

PART 1 INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR  
ANNOUNCEMENTS

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

	30-Jun-06 S\$'000	GROUP 6 months ended 30-Jun-05 S\$'000	+ / (-) %
Turnover	3,347	1,883	78%
Cost of sales	(2,681)	(599)	348%
<b>Gross Profit</b>	<u>666</u>	<u>1,284</u>	-48%
Other income	6	98	-94%
Distribution costs	(4)	(17)	-76%
Administrative costs	(473)	(682)	-31%
Other operating costs	(76)	(263)	-71%
Finance income	4	64	-94%
Finance Costs	(14)	(10)	40%
Gain on deconsolidation of subsidiaries	193	-	100%
Share of loss of joint venture	(38)	-	100%
Share of loss of associate	(12)	-	100%
<b>Profit/(Loss) before income tax</b>	<u>252</u>	<u>474</u>	
Income tax credit/(expense)	23	(61)	-138%
<b>Profit/(Loss) after income tax</b>	<u>275</u>	<u>413</u>	-33%
Attributable to :			
Shareholders of the Company	275	413	-33%
Minority interests	-	-	
	<u>275</u>	<u>413</u>	

1 (a) (ii) Breakdown and Explanatory Notes to the Income Statement

	30-Jun-06 S\$'000	GROUP 6 months ended 30-Jun-05 S\$'000	+ / (-) %
(A) Other income including interest income	10	162	-94%
(B) Interest on borrowings	(14)	(10)	40%
(C) Depreciation	(75)	(121)	-38%
(D) Foreign Exchange (loss) / gain	(8)	146	-105%
(E) Adjustment for overprovision of tax in prior years	29	0	N/M
(F) Profit on sale of marketable securities	694	1,264	-45%
(G) Profit / (loss) on sale of plant and equipment	88	(1)	N/M
(H) Loss on trading of foreign currencies	(46)	(75)	-39%

N/M : 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-Jun-05 S\$'000	31-Dec-05 S\$'000	31-Dec-06 S\$'000	31-Dec-05 S\$'000
<b>Assets</b>				
<b>Current assets:</b>				
Cash and bank balances	392	770	43	209
Investments held for trading	7,630	8,154	-	-
Trade receivables	31	6	-	-
Other receivables and prepayments	5,040	4,071	14,777	14,530
Inventories	9	7	-	-
Assets classified as held for sale	-	2,845	-	-
<b>Total current assets</b>	<b>13,102</b>	<b>15,853</b>	<b>14,820</b>	<b>14,739</b>
<b>Non-current assets:</b>				
Subsidiaries	-	-	19	3,019
Associate	-	12	-	-
Joint Venture	58	97	-	-
Available-for-sale investment	7,000	7,000	7,000	7,000
Plant and equipment	583	370	69	75
<b>Total non-current assets</b>	<b>7,641</b>	<b>7,479</b>	<b>7,088</b>	<b>10,094</b>
<b>Total Assets</b>	<b>20,743</b>	<b>23,332</b>	<b>21,908</b>	<b>24,833</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade payables	114	86	-	-
Other payables	983	617	4,550	3,938
Income tax payable	3,151	3,186	3,151	3,186
Current portion of finance leases	40	19	-	-
Liabilities associated with assets held for sale	-	56	-	-
<b>Total current liabilities</b>	<b>4,288</b>	<b>3,964</b>	<b>7,701</b>	<b>7,124</b>
<b>Non-current liability</b>				
Finance leases	157	47	-	-
<b>Capital, reserves and minority interest:</b>				
Share capital	30,462	5,119	30,462	5,119
Share premium	-	28,343	-	28,343
Reserves	(14,172)	(14,149)	(16,255)	(15,753)
Equity attributable to equity holders of the Company	16,290	19,313	14,207	17,709
Minority Interest	8	8	-	-
Total equity	16,298	19,321	14,207	17,709
<b>Total liabilities and equity</b>	<b>20,743</b>	<b>23,332</b>	<b>21,908</b>	<b>24,833</b>

1 (b) (ii) Group Borrowings (Secured)

	Group		Company	
	30-Jun-05 S\$'000	31-Dec-05 S\$'000	31-Dec-06 S\$'000	31-Dec-05 S\$'000
Amount repayable within one year	40	19	-	-
Amount repayable after one year	157	47	-	-
	197	66	-	-

The secured borrowings relate to finance lease liabilities secured on the fixed asset purchased

1 (c) Cash Flow Statement for the Period Ended 30 June 2006

	Group	
	30-Jun-06 S\$'000	31-Dec-05 S\$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before income tax	252	413
Adjustments for:		
(Gain) / loss on disposal of plant and equipment	(88)	1
Gain on sale of marketable securities	(694)	(1,264)
Gain on deconsolidation of subsidiary companies (Note B)	(193)	-
Increase in fair value of investments held for trading	(31)	(67)
Depreciation of plant & equipment	75	121
Share of loss of associate	12	-
Share of loss of joint venture	39	-
Interest income	(4)	(3)
Interest expense	14	10
Operating loss before working capital changes	(618)	(789)
Decrease in inventories	(2)	(49)
Increase in debtors	2,064	385
Increase/(Decrease) in creditors	338	(449)
Decrease in investments held for trading	1,249	1,557
Cash generated from operations	3,031	655
Interest received	4	3
Interest paid	(14)	(10)
Income tax paid	(6)	(6)
Net cash generated from operating activities	3,015	642
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(296)	(45)
Proceed from sale of a fixed asset	96	-
Cash and cash equivalents in subsidiary companies deconsolidated (Note B)	(20)	-
Decrease / (increase) in other receivables	-	3
Net cash used in investing activities	(220)	(42)
<b>Cash flows from financing activities:</b>		
Repayment of hire purchase creditors	(69)	(25)
Loan from hire purchase creditors	200	-
Payment for transfer of shares in a subsidiary to a Vendor	(1)	-
Performance shares returned by a Vendor, now held as treasury shares	(3,000)	-
Net cash (used in ) financing activities	(2,870)	(25)
Net effect of exchange rate changes on consolidating subsidiaries	(303)	45
Net (decrease) / increase in cash and cash equivalents	(378)	620
Cash and cash equivalents at beginning of year	770	464
<b>Cash and cash equivalents at end of year (Note A)</b>	<b>392</b>	<b>1,084</b>

	Group	
	30-Jun-06 S\$'000	31-Dec-05 S\$'000
<b>(A) CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	392	1,084
Fixed deposits	-	100
	392	1,184
Fixed deposits pledged	-	(100)
Cash and cash equivalents	392	1,084

**(B) SUBSIDIARY COMPANIES DECONSOLIDATED**

In the period, pursuant to the Settlement Agreement mentioned in Note 1 (d) (ii), the Company has agreed to transfer 204,051 ordinary shares of S\$1.00 each representing 51% of the issued and paid-up share capital of RR Industrial Packaging & Design Services Pte Ltd ("RRI") to the Vendor for a nominal sum of S\$1.00. The Company had purchased these 204,051 ordinary shares in RRI for a consideration of S\$1.00 on 19th September 2003. The carrying amount of net assets deconsolidated and their cash flows effects were as follows:

	30-Jun-06 S\$'000
Cash and bank balances	20
Trade receivables	14
Other receivables and prepayment	1
Property, Plant and equipment	87
Intangible assets	2,936
Other payables	(8)
Obligation under finance lease associated with assets classified as held for sale	(48)
Carrying value of net assets deconsolidated	3,002
Release from accumulated losses	(2,809)
Net gain on deconsolidation	193

1 (d) (i) Statements of Changes in Equity for the Period Ended 30 June 2006

	Issued share capital S\$'000	Share premium S\$'000	Translation reserves S\$'000	Accumulated losses S\$'000	Attributable to equity holders of the Company S\$'000	Minority Interest S\$'000	Total S\$'000
<b>GROUP</b>							
Balance as at 1.1.06	5,119	28,343	1,884	(16,033)	19,313	8	19,321
Currency translation differenc	-	-	(298)	-	(298)	-	(298)
Profit for the year	-	-	-	275	275	-	275
Transfer from share premium upon implementation of Companies (Amendment) Act 2005	28,343	(28,343)	-	-	-	-	-
Performance shares returned by a Vendor, now held as treasury shares	(3,000)	-	-	-	(3,000)	-	(3,000)
<b>Balance as at 30.06.06</b>	<b>30,462</b>	<b>-</b>	<b>1,586</b>	<b>(15,758)</b>	<b>16,290</b>	<b>8</b>	<b>16,298</b>

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 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 outstanding convertible as the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Performance Shares

The Company had on 19th September 2003 entered into a Sale and Purchase Agreement to purchase 51% of the issued and paid-up capital of RRI from the vendor for a consideration of S\$1.00. The Company also agreed to pay the Vendor a further consideration of S\$3,000,000 if RRI profit after tax exceeded S\$1,200,000 for a continuous period of 12 months ending not later than 31st December 2004. The additional S\$3,000,000 consideration shall be satisfied by the issuance of 60,000,000 new ordinary shares (the "Performance Shares") in the Company at a deemed value of S\$0.05 each. On 20th February 2004, the Company and the Vendor entered into an Amendment Agreement and Escrow Agreement, and issued the 60,000,000 Performance Shares which was deposited with the Escrow Agent. The Profit Warranty period was extended to 31st March 2006.

On 28th February 2006, the vendor notified the Company that the Profit Warranty for RRI has not been achieved. During the period, the Company, Vendor and the Escrow Agent entered into a Settlement Agreement and the Vendor has agreed to return the Performance Shares held by Escrow Agent as stakeholder to the Company in exchange for his release of his profit warranty.

The Company has also agreed to transfer to the Vendor 204,051 ordinary shares of S\$1.00 each representing 51% of the issued and paid-up share capital of RRI for a nominal sum of S\$1.00.

The 60,000,000 ordinary shares in the Company issued for the Performance Shares are now held as treasury shares.

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

The figures have not been audited nor reviewed

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

Not applicable

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

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

**5 If there are any changes in 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 preferential dividends**

	Group	
	30-Jun-06 SG Cents	30-Jun-05 SG Cents
Profit per ordinary share based on net profit attributable to shareholders based on:		
(i) weighted average number of ordinary shares	0.06	0.08
(ii) fully diluted basis	0.06	0.08

Earnings per ordinary share is calculated based on the weighted average number of shares of 471,458,780 (2005: 511,900,769) in issue during the period. There is no change in the fully diluted earnings/(loss) per ordinary share as the Company did not have any potential dilutive ordinary shares outstanding as at the balance sheet dates.

**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-Jun-06 SG Cents	31-Dec-05 SG Cents	31-Dec-06 SG Cents	31-Dec-05 SG Cents
Net asset value per ordinary share based on existing issued share capital	3.60	3.77	3.14	3.46

Net asset per ordinary share based on existing issued share capital is computed based on 451,900,769 ordinary shares. (2005: 511,900,769 ordinary shares)

- 8 **A review of the financial 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**

Turnover

Turnover for the 6 months period ended 30 June 2006 was S\$3.3 million compared to S\$1.88 million in the previous corresponding period, an increase of 78%. Proceeds from sale of marketable securities of S\$2.37 million accounted for 71% of the Group's turnover for the first six months of 2006. The balance of Group's turnover of S\$0.97 million was contributed by its telecommunication subsidiary, PG Communications Pte Ltd ("PG").

Cost

Distribution, administrative and other operating costs fell from S\$0.96million to S\$0.55million or 43% as the Group rationalised expenditures through cost cutting measures.

Gain on deconsolidation of subsidiaries

The exceptional gain arose upon the deconsolidation of RRI and PT RR Packaging Indonesia pursuant to the Settlement Agreement entered into by the Company, Vendor and Escrow Agent as mentioned in note 1(d) (ii)

Earnings

The gross profit was mainly contributed by the S\$0.694 million profit from the sale marketable securities, which was offset by the S\$0.028 million loss incurred by PG.

The performance of PG was affected by technical glitches in the network infrastructure which resulted in some unrecorded revenue.

PG has successfully claimed from the network infrastructure supplier for compensation during the year

The technical glitches have been resolved towards the end of Quarter 1 of 2006 and PG operations are expected to normalise in second half of 2006

- 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 twelve months**

Telecommunications Services Business

PG is expected to add new services to the retail market locally. However, the telecommunication business in Singapore is very competitive and PG has to compete with major telcos and other service providers for customers

through pricing and quality of service. Pricing is often affected by regulatory changes, foreign exchange fluctuations and credit risks. Quality of service is dependent on our termination partners; connectivity, equipment and infrastructure.

We buy services from public switched network infrastructure providers and their quality of service and tariffs which they levy are beyond our control.

The telecommunication business is not expected to have any significant impact on the Group results for the FY 2006 ending 31 December 2006.

Portfolio Management in Marketable Securities and Financial Instruments

The Group invested its surplus cash not required for operations in marketable securities and financial instruments

Investments in marketable securities and financial instruments are affected by global economic conditions, political developments, currency fluctuations and interest rates trend. Market liquidity and systemic risks may also affect our investments

Other risks

The Company is liable to pay the Additional Tax Assessments for Years of Assessment 1998 and 1990 to 2002 plus penalties amounting to S\$3.1 million, notwithstanding, its objection to the assessments. The Company may have to pay the Inland Revenue Authority ("IRAS") this tax if the IRAS decides to deny the Company's objection. In such an event, the Company and the Group's cash flow will be significantly affected and its viability will be jeopardised

- 11 If a decision regarding dividend has been made:-**
- (a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**  
Not applicable
- (b) **Amount of dividend declared (in cents) for the current and previous corresponding period**  
Not applicable
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.**  
Not applicable
- (d) **The date the dividend is payable**  
Not applicable
- (e) **The dates on which Registrable Transfers received by the Company (up to 5.00 p.m) will be registered before entitlements to the dividend are determined**  
Not applicable
- 12 If no dividend has been declared (recommended), a statement to that effect**  
No dividends have been recommended for the current financial year

**BY ORDER OF THE BOARD**

**IVY LIM SZE CHERN  
COMPANY SECRETARY  
1st AUGUST 2006**

