



Half-Year Financial Statement And Dividend Announcement (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		
	S\$'000		% Change
	1H 2003	(Restated) 1H 2002	
Turnover	20,856	16,541	26.1%
Other income	178	10	1680.0%
Direct services fees incurred	(10,232)	(8,580)	19.3%
Personnel costs	(6,409)	(6,327)	1.3%
Infrastructure costs	(1,711)	(2,447)	-30.1%
Foreign exchange gain (loss) (Note 1)	60	(388)	NM
Depreciation	(1,026)	(1,476)	-30.5%
Amortisation of intangible assets	(66)	(227)	-70.9%
Selling and marketing expenses	(4,262)	(1,899)	124.4%
Other operating expenses (Note 2)	(1,879)	(3,097)	-39.3%
Loss from operations before interest	(4,491)	(7,890)	-43.1%
Interest income	657	708	-7.2%
Operating loss before tax	(3,834)	(7,182)	-46.6%
Tax	-	-	NM
Net loss for the year	(3,834)	(7,182)	-46.6%

Note 1

The Company treated outstanding inter-company loans as at 1 January 2002 as well as advances given to subsidiaries during FY2002 as part of its net investment in subsidiaries as no repayment is planned or likely to occur in the foreseeable future. The exchange differences arising from the translation of these foreign currency denominated inter-company loans were taken to translation reserve in the balance sheet as at 31 December 2002. Foreign exchange loss of S\$2.6 million arising from the translation of these inter-company loans and advances up to 30 June 2002 which was included in the Profit & Loss account reported in FY2002's half-year announcement has been reclassified and adjusted to translation reserve in the Balance Sheet.

Note 2

Other operating expenses include the following:

	Group		
	S\$'000		% Change
	1H 2003	1H 2002	
Loss on disposal of fixed assets	(3)	(10)	-70.0%
Fixed assets written off	(2)	-	NM
Provision for stock obsolescence	(95)	-	NM
Provision for trade receivable	(96)	(1,147)	-91.6%
Others	(1,683)	(1,940)	-13.2%
Total other operating expenses	(1,879)	(3,097)	-39.3%

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 S\$'000		Company S\$'000	
	30/06/03	31/12/02	30/06/03	31/12/02
Share capital	74,511	74,511	74,511	74,511
Share premium	117,538	117,538	117,538	117,538
Accumulated losses	(141,595)	(137,761)	(87,703)	(86,739)
Translation reserves	(2,767)	(2,820)	(2,750)	(3,736)
Total Shareholders Equity Funds	47,687	51,468	101,596	101,574
Fixed assets	3,601	3,080	1,321	820
Intangible assets	161	137	140	106
Investment in subsidiaries	-	-	29,805	29,805
Investment in long-term bonds	21,618	21,640	21,618	21,640
Other investments	562	475	562	475
Long-term loans and advances to subsidiaries (Note 3)	-	-	29,336	28,350
Current assets	35,315	35,310	29,075	27,880
Stocks	337	351	129	29
Trade debtors	4,021	2,544	2,550	1,229
Other debtors, deposits and prepayments	3,394	2,643	2,091	1,425
Due from subsidiaries (non-trade)	-	-	6,452	4,773
Investment in short-term bonds	9,017	10,522	9,017	10,522
Fixed deposits	15,005	13,777	6,964	7,868
Cash and bank balances	3,541	5,473	1,872	2,034
Current liabilities	(13,570)	(9,174)	(10,261)	(7,502)
Trade creditors	(1,782)	(863)	(1,053)	(142)
Accruals and other creditors	(11,788)	(8,311)	(7,303)	(5,284)
Due to subsidiaries (non-trade)	-	-	(1,905)	(2,076)
Net current assets	21,745	26,136	18,814	20,378
Net assets	47,687	51,468	101,596	101,574

Note 3

Long-term loans and advances to subsidiaries are stated after deducting provision of S\$41.1 million (2002: S\$41.1million).

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

Amount repayable in one year or less, or on demand

As at 30/06/03		As at 31/12/02	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30/06/03		As at 31/12/02	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

Details of any collateral

Cash deposits of S\$2.3 million and US\$1 million (2002: S\$2.3 million and US\$1 million) were pledged as security for bank facilities.

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

	Group (S\$'000)	
	1H 2003	(Restated) 1H 2002
Cash flow from operating activities		
Loss before taxation	(3,834)	(7,182)
Adjustment for non-cash items		
Depreciation of fixed assets	1,026	1,476
Amortisation of intangible assets	66	227
Loss on disposal of fixed assets	3	10
Fixed assets written off	2	-
Bad debts written off	-	(43)
Provision for doubtful debts	96	1,147
Provision for stock obsolescence	95	-
Interest income from deposits/bonds	(657)	(708)
Exchange loss (gain)	92	(127)
Operating loss before working capital changes	(3,111)	(5,200)
(Increase) in stocks	(82)	(137)
(Increase) in trade debtors	(1,660)	(1,291)
(Increase) in other debtors, deposits and prepayments	(781)	(452)
Increase (Decrease) in trade creditors	919	(1,044)
Increase in accruals and other creditors	3,496	582
Cash used in operating activities	(1,219)	(7,542)
Cash flow from investing activities		
Purchase of fixed assets	(1,530)	(173)
Acquisition of intangible assets	(90)	(60)
Acquisition of other investments	(87)	-
Proceeds from sale of fixed assets	1	11
Proceeds from disposal of other investments	-	111
Redemption of bonds, net	1,511	6,065
Interest income received from deposits/bonds	710	708
Net cash generated from investing activities	515	6,662
Cash flow from financing activities		
Proceeds from issue of shares	-	213
Payment for lease obligations	-	(1)
Net cash generated from (used in) financing activities	-	212
Net (decrease) in cash and cash equivalents	(704)	(668)
Cash at beginning of period	19,250	25,152
Cash at end of the period	18,546	24,484

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 S\$'000	Share premium S\$'000	Accumulated losses (Restated) S\$'000	Translation reserve (Restated) S\$'000	Total Equity (Restated) S\$'000
The Group					
Balance as at 1 January 2002	74,171	117,538	(126,442)	(2,198)	63,069
Net loss for the year	-	-	(7,182)	-	(7,182)
Issue of shares	213	-	-	-	213
Foreign currency translation difference	-	-	-	(290)	(290)
Balance as at 30 June 2002	74,384	117,538	(133,624)	(2,488)	55,810
Balance as at 1 January 2003	74,511	117,538	(137,761)	(2,820)	51,468
Net loss for the year	-	-	(3,834)	-	(3,834)
Foreign currency translation difference	-	-	-	53	53
Balance as at 30 June 2003	74,511	117,538	(141,595)	(2,767)	47,687

	Share capital S\$'000	Share premium S\$'000	Accumulated losses (Restated) S\$'000	Translation reserve (Restated) S\$'000	Total Equity (Restated) S\$'000
The Company					
Balance as at 1 January 2002	74,171	117,538	(44,840)	-	146,869
Net loss for the year	-	-	(1,195)	-	(1,195)
Issue of shares	213	-	-	-	213
Foreign currency translation difference	-	-	-	(2,559)	(2,559)
Balance as at 30 June 2002	74,384	117,538	(46,035)	(2,559)	143,328
Balance as at 1 January 2003	74,511	117,538	(86,739)	(3,736)	101,574
Net loss for the year	-	-	(964)	-	(964)
Foreign currency translation difference	-	-	-	986	986
Balance as at 30 June 2003	74,511	117,538	(87,703)	(2,750)	101,596

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or 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 1st half of 2003, no share options granted under the employees' share option schemes were exercised.

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

	No. of Shares	
	30/06/03	30/06/02
Options granted under 1999 MediaRing Employees' Share Option Scheme	15,173,770	18,734,770
Options granted under 1999 MediaRing Employees' Share Option Scheme II	66,895,416	57,324,553

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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

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

There were no changes in the accounting policies and methods of computation used in preparing the financial statements for 1st half 2003 as compared to the audited annual financial statements in the previous year.

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

Not applicable

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

	Group	
	1H 2003	1H 2002
Loss per ordinary share for the period after deducting any provision for preference dividends:-		
i) Based on weighted average number of ordinary shares in issue	-0.51 cents	-0.97 cents
ii) On a fully diluted basis	NA	NA

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

	Group		Company	
	30/06/03	31/12/02	30/06/03	31/12/02
Net asset backing per ordinary share based on issued share capital as at the end of the period reported	6.40 cents	6.91 cents	13.64 cents	13.63 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Despite the difficult global market conditions, the Group continued to grow in the period under review though this growth was hampered by the SARS epidemic in the 2nd quarter. Group revenue grew by 26.1% from S\$16.5 million in 1st half 2002 to S\$20.8 million in 1st half 2003.

The growth in revenue was contributed mainly by Retail Operations and Carrier Operations which grew by 40% and 46% respectively compared to the same period last year.

The strong growth in both Operations was offset by a sharp decline in advertising revenue, from S\$2 million in 1st half 2002 to S\$0.3 million in 1st half 2003, as this business has been discontinued.

During the 1st half 2003, all categories of expenses decreased except direct service fees, staff costs and selling & marketing expenses. Staff costs increased marginally by 1.3% while direct service fees and selling and marketing expenses increased in tandem with sales revenue.

The Group cut losses by 47%, from S\$7.2 million in 1st half 2002 to S\$3.8 million in 1st half 2003.

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 nor prospect statement to shareholders previously.

10. A commentary at the date of the announcement of the 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

The global as well as regional economic outlook for the near future remain uncertain. Competition in the telecommunication industry continues to become more intense, fueled by liberalization and technology advancement. On the other hand, liberalization and the increasing adoption of the VoIP technology, MediaRing's core business, offer growth opportunities to our Retail Operations.

Carrier Operations has made steady progress in the 1st half 2003. MediaRing's flagship product VoizBridge is well recognized as one of the key players in the Session Border Controller Market.

Barring unforeseen circumstances, we believe we will be able to continue to grow the existing revenue streams in the 2nd half 2003.

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/recommendeded, 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

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year ()	Previous Full Year ()
Ordinary		
Preference	0	0
Total:		

Not applicable

BY ORDER OF THE BOARD

Ms Yvonne Lau Yee Wan
Company Secretary
15 August 2003