

Rules 4.1, 4.3

**Appendix 4B (rule 4.13(b))****Preliminary Final Report**

Introduced 1/7/2000.

Name of entity

**QUESTE COMMUNICATIONS LIMITED**

ACN, ARBN or ARSN

**081 688 164**Half yearly  
(tick)Preliminary final  
(tick)

Financial year ended ('current period')

**30 June 2001****For announcement to the market***Extracts from this report for announcement to the market (see note 1).*

		%		\$A
Revenues from ordinary activities (item 1.1)	down	(66%)	to	1,018,957
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members (item 1.20)	up	214%	to	(1,425,260)
Profit (loss) from ordinary activities after tax attributable to members (item 1.23)	up	214%	to	(1,425,260)
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of			-
Net profit (loss) for the period attributable to members (item 1.11)	up	214%	to	(1,425,260)
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend (Preliminary final report only - item 15.4)		0 ¢		0 ¢
Interim dividend (Half yearly report only - item 15.6)		0 ¢		0 ¢
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)		0 ¢		0 ¢
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)		N/A		
Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

<b>Consolidated profit and loss account</b>	Current period \$A	Previous corresponding period \$A
1.1 Revenues from ordinary activities	1,018,957	2,990,882
1.2 Expenses from ordinary activities (see items 1.24 + 12.5 + 12.6)	(2,488,265)	(3,067,530)
1.3 Borrowing costs	(527)	(2,595)
1.4 Share of net profit (loss) of associates and joint venture entities (see item 16.7)	(306,068)	-
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>(1,775,903)</b>	<b>(79,243)</b>
1.6 Income tax on ordinary activities (see note 4)	350,643	(374,196)
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>(1,425,260)</b>	<b>(453,439)</b>
1.8 Profit (loss) from extraordinary items after tax (see item 2.5)	-	-
<b>1.9 Net profit (loss)</b>	<b>(1,425,260)</b>	<b>(453,439)</b>
1.10 Net profit (loss) attributable to outside +equity interests	-	-
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>(1,425,260)</b>	<b>(453,439)</b>

**Consolidated retained profits**

1.12 Retained profits (accumulated losses) at the beginning of the financial period	(1,208,145)	(754,706)
1.13 Net profit (loss) attributable to members (item 1.11)	(1,425,260)	(453,439)
1.14 Net transfers to and from reserves	-	-
1.15 Net effect of changes in accounting policies	-	-
1.16 Dividends and other equity distributions paid or payable	-	-
<b>1.17 Retained profits (accumulated losses) at end of financial period</b>	<b>(2,633,405)</b>	<b>(1,208,145)</b>

**Profit restated to exclude amortisation of goodwill**

	Current period \$A	Previous corresponding period \$A
1.18 Profit (loss) from ordinary activities after tax before outside equity interests (items 1.7) and amortisation of goodwill	(1,425,260)	(453,439)
1.19 Less (plus) outside +equity interests	-	-
<b>1.20 Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members</b>	<b>(1,425,260)</b>	<b>(453,439)</b>

**Profit (loss) from ordinary activities  
attributable to members**

	Current period \$A	Previous corresponding period \$A
1.21 Profit (loss) from ordinary activities after tax (item 1.7)	(1,425,260)	(453,439)
1.22 Less (plus) outside +equity interests	-	-
<b>1.23 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>(1,425,260)</b>	<b>(453,439)</b>

**Revenue and expenses from ordinary activities**

AASB 1004 requires disclosure of specific categories of revenue and AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature or function. Entities must report details of revenue and expenses from ordinary activities using the layout employed in their accounts. See also items 12.1 to 12.6.

	Current period \$A	Previous corresponding period \$A
1.24 Details of revenue and expenses		
<u>Operating Revenues</u>		
<b>Sale of goods</b>	<b>56,532</b>	<b>84,147</b>
Grant of licence	-	2,300,000
Rendering of services	727,083	416,667
Rental income	8,346	
Interest revenue	224,099	190,068
Proceeds from sale of investments	23,628	
Cost of investments sold	(20,731)	
	1,018,957	2,990,882
<u>Operating Expenses</u>		
<b>Cost of goods sold</b>	<b>(53,840)</b>	<b>(80,140)</b>
Personnel expense	(452,663)	(381,497)
Provision for employee entitlements	(4,820)	(11,670)
Communications expense	(31,322)	(24,881)
Premises expense	(66,531)	(81,400)
Finance costs	(9,587)	(8,605)
Administration expense	(65,331)	(79,061)
Amortisation of intangibles	(400,000)	(300,000)
VoiceNet VoIP technology development	(118,363)	(246,311)
Other expense from ordinary activities	(155,344)	(268,529)
Depreciation (see 12.5)	(84,551)	(61,536)
Diminution in investments	(554,424)	(1,523,900)
Proceeds from sale of investments	39,936	-
Cost of investments sold	(531,425)	-
	(2,488,265)	(3,067,530)

**Intangible and extraordinary items**

	Consolidated - current period			
	Before tax \$A	Related tax \$A	Related outside +equity interests \$A	Amount (after tax) attributable to members \$A
	(a)	(b)	(c)	(d)
2.1 Amortisation of goodwill	-	-	-	-
2.2 Amortisation of other intangibles	400,000	-	-	400,000
<b>2.3 Total amortisation of intangibles</b>	400,000	-	-	400,000
2.4 Extraordinary items (details)	-	-	-	-
<b>2.5 Total extraordinary items</b>	-	-	-	-

**Comparison of half year profits***(Preliminary final report only)*

	Current year \$A	Previous year \$A
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	(1,792,087)	939,091
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	366,827	(1,392,530)

<b>Consolidated balance sheet</b>		At end of current period \$A	As shown in last annual report \$A	As in last half yearly report \$A
<b>Current assets</b>				
4.1	Cash	3,632,351	3,625,027	3,986,387
4.2	Receivables	89,681	86,144	74,387
4.3	Investments	-	-	-
4.4	Inventories	31,977	60,047	42,866
4.5	Other (provide details if material)	4,942	3,056	27,270
<b>4.6</b>	<b>Total current assets</b>	<b>3,758,951</b>	<b>3,774,274</b>	<b>4,130,910</b>
<b>Non-current assets</b>				
4.7	Receivables	13,766	13,766	-
4.8	Investments (equity accounted)	-	-	-
4.9	Other investments	120,388	910,000	50,017
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	-
4.12	Development properties (+mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	526,761	628,373	581,726
4.14	Intangibles (net)	1,300,000	1,700,000	1,500,000
4.15	Other (provide details if material)	19,977	4,710	4,710
<b>4.16</b>	<b>Total non-current assets</b>	<b>1,980,892</b>	<b>3,256,849</b>	<b>2,136,453</b>
<b>4.17</b>	<b>Total assets</b>	<b>5,739,843</b>	<b>7,031,123</b>	<b>6,267,363</b>
<b>Current liabilities</b>				
4.18	Payables	86,252	180,805	129,176
4.19	Interest bearing liabilities	-	-	29,146
4.20	Provisions	-	-	868,943
4.21	Other (provide details if material)	-	-	-
<b>4.22</b>	<b>Total current liabilities</b>	<b>86,252</b>	<b>180,805</b>	<b>1,027,265</b>
<b>Non-current liabilities</b>				
4.23	Payables	-	-	-
4.24	Interest bearing liabilities	-	-	-
4.25	Provisions	45,416	392,758	-
4.26	Other (provide details if material)	-	-	-
<b>4.27</b>	<b>Total non-current liabilities</b>	<b>45,416</b>	<b>392,758</b>	<b>-</b>
<b>4.28</b>	<b>Total liabilities</b>	<b>131,668</b>	<b>573,563</b>	<b>1,027,265</b>
<b>4.29</b>	<b>Net assets</b>	<b>5,608,175</b>	<b>6,457,560</b>	<b>5,240,098</b>

**Consolidated balance sheet continued**

	At end of current period \$A	As shown in last annual report \$A	As in last half yearly report \$A
<b>Equity</b>			
4.30 Capital/contributed equity	8,241,580	7,665,705	8,240,330
4.31 Reserves	-	-	-
4.32 Retained profits (accumulated losses)	(2,633,405)	(1,208,145)	(3,000,232)
<b>4.33 Equity attributable to members of the parent entity</b>	<b>5,608,175</b>	<b>6,457,560</b>	<b>5,240,098</b>
4.34 Outside +equity interests in controlled entities	-	-	-
<b>4.35 Total equity</b>	<b>5,608,175</b>	<b>6,457,560</b>	<b>5,240,098</b>
4.36 Preference capital included as part of 4.33	-	-	-

**Exploration and evaluation expenditure capitalised**

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

	Current period \$A	Previous corresponding period \$A
5.1 Opening balance	N/A	N/A
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
<b>5.6 Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	<b>N/A</b>	<b>N/A</b>

**Development properties**

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A	Previous corresponding period \$A
6.1 Opening balance	N/A	N/A
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
<b>6.7 Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/A</b>	<b>N/A</b>

**Consolidated statement of cash flows**

	Current period \$A	Previous corresponding period \$A
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	339,180	2,884,147
7.2 Payments to suppliers and employees	(939,459)	(1,340,841)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	194,692	151,578
7.6 Interest and other costs of finance paid	(527)	(2,595)
7.7 Income taxes paid	(50,000)	-
7.8 Other (provide details if material)	-	-
<b>7.9 Net operating cash flows</b>	<b>(456,114)</b>	<b>1,692,289</b>
<b>Cash flows related to investing activities</b>		
7.10 Payment for purchases of property, plant and equipment	(13,158)	(163,987)
7.11 Proceeds from sale of property, plant and equipment	2,049	-
7.12 Payment for purchases of equity investments	(150,219)	(2,433,900)
7.13 Proceeds from sale of equity investments	63,564	-
7.14 Loans to other entities	-	-
7.15 Loans repaid by other entities	-	-
7.16 Payments for intangibles	(14,673)	-
<b>7.17 Net investing cash flows</b>	<b>(112,437)</b>	<b>(2,597,887)</b>
<b>Cash flows related to financing activities</b>		
7.18 Proceeds from issues of + securities (shares, options, etc)	575,875	242,136
7.19 Proceeds from borrowings	-	-
7.20 Repayment of borrowings	-	-
7.21 Dividends paid	-	-
7.22 Other (provide details if material)	-	-
<b>7.23 Net financing cash flows</b>	<b>575,875</b>	<b>242,136</b>
<b>7.24 Net increase (decrease) in cash held</b>	<b>7,324</b>	<b>(663,462)</b>
7.25 Cash at beginning of period (see Reconciliation of cash)	3,625,027	4,288,489
7.26 Exchange rate adjustments to item 7.25	-	-
<b>7.27 Cash at end of period</b> (see Reconciliation of cash)	<b>3,632,351</b>	<b>3,625,027</b>

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

During the year, the Board of Central Exchange Ltd exercised an election under the technical services agreement to issue 7,974,817 ordinary shares in Central Exchange Ltd to the Company in satisfaction of technical service fees totalling \$472,916.66 payable to the Company for services rendered from 1 October 2000 to 16 March 2001.

## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A	Previous corresponding period - \$A
8.1 Cash on hand and at bank	213,199	25,027
8.2 Deposits at call	3,419,152	3,600,000
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
<b>8.5 Total cash at end of period (item 7.27)</b>	<b>3,632,351</b>	<b>3,625,027</b>

## Ratios

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(174.29%)	(2.65%)
<b>Profit after tax / <sup>+</sup>equity interests</b>		
9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.9) as a percentage of equity (similarly attributable at the end of the period (item 4.33))	(25.41%)	(0.54%)

## Earnings per security (EPS)

	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with AASB 1027: <i>Earnings per Share</i>		
(a) Basic EPS cents	(0.0480)	0.0160
(b) Diluted EPS (if materially different from (a))	-	-
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	29,710,584	28,170,749

## NTA backing

(see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per <sup>+</sup> ordinary security (cents per share)	<b>14.4340</b>	<b>16.8674</b>



**Details of specific receipts/outlays, revenues/expenses**

	Current period \$A	Previous corresponding period - \$A
12.1 Interest revenue included in determining item 1.5	224,099	190,068
12.2 Interest revenue included in item 12.1 but not yet received (if material)	29,407	40,791
12.3 Interest costs excluded from borrowing costs, capitalised in asset values	-	-
12.4 Outlays (except those arising from the <sup>+</sup> acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5 Depreciation and amortisation (excluding amortisation of intangibles)	(84,551)	(61,536)
12.6 Other specific relevant items not shown in item 1.24 (see note 15)	-	-

**Control gained over entities having material effect**

13.1 Name of entity (or group of entities)	None.
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was <sup>+</sup> acquired	N/A
13.3 Date from which such profit has been calculated	N/A
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	N/A

**Loss of control of entities having material effect**

14.1 Name of entity (or group of entities)	None.
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$ N/A
14.3 Date to which the profit (loss) in item 14.2 has been calculated	
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$ N/A
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$ N/A

**Reports for industry and geographical segments**

The Consolidated Entity operates in Australia in the telecommunications technology industry

**Dividends (in the case of a trust, distributions)**

15.1 Date the dividend (distribution) is payable	N/A
15.2 + Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	N/A

**Amount per security**

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
	<i>(Preliminary final report only)</i>			
15.4	<b>Final dividend:</b> Current year	0¢	0¢	0¢
15.5	Previous year	0¢	0¢	0¢
	<i>(Half yearly and preliminary final reports)</i>			
15.6	<b>Interim dividend:</b> Current year	0¢	0¢	0¢
15.7	Previous year	0¢	0¢	0¢

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	0¢	0¢
15.9 Preference +securities	0¢	0¢

**Half yearly report - interim dividend (distribution) on all securities or  
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A	Previous corresponding period - \$A
15.10 +Ordinary securities	-	-
15.11 Preference +securities	-	-
15.12 Other equity instruments	-	-
<b>15.13 Total</b>	-	-

The <sup>+</sup> dividend or distribution plans shown below are in operation.

None.
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The last date(s) for receipt of election notices for the  
<sup>+</sup> dividend or distribution plans

N/A
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Any other disclosures in relation to dividends (distributions)

None.
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### Details of aggregate share of profits (losses) of associates and joint venture entities

	Current period \$A	Previous corresponding period - \$A
16.1 Profit (loss) from ordinary activities before income tax	(306,068)	N/A
16.2 Income tax on ordinary activities	-	
<b>16.3 Profit (loss) from ordinary activities after income tax</b>	<b>(306,068)</b>	N/A
16.4 Extraordinary items net of tax	-	
<b>16.5 Net profit (loss)</b>	<b>(306,068)</b>	N/A
16.6 Outside + equity interests	-	
<b>16.7 Net profit (loss) attributable to members</b>	<b>(306,068)</b>	N/A

### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from xx/xx/xx") or disposal ("to xx/xx/xx").

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A	Previous corresponding period - \$A
<b>17.1 Equity accounted associates and joint venture entities</b>				
Central Exchange Limited	23.58%	15.98%	(306,068)	N/A
<b>17.2 Total</b>			<b>(306,068)</b>	
17.3 Other material interests	N/A	N/A	-	N/A
<b>17.4 Total</b>			<b>(306,068)</b>	

**Issued and quoted securities at end of current period**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of <sup>+</sup> securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
<b>18.1 Preference <sup>+</sup>securities</b> (description)	-	-	-	-
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
<b>18.3 <sup>+</sup>Ordinary securities</b>	28,847,363	28,847,363	N/A	fully paid
	20,000,000	-		partly paid to 1cent
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	1,641,786	1,641,786	35 cents	fully paid
<b>18.5 <sup>+</sup>Convertible debt securities</b> (description and conversion factor)	-	-	-	-
18.6 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
<b>18.7 Options</b> (description and conversion factor)			Exercise price	Expiry date (if any)
	5,000,000	-	20 cents	21 July 2003
	11,680,617	11,680,617	35 cents	1 August 2000
18.8 Issued during current period	-	-	-	-
18.9 Exercised during current period	1,641,786	1,641,786	35 cents	1 August 2000
18.10 Expired during current period	10,038,831	10,038,831	35 cents	1 August 2000
<b>18.11 Debentures</b> (totals only)	-	-		
<b>18.12 Unsecured notes</b> (totals only)	-	-		

## Comments by directors

Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

## Basis of accounts preparation

### Material factors affecting the revenues and expenses of the economic entity for the current period

During the financial year, the Company derived \$727,083 technical service fee revenues from Central Exchange Ltd pursuant to a technical services agreement.

The Board of Central Exchange Ltd exercised an election under the technical services agreement to issue 7,974,817 ordinary shares in Central Exchange Ltd to the Company in satisfaction of technical service fees totalling \$472,916.66 payable to the Company for services rendered from 1 October 2000 to 16 March 2001.

### A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

The Company reached agreement with Central Exchange Ltd to receive a fixed \$100,000 for partial technical services rendered and to be rendered in July, August and September 2001. The Board of Central Exchange Ltd has subsequently exercised their election under the technical services agreement to issue 5,528,055 ordinary shares to the Company in satisfaction of such \$100,000 technical service fee. The shares were issued by Central Exchange on 28 August 2001.

The Company currently owns 22,148,755 ordinary shares in Central Exchange Ltd representing approximately 31.44% of the issued ordinary share capital of Central Exchange Ltd.

### Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

None.

### Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with AASB 1029: Half-Year Accounts and Consolidated Accounts.*

*(Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

None.

**Additional disclosure for trusts**

19.1 Number of units held by the management company or responsible entity or their related parties

N/A
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19.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- \* initial service charges
- \* management fees
- \* other fees

N/A
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**Annual meeting**

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

Forrest Centre Suites, Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia
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Date

No later than Friday, 30 November 2001
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Time

To be determined
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Approximate date the <sup>+</sup>annual report will be available

No later than Friday, 26 October 2001
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**Compliance statement**

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A
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2 This report, and the <sup>+</sup>accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

4 This report is based on accounts to which one of the following applies  
(tick one)

The \*accounts have been audited.

The \*accounts have been subject to review.

The \*accounts are in the process of being audited or subject to review.

The \*accounts have *not* been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are will follow immediately they are available.

6 This entity does not have a formally constituted audit committee.

Sign here: .....

Date: **13 September 2001**

Print name: **Victor Ho (Company Secretary)**

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
  - Item 1.1 The definition of "revenue and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue, and AASB 1018: Statement of financial performance*.
  - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax prima facie payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts



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5. **Consolidated balance sheet**

**Format** The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of AASB 1029 and AASB 1034. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last <sup>+</sup>annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030: Application of Accounting Standards etc.*

6. **Consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. <sup>+</sup>Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the <sup>+</sup>ordinary securities (ie, all liabilities, preference shares, outside <sup>+</sup>equity interests etc). <sup>+</sup>Mining entities are not required to state a net tangible asset backing per <sup>+</sup>ordin security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the <sup>+</sup>accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A’000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A’000 headings are amended.

10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.

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11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ASIC under the Corporations Law must also be given to ASX. For example, a directors' report and statement, if lodged with the ASIC, must be given to ASX.
  12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
  13. **Corporations Law financial statements** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
  14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
  15. **Relevant Items** AASB 1018 requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is relevant in explaining the financial performance of the reporting entity. The term "relevance" is defined in AASB 1018. For foreign entities, there are similar requirements in other accounting standards normally accepted by ASX.
  16. **\$ Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.