

**PDC Corp Ltd**  
(Company Registration No. 199905292D)

**PART 1 – 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 Income Statement for Half-Year ended 30 June 2006. These figures have not been audited.

	<----- Group ----->		<b>Increase / (Decrease) %</b>
	<b>30.06.2006</b>	<b>30.06.2005</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Turnover	3	146	(97.5)
Cost of sales	(11)	(152)	(92.76)
Gross loss	(8)	(152)	(94.74)
Other operating income / (expense)	3	-	NM
Administrative expenses	(306)	(379)	(19.26)
Finance expenses	(52)	(58)	(10.34)
Loss before tax	(363)	(443)	(18.06)
Taxation	(5)	884	NM
(Loss)/Profit after tax attributable to shareholders	(368)	441	NM

NM: Not Meaningful

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

	<----- Group ----->		<----- Company ----->	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
	\$'000	\$'000	\$'000	\$'000
Share capital	10,000	10,000	10,000	10,000
Reserves	(30,431)	(30,063)	(14,121)	(13,913)
<b>Share capital &amp; reserves</b>	<b>(20,431)</b>	<b>(20,063)</b>	<b>(4,121)</b>	<b>(3,913)</b>
Represented by:				
<b>Non-current assets</b>				
Fixed assets	61	99	61	99
Investment in subsidiaries	-	-	1	1
	61	99	62	100
<b>Current Assets</b>				
Other debtors, deposits and prepayments	11	508	11	2
Due from subsidiaries	-	-	30	-
Bank balance and deposits	822	596	7	-
	833	1,104	48	2
<b>Current Liabilities</b>				
Trade creditors	(16,713)	(16,736)	(22)	(22)
Other creditors and accruals	(1,884)	(1,693)	(1,037)	(934)
Due to subsidiaries	-	-	(1,555)	(1,555)
Due to directors	(1,410)	(1,284)	(1,410)	(1,284)
Hire purchase creditor, current	(46)	(47)	(46)	(47)
Bank Overdrafts	(63)	(60)	-	-
Term loans	(982)	(982)	-	-
Provision for taxation	(78)	(303)	(12)	(12)
	(21,176)	(21,105)	(4,082)	(3,854)
<b>Net current liabilities</b>	<b>(20,343)</b>	<b>(20,001)</b>	<b>(4,034)</b>	<b>(3,852)</b>
<b>Non-current Liabilities</b>				
Hire purchase liabilities, non-current	(147)	(159)	(147)	(159)
Deferred taxation	(2)	(2)	(2)	(2)
	(149)	(161)	(149)	(161)
<b>Net liabilities</b>	<b>(20,431)</b>	<b>(20,063)</b>	<b>(4,121)</b>	<b>(3,913)</b>

Due to directors

During the half year to 2QFY2006, a director has extended a loan to the Company an approximately \$126,000 for working capital. The loan was interest free and repayable on demand.

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

Amount repayable in one year or less, or on demand

As at 30.06.2006		As at 31.12.2005	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,091	-	1,089	-

Amount repayable after one year

As at 30.06.2006		As at 31.12.2005	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
147	-	159	-

Details of any collateral

The following borrowings and debts are secured against:

Term Loans

Corporate guarantees from the Company and a subsidiary company

Bank Overdrafts

Corporate guarantees from the Company.

Hire Purchase and Finance Leases

Certain fixed assets of the Group

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

<b>Consolidated Statement of Cash Flows</b>			
		<b>30.06.2006</b>	<b>30.06.2005</b>
		<b>\$'000</b>	<b>\$'000</b>
Cash flows from operating activities			
Loss before tax		(363)	(443)
Adjustments:			
Interest expense		52	58
Depreciation of fixed assets		50	33
Operating loss before working capital changes		(261)	(352)
(Increase) decrease in:			
Trade and other receivables		497	4
Increase (decrease) in:			
Loan from director		126	20
Trade and other payables		122	(19)
Cash used in operation		484	(347)
Income tax paid		(230)	-
Cash used in operating activities		254	(347)
Cash flow from investing activities			
Purchase of fixed assets		(12)	-
<i>Cash used in investing activities</i>		(12)	-
Cash flow from financing activities			
Net payment to hire purchase creditors		(13)	(16)
Interest paid		(6)	(6)
<i>Cash used in financing activities</i>		(19)	(22)
Net decrease in cash and cash equivalent		223	(369)
Cash and cash equivalent at beginning of period		536	779
Cash and cash equivalent at end of period	A	759	410

A. Cash and cash equivalent at end of period

For the purpose of the consolidated cash flow statement, consolidated cash and cash equivalent at the end of the half year comprised of the following:

	30.06.2006	30.06.2005
Bank balance and deposits	822	472
Bank Overdrafts	(63)	(62)
	<u>759</u>	<u>410</u>

**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.**

<b>Group</b>	<b>Share Capital \$'000</b>	<b>Share premium \$'000</b>	<b>Accumulated (Loss) Profit \$'000</b>	<b>Capital Reserve \$'000</b>	<b>Total \$'000</b>
Balance as at 1 Jan 2005	10,000	9,939	(41,186)	892	(20,355)
Net profit for the period	-	-	441	-	441
Balance as at 30 Jun 2005	10,000	9,939	(40,745)	892	(19,914)
Balance as at 1 Jan 2006	10,000	9,939	(40,894)	892	(20,063)
Net profit for the period	-	-	(368)	-	(368)
Balance as at 30 Jun 2006	10,000	9,939	(41,262)	892	(20,431)

<b>Company</b>	<b>Share Capital \$'000</b>	<b>Share premium \$'000</b>	<b>Accumulated (Loss) Profit \$'000</b>	<b>Capital Reserve \$'000</b>	<b>Total \$'000</b>
Balance as at 1 Jan 2005	10,000	9,939	(23,458)	-	(3,519)
Net profit for the period	-	-	(132)	-	(132)
Balance as at 30 Jun 2005	10,000	9,939	(23,590)	-	(3,651)
Balance as at 1 Jan 2006	10,000	9,939	(23,852)	-	(3,913)
Net profit for the period	-	-	(208)	-	(208)
Balance as at 30 Jun 2006	10,000	9,939	(24,060)	-	(4,121)

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

Not Applicable

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

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

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

Not Applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2005.

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

Not Applicable

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

	As at 30.06.2006	As at 30.06.2005
(Loss)/Earnings per share (cents)		
- Basic	(0.18)	0.22
- Diluted	(0.18)	0.22

**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 financial period reported on; and

(b) immediately preceding financial year.

	<----- Group ----->		<----- Company ----->	
	30.06.2006	31.12.2005	30.06.2006	31.12.2005
Net (liabilities) asset backing per ordinary share based on existing share capital as at the end of the period reported on (cents)	(10.22)	(9.96)	(2.06)	(1.83)

**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.**

The Company had no operating or revenue generating business and that the Group recorded a 97.5% decrease in turnover from approximately S\$0.15 million in 2QFY2005 to approximately S\$3,000 in 2QFY2006. The revenue was derived from retention sum from completed construction projects in prior years. The cost of sales has also reduced by approximately 92.76% from approximately \$0.15 million in 2Qfy2005 to approximately \$11,000 in 2QFY2006.

For 2QFY2006, the Group had incurred a net loss before tax and loss attributable to shareholders of approximately S\$0.37 million. As at 30 June 2006, the Group had a negative shareholders' equity of approximately S\$20.4 million.

The administrative expenses of the Group have reduced by approximately 19.26%, from approximately \$0.38 million in 2QFY2005 to approximately \$0.31 million in 2QFY2006. The expenses in the 2QFY2006 were mainly incurred on legal & professional fees concerning to the restructuring exercise that the Company was undergoing.

The Board of Directors of the Company has, after the balance sheet date as at 2QFY2006, announced the completion of the restructuring exercise ("the Scheme and the Proposed Major Transactions") that includes:

- (i). the Debt Conversion whereby the Company has allotted and issued 128,400,000 Debt Conversion Share in settlement of the amount owing to a director;
- (ii). the Bank Loan Conversion whereby the Company has allotted and issued 95,461,733 Bank Loan Conversion Shares to Malayan Banking Berhad in settlement of a term loan owing by a Subsidiary;
- (iii). the Private Placements whereby the Company has allotted and issued an aggregate of 600,000,000 Private Placement Shares to the Private Placement Subscribers to raise fund for the settlement of liabilities and also for working capital for funding future business opportunities of the Group which will be centered around the Group's existing core business;
- (iv). the Scheme Shares whereby the Company has issued and allotted 31,558,002 shares to the Scheme Creditors in settlement of the trade payables owing by Hong Lai Huat Construction Pte Ltd, a wholly owned subsidiary of the Company.

The Directors are of the opinion that, after taking into consideration the present banking facilities, the completion of the Debt Conversion, the Bank Loan Conversion, the Private Placements and the Scheme Shares, the working capital available to the Group is sufficient to meet its present requirements.

Going forward, the company will continue with its existing core business in property development and small-scale construction.

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

Not applicable.

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

#### Existing Business

The Group was a diversified investment group with interests in construction of residential, industrial & commercial properties, property development & investment, trading of construction equipment & maintenance services, consultancy & business development and technology product, such as multi-media accessories, wireless surveillance system & multi-media accessories, wireless surveillance system and intelligent vehicle digital system (IVDS), businesses.

Following the financial difficulties encountered by its key subsidiary, Hong Lai Huat Construction Pte Ltd, which was placed under judicial management on 27 June 2003, the Group has not undertaken new construction projects under its construction division. The Group ceased activities in the Group's technology and equipment trading business in FY2003. The Group disposed of all its development properties in FY2004 and has not undertaken any new project under its property division since.

#### Going Forward

The Group currently has no operating and revenue generating business and is in the process of looking for new revenue generating business as well as reviving its construction and property development business.

Upon completion of the private placement shares, the company capital would be increased by S\$6m.

For the beginning of the current financial year upto the balance sheet date as at 2QFY2006, the Group does not have any operating & revenue generating business pending the implementation of the Scheme and the completion of the Proposed Major Transactions.

As mentioned earlier, the Group has, after the balance sheet date as at 2QFY2006, achieved the successful completion of the aforesaid Scheme and Proposed Major Transactions.

Going forward, the Group intends to continue with its core business of construction and property development and explore other viable business opportunities.

Notwithstanding the successful completion of the Scheme and the Proposed Major Transactions, the ability of HLHC and the Group to continue as a going concern is predicated on several assumptions:

(a) the Group being able to secure new businesses and generate positive cash flows in the future;



(b) the Group continuing to receive adequate financial support from financial institutions in relation to the banking and credit facilities made available to the Group and sufficient funding being made available by the bankers; and

(c) the Group being able to obtain new sources of funds through new banking facilities to fund new business opportunities.

**11 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

**(c) Date payable**

Not applicable

**(d) Book closure date**

Not applicable

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

No dividend has been declared or recommended.

*Note: PART II is not applicable to Q1, Q2, Q3 or Half Year Results.*