating Income

	Group		
	US\$'000		%
	1H 07	1H 06	Change
Net gain on disposal of an associate	4,572	-	N.M.
Gain on disposal of investment	-	11	N.M.
Total non-operating income	4,572	11	N.M.

* This is the gain on disposal of Pacific Internet Ltd ("PacNet") shares after net off the costs of disposal of US\$0.5 million.

Note 6

Impairment on goodwill is a non-cash charge to the profit and loss following the review of goodwill arising from the acquisition of a subsidiary.

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

	Group US\$'000		Company US\$'000	
	30/06/2007	31/12/2006	30/06/2007	31/12/2006
Share capital	155,221	154,208	155,221	154,208
Accumulated losses	(72,677)	(74,873)	(68,461)	(71,592)
Other reserves	914	713	914	713
Translation reserves	179	44	49	14
Total Shareholders Equity	83,637	80,092	87,723	83,343
Fixed assets	3,393	3,699	2,088	1,702
Intangible assets (Note 7)	7,885	10,263	322	255
Investment in subsidiaries	-	-	8,005	10,002
Investment in associates (Note 8)	427	39,403	679	39,202
Investment in long-term bonds and deposits	1,831	1,827	1,831	1,827
Other investment securities	406	116	406	116
Long-term loans and advances to subsidiaries	-	-	6,670	6,720
Current assets	86,780	46,251	82,485	40,732
Stocks	959	411	923	368
Trade debtors (Note 9)	4,515	5,646	1,976	2,921
Other debtors and deposits	784	805	460	585
Prepayments (Note 9)	3,407	4,298	3,127	3,992
Due from subsidiaries	-	-	5,216	4,800
Due from associates	1,030	868	1,030	868
Investment in short-term bonds	-	1,655	-	1,655
Fixed deposits (Note 10)	73,280	29,241	68,405	23,508
Cash and bank balances	2,805	3,327	1,348	2,035
Current liabilities	15,988	20,239	14,763	17,213
Trade creditors (Note 9)	2,985	4,035	1,440	2,085
Other creditors and accruals (Note 9)	6,793	8,206	4,585	6,083
Deferred revenue (Note 9)	6,070	7,735	5,695	7,330
Due to subsidiaries	-	-	3,015	1,715
Due to an associate	28	-	28	-
Tax payable	112	263	-	-
Net current assets	70,792	26,012	67,722	23,519
Long-term liabilities	1,097	1,228	-	-
Deferred tax liabilities	1,024	1,164	-	-
Accrued employee entitlement	73	64	-	-
Net Assets	83,637	80,092	87,723	83,343

Note 7

As compared to 31 December 2006, the decrease in intangible assets was mainly due to impairment on goodwill of US\$2.0 million (see note 6).

Note 8

As compared to 31 December 2006, the decrease in investment in associates was due to the disposal of investment in PacNet.

Note 9

As compared to 31 December 2006, the decrease in trade debtors, prepayments, trade creditors, other creditors and accruals and deferred revenue was mainly due to the decrease in sales.

Note 10

As compared to 31 December 2006, the increase in fixed deposits was mainly due to proceeds from the disposal of PacNet's shares.

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

Amount repayable in one year or less, or on demand

As at 30/06/2007		As at 31/12/2006	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30/06/2007		As at 31/12/2006	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
Nil	Nil	Nil	Nil

Details of any collateral

Fixed deposits of US\$1.6 million (31/12/2006 : fixed deposits of US\$1.49 million) were pledged as security for bank guarantees, standby letters of credit and other bank services.

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

	Group (US\$'000)	
	1H 07	1H 06
Cash flows from operating activities		
Profit before taxation	2,104	3,416
Adjustment for:		
Allowance for doubtful trade debts	32	205
Amortisation of intangible assets	470	72
Depreciation of fixed assets	1,401	979
Gain on disposal of investment	-	(11)
Net gain on disposal of an associate	(4,572)	-
Interest income from bonds and deposits	(751)	(965)
Loss on disposal of fixed assets	1	10
Share of results of associates	(590)	86
Share-based payments	178	218
Write back of allowance for stock obsolescence	-	(11)
Impairment on goodwill	1,997	-
Translation differences	66	(83)
Operating profit before working capital changes	336	3,916
Increase in stocks	(550)	(136)
Decrease/(increase) in trade debtors	1,097	(1,663)
Decrease in other debtors and deposits	32	569
Decrease/(increase) in prepayments	891	(3,077)
Increase in amount due from associates	(163)	(70)
(Decrease)/increase in trade creditors	(1,050)	1,128
(Decrease)/increase in other creditors and accruals	(1,404)	739
Increase in amount due to an associate	28	-
(Decrease)/increase in deferred revenue	(1,665)	1,452
Cash (used in)/generated from operating activities	(2,448)	2,858
Tax paid	(152)	-
Net cash (used in)/generated from operating activities	(2,600)	2,858
Cash flows from investing activities		
Purchase of fixed assets	(1,056)	(1,170)
Purchase of intangible assets	(137)	(234)
Proceeds from disposal of fixed assets	1	40
Investment in subsidiaries, net of cash acquired	-	(3,364)
Net proceeds from disposal of an associate	44,138	-
Proceeds from disposal of long-term bonds and other investments	-	643
Proceeds from redemption of short-term bonds	1,651	-
Interest income received from bonds and deposits	739	960
Purchase of investment securities	-	(297)
Net cash generated from/(used in) investing activities	45,336	(3,422)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	-	22,924
Proceeds from exercise of employee share options	781	988
Net cash generated from financing activities	781	23,912
Net increase in cash and cash equivalents	43,517	23,348
Cash and cash equivalents at beginning of the period	32,568	38,898
Cash and cash equivalents at end of the period	76,085	62,246

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

	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Other reserve US\$'000	Translation reserve US\$'000	Total US\$'000
The Group						
Balance as at 1 January 2006	54,113	75,887	(83,163)	215	(146)	46,906
Changes in equity for the period:						
-Net change in fair value adjustment reserve	-	-	-	2,356	-	2,356
-Net effect of exchange differences	-	-	-	-	90	90
-Net income recognised directly in equity	-	-	-	2,356	90	2,446
-Profit for the period	-	-	3,416	-	-	3,416
-Total recognised income and expenses for the period	-	-	3,416	2,356	90	5,862
-Transfer of share premium reserve to share capital account	75,887	(75,887)	-	-	-	-
-Issuance of ordinary shares	22,924	-	-	-	-	22,924
-Exercise of employee share options	1,110	-	-	(122)	-	988
-Value of employee services received	-	-	-	218	-	218
Balance as at 30 June 2006	154,034	-	(79,747)	2,667	(56)	76,898
Balance as at 1 January 2007	154,208	-	(74,873)	713	44	80,092
Changes in equity for the period:						
-Net change in fair value adjustment reserve	-	-	-	255	-	255
-Net effect of exchange differences	-	-	-	-	135	135
-Net income recognised directly in equity	-	-	-	255	135	390
-Profit for the period	-	-	2,196	-	-	2,196
-Total recognised income and expenses for the period	-	-	2,196	255	135	2,586
-Exercise of employee share options	1,013	-	-	(232)	-	781
-Value of employee services received	-	-	-	178	-	178
Balance as at 30 June 2007	155,221	-	(72,677)	914	179	83,637

	Share capital US\$'000	Share premium US\$'000	Accumulated losses US\$'000	Other reserve US\$'000	Translation reserve US\$'000	Total US\$'000
The Company						
Balance as at 1 January 2006	54,113	75,887	(83,703)	215	5	46,517
Changes in equity for the period:						
-Net change in fair value adjustment reserve	-	-	-	2,356	-	2,356
-Net effect of exchange differences	-	-	-	-	4	4
-Net income recognised directly in equity	-	-	-	2,356	4	2,360
-Profit for the period	-	-	4,393	-	-	4,393
-Total recognised income and expenses for the period	-	-	4,393	2,356	4	6,753
-Transfer of share premium reserve to share capital account	75,887	(75,887)	-	-	-	-
-Issuance of ordinary shares	22,924	-	-	-	-	22,924
-Exercise of employee share options	1,110	-	-	(122)	-	988
-Value of employee services received	-	-	-	218	-	218
Balance as at 30 June 2006	154,034	-	(79,310)	2,667	9	77,400
Balance as at 1 January 2007	154,208	-	(71,592)	713	14	83,343
Changes in equity for the period:						
-Net change in fair value adjustment reserve	-	-	-	255	-	255
-Net effect of exchange differences	-	-	-	-	35	35
-Net income recognised directly in equity	-	-	-	255	35	290
-Profit for the period	-	-	3,131	-	-	3,131
-Total recognised income and expenses for the period	-	-	3,131	255	35	3,421
-Exercise of employee share options	1,013	-	-	(232)	-	781
-Value of employee services received	-	-	-	178	-	178
Balance as at 30 June 2007	155,221	-	(68,461)	914	49	87,723

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

During the financial period under review, a total of 10,141,653 ordinary shares were issued upon the exercise of options granted under the Employees' Share Option Schemes and Employees' Performance Share Schemes.

The breakdown of the outstanding share options granted under the Employees' Share Option Schemes

	No. of Shares	
	30/06/2007	30/06/2006
Options granted under 1999 MediaRing Employees' Share Option Scheme	2,017,206	5,876,196
Options granted under 1999 MediaRing Employees' Share Option Scheme II	83,134,460	92,300,452

A total of 1,018,500 (30/06/2006 : 1,525,000) outstanding performance share were granted under the Employees' Performance Share Schemes.

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

The figures have not been audited or reviewed by the auditors.

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

Not Applicable

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

The Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 31 December 2006.

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

Not Applicable

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

	Group	
	1H 07	1H 06
Earning per ordinary share for the year after deducting any provision for preference dividends:-		
i) Based on weighted average number of ordinary share in issue (US cent)	0.21 cent	0.36 cent
ii) On a fully diluted basis (US cent)	0.20 cent	0.34 cent

Basic earning per share is calculated based on the weighted average number of 1,052,252,442 (30/06/2006 : 948,512,416) ordinary shares in issue.

Diluted earning per share is calculated based on the adjusted weighted average number of 1,110,299,841 (30/06/2006 : 1,003,348,504) ordinary shares.

7. **Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :- (a) current financial period reported on; and (b) immediately preceding financial year.**

	Group		Company	
	30/06/2007	31/12/2006	30/06/2007	31/12/2006
Net asset backing per ordinary share is calculated based on 1,155,989,519 (31/12/2006 : 1,145,847,866) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (US cent).	7.24 cent	6.99 cent	7.59 cent	7.27 cent

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

For the six-month period ended 30 June 2007, the Group recorded revenue of US\$51.3 million. Compared to the corresponding period last year, revenue decreased by 3.8% and call traffic decreased by 11.7% to 519 million minutes. The decrease in revenue and traffic volume was largely due to the intense competition we faced in the industry.

Due to escalating termination costs for one of our major destinations, direct service fees increased by 16.9%, resulting in the compression of the operating margin. Meanwhile, commission and other selling expenses declined in tandem with the decrease in sales volume by US\$2.7 million (15.4%) to US\$14.8 million.

Apart from direct service fees and commission and other selling expenses, total operating expenditure increased by 11.5% due to the consolidation of two of our subsidiaries which were acquired in April 2006 (PT. Atlasat Solusindo) and July 2006 (NetPlus Communications Pte Ltd).

Share of results of associates registered an increase of US\$0.68 million due to the acquisition of PacNet as an associate in July 2006. Our investment in PacNet was subsequently disposed of in June 2007, resulting in a net gain of US\$4.6 million and an improvement in the cash position of the Group.

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

There was no forecast or prospect statement disclosed to shareholders previously. However, a business and financial update was provided via SGX announcement on 9 July, 2007.

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

Looking ahead, MediaRing will continue to focus on its strategy to defend and grow its existing markets, and expand into new markets.

The Group will continue to look for opportunities to expand its operation in Asia, and will, at the same time, be diligent of the changing regulations in the countries that use our services.

We remain strongly committed to building a sustainable business growth model, which will enhance the value of our shares in the long run. Our growth strategy remains both organic and inorganic means.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

No dividend has been declared or recommended.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not Applicable

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not Applicable

- 15. A breakdown of sales.**

Not Applicable

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not Applicable

- 17. Statement Pursuant to Rule 705(4) of The Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the half year ended 30 June 2007 to be false or misleading in any material respects.

BY ORDER OF THE BOARD

Yeo Siew Chai
Company Secretary

13 August 2007