



Queste Communications Limited

A.B.N 58 081 688 164

and Controlled Entities

HALF YEAR REPORT

31 DECEMBER 2002

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Attachment - Appendix 4B Half Yearly Report		COMPANY SECRETARY Victor Ho
		PRINCIPAL & REGISTERED OFFICE Level 14, The Forrest Centre 221 St Georges Terrace Perth Western Australia 6000 Telephone: +61 8 9214 9777 Facsimile: +61 8 9322 1515 Email: info@queste.com.au Website: www.queste.com.au
		SHARE REGISTRY Advanced Share Registry Services Level 7, 200 Adelaide Terrace Perth Western Australia 6000 Telephone: +61 8 9221 7288 Facsimile: +61 8 9221 7869
		STOCK EXCHANGE Australian Stock Exchange Perth, Western Australia
		ASX CODE QUE
		AUDITORS BDO Second Floor 267 St Georges Terrace Perth Western Australia 6000
		BANKER National Australia Bank Level 13, 50 St Georges Terrace Perth Western Australia 6000
www.queste.com.au		
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DIRECTORS' REPORT

The Directors present their report on Queste Communications Limited ("Company") and its controlled entities ("Consolidated Entity") for the half year ended 31 December 2002 ("Balance Date").

ASX listed Central Exchange Ltd has been treated as a controlled entity pursuant to Accounting Standard 1024 "Consolidated Accounts" for the first time as the Company holds 48.817% of its issued ordinary share capital. Previously, the Company had accounted for its investment in Central Exchange Ltd on a equity accounting basis as an Associate entity pursuant to Accounting Standard AASB 1016 'Accounting for Investment in Associates.'

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial half year were the pursuit of opportunities to commercially exploit the Company's VoiceNet System Voice-over-Internet Protocol ("VoIP") technology, the operation, by Central Exchange Ltd, of a telecommunication network utilising the VoiceNet System, and the pursuit of other commercial and investment opportunities.

OPERATING RESULTS

	Consolidated Entity	
	December 2002	December 2001
	\$	\$
Net loss	<u>(606,260)</u>	<u>(401,439)</u>

The half year net loss of \$606,260 includes a net loss attributable to the Company's outside equity interest in Central Exchange Ltd of \$205,105, which has been brought to account as a controlled entity for the first time as described above.

EARNINGS PER SHARE

	Consolidated Entity	
	December 2002	December 2001
Basic earnings per share (cents)	(1.36)	(1.35)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic earnings per share	29,404,879	29,707,745

The Company's 20,000,000 partly paid ordinary shares, to the extent that they have been paid (one cent per share), have been included in the determination of the basic earnings per share.

The Company's options and partly paid shares, to the extent of the balance of the call (19 cents per share), have not been included in the determination of basic earnings per share. These securities are included in the determination of diluted earnings per share on the basis that each option will convert to one ordinary share and each partly paid share will become fully paid. Diluted earnings per share is not materially different from basic earnings per share and therefore, has not been disclosed.

DIRECTORS' REPORT

NET TANGIBLE ASSET BACKING

	Consolidated Entity	
	December 2002	December 2001
Net assets	\$4,273,807	\$5,719,518
Less intangible assets:		
VoiceNet VoIP technology	(\$69,000)	(\$1,100,000)
Net tangible assets of the Consolidated Entity	<u>\$4,204,807</u>	<u>\$4,619,518</u>
Issued ordinary share capital base of the Company:		
Fully paid ordinary shares	28,404,879	28,847,363
Portion of 20,000,000 partly paid ordinary shares (representing the extent to which such shares have been paid, being one cent per share with a balance of the call of 19 cents per share)	1,000,000	1,000,000
Adjusted issued ordinary share capital base	<u>29,404,879</u>	<u>29,847,363</u>
Net tangible asset backing per issued ordinary share as at balance date (cents)	<u>14.30</u>	<u>15.48</u>

REVIEW OF OPERATIONS

1. CENTRAL EXCHANGE LTD

Central Exchange, a licenced telecommunications carrier, was granted a 14 year non-exclusive Australian licence to the Company's VoiceNet System VoIP technology. Furthermore, the Company has assisted Central Exchange in establishing an Australian telecommunications network utilising the VoiceNet System VoIP technology, pursuant to a technical services agreement dated 4 June 1999 ("Technical Services Agreement").

1.1 Technical Services Fees

By the Technical Services Agreement, the Company agreed to provide technical support services to Central Exchange for the set up, support and administration of a telephony network based on the Company's VoiceNet System Voice-over Internet Protocol technology, which was licensed to Central Exchange pursuant to the licence agreement between the Company and Central Exchange dated 4 June 1999.

The Technical Services Agreement was for a term of three years and Central Exchange was required to pay the Company for the provision by the Company of 3,000 hours per annum of technical support services fee of \$1,000,000 per annum (indexed for inflation after the first 12 months), payable by equal monthly payments in advance ("Monthly Fees"). The first instalment of Monthly Fee commenced in November 1999.

The last instalment of Monthly Fees made by Central Exchange was on 1 August 2001 in relation to technical support services attributable to the months of July, August and September 2001. Monthly Fees in the sum of \$1,167,000 remained unpaid for the period from 1 September 2001 to the end of the term of the Technical Services Agreement.

DIRECTORS' REPORT

During the 2001/2002 financial year, Central Exchange requested that the Technical Services Agreement be terminated as it no longer required the provision of technical services. The Board subsequently entered into discussions with the Board of Central Exchange regarding the outstanding Monthly Fees from 1 September 2001 and with respect to the balance of the term of the Technical Services Agreement (up to and including 1 September 2002) with the view to a possible termination of the Technical Services Agreement prior to its natural effluxion.

The Company received legal advice that the Technical Services Agreement was only terminable by Central Exchange if:

- (a) it gave written notice to the Company of such termination, and paid to the Company the total outstanding Monthly Fees which would have been payable to the Company for the balance of the term had the Technical Services Agreement not been terminated; or
- (b) if the Company was in default in the due performance of its obligations under the Technical Services Agreement and such default was not remedied within 30 days of notice of the default being provided to the Company.

The Company did not believe that it would be in default of performance of its obligations under the Technical Services Agreement. However, the Company received legal advice that the obligation imposed by (b) above may constitute a penalty (because it does not provide a discount for early payment). If this were the case, the Company would only be entitled to recover on termination of the Technical Services Agreement its actual damages at common law, which would be its actual loss of profit, i.e. gross income less costs. There was also a dispute between the Company and Central Exchange as to whether the Company was entitled to payment if it did not provide the 3,000 hours of support services per annum pursuant to the Technical Services Agreement.

In light of such legal advice, the independent directors of the Company at the relevant time agreed with the independent director of the Central Exchange, subject to shareholder approvals being obtained, to terminate the Technical Services Agreement on the basis that Central Exchange paid to the Company, in full and final satisfaction of all fees currently payable, or which would become payable, under the Technical Services Agreement:

- (1) the sum of \$300,000 to be satisfied by the issue of 19,342,360 shares in Central Exchange at an issue price of 80% of the weighted average price for fully paid ordinary shares in Central Exchange for the period from 28 December 2001 to 26 March 2002, being 1.551 cents per share (on a pre 1:10 consolidated basis); and
- (2) \$150,000.00 cash.

Under such settlement and termination proposal, the Company will not be providing any further services to Central Exchange under the Technical Service Agreement.

The Company notes that the common directors of the Company and Central Exchange were not involved in any determination with respect to the terms of the proposed termination and settlement of the Technical Services Agreement. Both companies have had separate legal representation in this matter and the settlement was reached on an arm's length basis.

DIRECTORS' REPORT

The Board called a general meeting on 8 August 2002 to allow shareholders to consider and, if thought fit, pass a resolution approving the termination of the Technical Services Agreement and the settlement of all past and future fees outstanding and payable under the Technical Services Agreement as described above.

The Board considered that the termination of the Technical Service Agreement on terms described above was in the best interests of the Company in light of the legal advice received as to there being some uncertainty over the Company's entitlement to seek the full balance of the Monthly Fees outstanding and payable under the Technical Services Agreement.

On 8 August 2002, shareholders passed a resolution approving the settlement and termination of the Technical Services Agreement. Central Exchange shareholders also approved the same at their general meeting held on 30 July 2002.

Pursuant to such shareholder approvals:

- (i) Central Exchange issued 1,934,236 shares (on a post 1:10 share consolidation basis) to the Company on 12 August 2002 at a deemed consideration of \$300,000; and
- (ii) Central Exchange paid \$150,000 cash to the Company on 5 September 2002.

The Company currently holds 4,149,112 shares in Central Exchange (being 48.817% of its issued ordinary share capital).

In light of such significant shareholding, Central Exchange has been consolidated into the Company accounts for the current financial half year.

1.2 Proposed Change of Activities and Prospectus of Central Exchange

At a general meeting on 30 July 2002, Central Exchange shareholders approved various resolutions, including, inter alia, with respect to the following matters:

- the change in the nature and scale of Central Exchange's activities from a company involved in telecommunications to a company primarily involved in resources exploration and exploitation;
- the acquisition of Juniper Resources Ltd in consideration for the issue of 15,000,000 shares in Central Exchange at an issue price of 20 cents per share. Juniper Resources Ltd is an Australian public company involved in 6 gold, base metal, copper and iron-ore resource projects in Western Australia;
- the issue of the shares and options pursuant to a prospectus; and
- the change of name to "Juniper Resources Limited",

Central Exchange lodged a Prospectus dated 1 August 2002 seeking to raise a total of 15,000,000 shares at an issue price of 20 cents per share to raise \$3,000,000 (with a minimum subscription of \$1,500,000 and oversubscriptions of an additional \$3,000,000) and options.

On 26 November 2002, Central Exchange announced the withdrawal of its prospectus due to the failure to raise the minimum subscription and the termination of the agreement to acquire Juniper Resources Ltd.

DIRECTORS' REPORT

Central Exchange has announced that it has applied to the ASX for re-admission of its securities for quotation on the ASX.

2. COMMERCIAL OPPORTUNITIES FOR VOIP TECHNOLOGY

The Company has continued its pursuit of all means of commercially exploiting its VoiceNet System VoIP technology.

The Company has had negotiations with a number of parties interested in either licensing or acquiring the Company's VoiceNet VoIP technology. In particular, the Company is in advanced negotiations with a European firm that has lodged an expression of interest in such technology. However, as at the date of this report, no binding offer has been received by the Company and the Board is unable to confirm whether such binding offer will be received or the terms therein.

3. INVESTMENT STRATEGIES

In addition to the commercial exploitation of the Company's investment in its VoiceNet System VoIP technology, the Board is actively seeking to add value to the asset base and underlying share price of the Company through the pursuit of selective investment and other commercial opportunities.

Such selective investment and commercial opportunities will be pursued with the objective(s) of creating a secure income stream for the Company and/or the acquisition of assets that provide for capital growth. Assets will be acquired either on the basis that they are currently undervalued or present the opportunity for superior capital growth.

The intention is to increase the asset base of the Company to a level which the Board considers is a prudent capital base from which it will be able to take advantage of further commercial investment activities. The Board will also consider the expansion of the capital base of the Company through the issue of equity capital and/or the formation of strategic alliances or mergers with other companies.

The Board believes that a listed company requires a critical mass of capital sufficient to secure commercial opportunities and accordingly provide both an income stream and capital growth for its shareholders. The Board believes that a prudent capital base from which a listed company is able to secure such commercial objectives is between \$10 - 15 million.

This capital base of \$10 - \$15 million dollars has been determined as an appropriate base by the Board based upon a number of matters including but not limited to an analysis of the existing capital structure of the Company, its current cash reserves, the present state of the Australian capital markets, the likelihood of the Company attracting capital investment in the short to medium term at prices at least equal to or in excess of its current cash backing and the level of internal investment capital the Board believes the Company requires to generate economic returns sufficient to attract investor support and accordingly the ability to raise further capital.

The Board does not believe that the Company will be readily able to achieve such objective on its own. The Board however believes that such objective can be achieved through an "aggregation" process whereby the assets of the Company and a number of other suitable listed companies are combined effectively into a single entity that holds the collective net tangible assets previously held in each separate company.

DIRECTORS' REPORT

This "aggregation" process may be realised (subject to acceptable taxation advice and compliance with the Corporations Act and the ASX Listing Rules) through a number of avenues including participating companies subscribing to a new "master" company or via a scheme of arrangement. Alternatively, an existing participating company may be used as the "lead" vehicle in terms of the aggregation process.

The Board is currently in discussions with a number of Australian public listed companies with respect to this aggregation process and will advise shareholders on the outcome of these discussions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There was no significant change in the state of affairs of the Consolidated Entity during the financial half year end other than that referred to in this report or the attached financial report in the form of Appendix 4B of the ASX Listing Rules.

DIRECTORS

The names and particulars of all Directors in office during and since the financial half year are:

1. Farooq Khan

Chairman and Managing Director
Age 41

Mr Khan has successfully founded a number of private companies and a number of successful initial public offers in Australia in the technology sector. Mr Khan holds a Bachelor of Jurisprudence and Bachelor of Law degree from the University of Western Australia. After practicing for a number of years, principally in the field of corporate law, Mr Khan left the legal profession to form the Company, and later, Fast Scout Ltd, an ASX listed Internet portal technology company. Mr Khan is the Chairman and Managing Director of Fast Scout Ltd and ASX listed companies Central Exchange Ltd and Bigshop.com.au Ltd and is an Executive Director of ASX listed company Software Communication Group Ltd. Mr Khan brings considerable experience in commercial law and in corporate management and administration.

2. Michael van Rens

Non Executive Director
Age 48

Mr van Rens is a founding Director of the Integrated Financial Group in Western Australia, a leading financial services company and part owners of the national financial services dealer group, Australian Financial Securities Pty Ltd. Mr van Rens also holds board positions with Financial Resources Ltd, a leasing finance company, Pneumatic Systems Australia Pty Ltd, a group providing innovative technology for hose, tube and pipe maintenance industries, and European Goldfields Ltd, a Canadian listed gold exploration company. Mr van Rens brings an extensive marketing, sales and investment background to the Company, developed over the last 16 years in the financial services industry.

DIRECTORS' REPORT

3. **Yaqoob Khan**

Non-Executive Director
Age 38

Mr Khan holds a Bachelor of Commerce degree from the University of Western Australia and a Master of Industrial Administration degree from Carnegie Mellon University, Pittsburgh, Pennsylvania, USA. After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work with an overseas company as a senior executive responsible for product marketing, costing systems and production management. Mr Khan is also a Director of ASX listed Central Exchange Ltd and Fast Scout Ltd. Mr Khan brings considerable international experience in key aspects of corporate finance, production and marketing.

4. **Azhar Chaudhri**

Non Executive Director
Age 41

Mr Chaudhri holds a Bachelor of Science degree in Maths and Physics and a Masters degree in Economics. He has also undertaken postgraduate computer studies in the United Kingdom. Mr Chaudhri has considerable expertise in computer systems, analysis and design and advanced programming experience, particularly with respect to business and information technology systems and data base computing. In particular Mr Chaudhri has formed and led software development teams creating integrated database and management information systems for utilities, local government land tax departments, hospitals, libraries and oil terminals. Mr Chaudhri is also an Executive Director of Fast Scout Ltd.

At the Balance Date, Azhar Chaudhri and Yaqoob Khan were resident overseas.

DIRECTORS' RELEVANT INTEREST

The relevant interest of each Director in the issued securities of the Company at the date of this report is as follows:

Name of Director	Fully Paid Ordinary Shares	Partly Paid Ordinary Shares	21 July 2003 Options
F Khan	5,880,617	-	3,240,000
A Chaudhri	4,520,450	20,000,000	-
Y Khan	554,500	-	360,000
M van Rens	259,799	-	500,000

SECURITIES IN THE COMPANY

At the date of this report, there are the following numbers of the Company's securities on issue:

- (i) 28,404,879 listed fully paid ordinary shares;
- (ii) 5,000,000 unlisted options, each to take up one fully paid ordinary share in the Company at an exercise price of 20 cents per option, on or before 21 July 2003;
- (iii) 20,000,000 unlisted partly paid ordinary shares, each paid to one cent with 19 cents per partly paid ordinary share outstanding.

There were no securities issued or granted by the Company during or since the financial half year.

DIRECTORS' REPORT

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of the report, other than those referred to in this report or in the attached financial report of the Company in the form of Appendix 4B of the ASX Listing Rules, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Consolidated Entity in subsequent periods.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Farooq Khan
Executive Chairman



Michael van Rens
Director

Perth, Western Australia

14 March 2003

DIRECTORS' DECLARATION

The Directors declare that:

- (i) The attached financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules comply with accounting standards;
- (ii) The financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules give a true and fair view of the financial position and performance of the Company and Consolidated Entity;
- (iii) In the Directors' opinion, the attached financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules are in accordance with the Corporation Act 2001 and
- (iv) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.



Farooq Khan
Executive Chairman

Perth, Western Australia



Michael van Rens
Director

14 March 2003

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF QUESTE COMMUNICATIONS LTD

Scope

We have reviewed the attached financial report of Queste Communications Limited in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules, including the directors' declaration, for the half-year ended 31 December 2002.

The financial report includes the financials statement of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial statements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements and ASX Listing Rules as they relate to Appendix 4B, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to meet its obligations to lodge financial report with the Australian Securities and Investments Commission and ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial statements, as defined in the scope section, of Queste Communications Limited is not in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements and ASX Listing Rules as they relate to Appendix 4B.

BDO
Chartered Accountants



B G McVeigh
Partner

14 March 2003
Perth, Western Australia

STOCK EXCHANGE INFORMATION as at 12 March 2003

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	9	6,801	0.023
1,001	-	5,000	113	372,627	1.311
5,001	-	10,000	173	1,556,802	5.480
10,001	-	100,000	317	9,442,698	33.243
100,001	-	and over	34	17,025,951	59.940
Total			646	28,404,879	100.00

DISTRIBUTION OF UNLISTED OPTIONS EXERCISABLE AT 20 CENTS AND EXPIRING 21 JULY 2003

Name	No. of Options
Mr F Khan	3,240,000
Mr B McKeon	300,000
Mr M J van Rens	500,000
Mr M Watkins	300,000
Mr B McGougan	300,000
Mr Y Khan	360,000
Total	5,000,000

DISTRIBUTION OF UNLISTED PARTLY PAID ORDINARY SHARES

Name	No. of Partly Paid Shares
Chi Tung Investments Ltd	20,000,000

These 20,000,000 ordinary shares were issued at a price of 20 cents per share and have been partly paid to one cent each and have an outstanding amount payable of 19 cents per share.

VOTING RIGHTS

- Ordinary fully paid shares have one vote per share.
- No voting rights are attached to the Company's options.
- The Company's partly paid shares have a proportional voting entitlement in accordance with the amount paid up for that share.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Registered Shareholder	Fully Paid Ordinary Shares	Partly Paid Ordinary Shares	% Voting Power
Azhar Chaudhri; Renmuir Holdings Ltd; and Chi Tung Investments Ltd	Azhar Chaudhri	10,000	-	18.77
	Renmuir Holdings Ltd	2,633,500	-	
	Chi Tung Investments Ltd	1,050,000	20,000,000	
	Fast Scout Ltd	826,950	-	
Farooq Khan; Island Australia Pty Ltd; Skin-Plex Laboratories Pty Ltd; and The Essential Earth Pty Ltd	Farooq Khan	2,172,040	-	19.999
	Island Australia Pty Ltd	3,668,577	-	
	Skin-Plex Laboratories Pty Ltd	20,000	-	
	The Essential Earth Pty Ltd	20,000	-	

STOCK EXCHANGE INFORMATION as at 12 March 2003

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Total Units	% Issued Capital
1	ISLAND AUSTRALIA PTY LTD	3,668,577	12.915
2	RENMUIR HOLDINGS LTD	2,633,500	9.271
3	FAROOQ KHAN	2,172,040	7.647
4	CHI TUNG INVESTMENTS LTD	1,050,000	3.696
5	MANAR NOMINEES PTY LTD	989,259	3.482
6	FAST SCOUT LTD	826,950	2.911
7	DR ABRAHAM LEON ZELWER <ZELWER SUPERFUND ACCOUNT> >	679,366	2.391
8	TASCOAST PTY LTD <THE GULABOVSKI FAMILY A/C>	573,000	2.017
9	MR HENRY JOHN DE BURGH & MRS ELIZABETH MARGARET DE BURGH	570,119	2.007
10	KYA CORPORATION PTY LTD	514,500	1.811
11	MR TERENCE HOFFMAN & MRS DORIS MARIE HOFFMAN	396,570	1.396
12	YOBAXS PTY LTD & YOBAXS PTY LTD <SQUIRRELL SUPER FUND A/C>	221,875	0.781
13	MR GRANT RONALD ALLEN	243,363	0.856
14	MESUTA PTY LTD	219,894	0.774
15	MRS CHERRYL DAWN BAGSHAW	218,750	0.770
16	MRS AFIA KHAN	215,000	0.756
17	MR AYUB KHAN	215,000	0.756
18	MRS AMBREEN CHAUDHRI	215,000	0.756
19	HUNT CORPORATION'S PTY LTD <HUNT INVESTMENT FUND A/C>	179,785	0.632
20	MR KEITH FRANCIS OATES & MRS LINDA ANN OATES	175,000	0.616
Total		15,977,548	56.241%

Rules 4.1, 4.3

Appendix 4B (rule 4.13(b))

Half Yearly Report

Introduced 30/6/2002

Name of entity

QUESTE COMMUNICATIONS LIMITED

ABN

Half yearly

(tick)

Preliminary final

(tick)

Half year ended

58 081 688 164

X

31 December 2002

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	-76% to	130,641
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members (item 1.20)	up	34% to	(606,260)
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	down	-0.07% to	(401,155)
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	-0.07% to	(401,155)
Dividends (distributions)	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:			

Condensed Consolidated Statement of Financial Performance

	Current period \$A	Previous corresponding period \$A
1.1 Revenues from ordinary activities <i>(see items 1.23-1.25)</i>	130,641	538,361
1.2 Expenses from ordinary activities <i>(see items 12.6 & 1.27)</i>	(761,519)	(651,146)
1.3 Borrowing costs	(237)	(297)
1.4 Share of net profits (losses) of associates and joint venture entities <i>(see item 16.7)</i>	-	(223,357)
1.5 Profit (loss) from ordinary activities before tax	(631,115)	(336,439)
1.6 Income tax on ordinary activities <i>(see note 4)</i>	24,855	(65,000)
1.7 Profit (loss) from ordinary activities after tax	(606,260)	(401,439)
1.8 Profit (loss) from extraordinary items after tax <i>(see item 2.5)</i>	-	-
1.9 Net profit (loss)	(606,260)	(401,439)
1.10 Net profit (loss) attributable to outside +equity interests	(205,105)	-
1.11 Net profit (loss) for the period attributable to members	(401,155)	(401,439)
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity <i>(attach details)</i>	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity <i>(items 1.12 to 1.15)</i>	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	-	-

	Current period	Previous corresponding period
Earnings per security (EPS)		
1.18 Basic EPS	(1.36)	(1.35)
1.19 Diluted EPS	n/a	(0.82)

Notes to the condensed consolidated statement of financial performance
Condensed Consolidated Statement of Financial Performance

	Current period	Previous corresponding period
	\$A	\$A
1.20 Profit (loss) from ordinary activities after tax <i>(item 1.7)</i>	(606,260)	(401,439)
1.21 Less (plus) outside +equity interests	(205,105)	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(401,155)	(401,439)

Revenue and expenses from ordinary activities *(see note 15)*

	Current period	Previous corresponding period
	\$A	\$A
1.23 Sale of goods	-	4,500
1.24 Interest revenue	87,070	54,232
1.25 Other relevant revenue		
Central Exchange telecommunication sales	5,723	362,500
Corporate advisory fee	-	81,818
Mining royalties	386	-
Rental income	31,437	31,936
Proceeds from sale of investments	5,852	3,375
Proceeds from sale of equipment	173	-
1.26 Details of relevant expenses		
Cost of sale of goods	-	(13,705)
Cost of sales - Central Exchange telecommunications network cost	(29,553)	-
Occupancy expenses	(46,982)	(27,630)
Finance expenses	(3,527)	(1,998)
Borrowing costs	(237)	(297)
Administration expenses:		
Software development costs	-	(8,237)
Amortisation of intangibles	-	(200,000)
Other development costs	(39,578)	(69,414)
Corporate expenses:		
Amortisation of website development costs	-	(1,449)
Personnel expenses	(292,297)	(172,345)
Provision for employee entitlement	(10,508)	(687)
Investment expenses	(21,026)	-
Provision for diminution - investments	(103,769)	(50,536)
Other corporate administrative expenses	(190,625)	(78,367)
Cost of investment sold	(5,988)	(3,000)
Cost of equipment sold	(168)	-
1.27 Depreciation and amortisation excluding amortisation of intangibles <i>(see item 2.3)</i>	(17,498)	(23,778)
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles <i>(unless arising from an +acquisition of a business)</i>	-	-

Consolidated Retained Profits

	Current period	Previous corresponding period
	\$A	\$A
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(3,922,649)	(2,120,873)
1.31 Net profit (loss) attributable to members <i>(item 1.11)</i>	(401,155)	(401,439)
1.32 Net transfers from (to) reserves <i>(details if material)</i>	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Retained profits (accumulated losses) at end of financial period	(4,323,804)	(2,522,312)

Intangible and extraordinary items

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

Comparison of half year profits

(Preliminary final report only)

	Current year	Previous year
	\$A	\$A
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year <i>(item 1.22 in the half yearly report)</i>	(401,155)	(401,439)
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	n/a	n/a

Condensed Consolidated Statement of Financial Position

	At end of current period	As shown in last annual report	As in last half yearly report
	\$A	\$A	\$A
4.1 Cash	3,424,866	2,845,351	3,234,960
4.2 Receivables	31,816	483,758	456,393
4.3 Investments	-	-	-
4.4 Inventories	18,273	18,273	18,273
4.5 Other (prepayment)	23,477	26,445	531
4.6 Current tax assets	-	-	-
4.7 Total current assets	3,498,432	3,373,827	3,710,157
Non-current assets			
4.8 Receivables	27,872	13,766	13,766
4.9 Investments (<i>equity accounted</i>)	-	224,857	426,082
4.10 Other investments	222,237	307,275	182,240
4.11 Inventories	-	-	-
4.12 Exploration and evaluation expenditure capitalised (<i>see para .71 of</i>)	-	-	-
4.13 Development properties (<i>+mining</i>)	-	-	-
4.14 Other property, plant and equipment	482,418	454,869	516,911
4.15 Intangibles (net)	69,000	69,000	1,100,000
4.16 Deferred tax assets	-	4,968	4,968
4.17 Other (<i>provide details if material</i>)	93,941	-	-
4.18 Total non-current assets	895,468	1,074,735	2,243,967
4.19 Total assets	4,393,900	4,448,562	5,954,124
Current liabilities			
4.20 Payables	100,278	106,051	108,726
4.21 Interest bearing liabilities	-	-	-
4.22 Tax liabilities	-	-	-
4.23 Provisions	19,815	-	32,359
4.24 Other (<i>provide details if material</i>)	-	-	-
4.25 Total current liabilities	120,093	106,051	141,085
Non-current liabilities			
4.26 Payables	-	-	-
4.27 Interest bearing liabilities	-	-	-
4.28 Deferred Tax liabilities	-	1,483	1,483
4.29 Provisions	-	37,739	92,038
4.30 Other (<i>provide details if material</i>)	-	-	-
4.31 Total non-current liabilities	-	39,222	93,521
4.32 Total liabilities	120,093	145,273	234,606
4.33 Net assets	4,273,807	4,303,289	5,719,518

Condensed Consolidated Statement of Financial Position continued

	At end of current period \$A	As shown in last annual report \$A	As in last half yearly report \$A
Equity			
4.34 Capital/contributed equity	8,225,938	8,225,938	8,241,830
4.35 Reserves	-	-	-
4.36 Accumulated profits (losses)	(4,323,804)	(3,922,649)	(2,522,312)
4.37 Equity attributable to members of the parent entity	3,902,134	4,303,289	5,719,518
4.38 Outside +equity interests in controlled entities	371,673	-	-
4.39 Total equity	4,273,807	4,303,289	5,719,518
4.40 Preference capital included as part of 4.33	-	-	-

Notes to the condensed consolidated statement of financial performance

Exploration and Evaluation Expenditure Capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A	Previous corresponding period \$A
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period	N/A	N/A
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	N/A	N/A

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

Condensed Consolidated Statement of Cash Flows

	Current period \$A	Previous corresponding period \$A
Cash flows related to operating activities		
7.1 Receipts from customers	70,624	36,438
7.2 Payments to suppliers and employees	(580,564)	(463,966)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest and other items of similar nature received	91,997	83,736
7.6 Interest and other costs of finance paid	(237)	(297)
7.7 Income taxes paid	(7,282)	-
7.8 Income taxes refunded	-	50,000
7.9 Net operating cash flows	(425,462)	(294,089)
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment	-	-
7.11 Proceeds from sale of property, plant and equipment	173	3,375
7.12 Payment for purchases of equity investments	-	(70,477)
7.13 Proceeds from sale of equity investments	5,852	-
7.14 Loans to other entities	-	(35,745)
7.15 Loans repaid by other entities	-	-
7.16 Net cash Inflow from acquisition of subsidiary	1,019,446	-
Payments for intangibles	-	(705)
7.17 Net investing cash flows	1,025,471	(103,552)
Cash flows related to financing activities		
7.18 Proceeds from issues of + securities (shares, options, etc)	-	250
7.19 Proceeds from borrowings	-	-
7.20 Repayment of borrowings	-	-
7.21 Dividends paid	-	-
7.22 Payments in relation to share buy-back	(15,657)	-
Payments to former unmarketable parcels' shareholders	(22,197)	-
Net proceeds from sale of share buy back	17,360	-
7.23 Net financing cash flows	(20,494)	250
7.24 Net increase (decrease) in cash held	579,515	(397,391)
7.25 Cash at beginning of period <i>(see Reconciliation of cash)</i>	2,845,351	3,632,351
7.26 Exchange rate adjustments to item 7.25	-	-
7.27 Cash at end of period <i>(see Reconciliation of cash)</i>	3,424,866	3,234,960

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.

None

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 statement of financial position is as follows.

	Current period \$A	Previous corresponding period \$A
8.1 Cash on hand and at bank	220,730	28,511
8.2 Deposits at call	3,204,136	3,206,449
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	3,424,866	3,234,960

Other notes to the condensed financial statements

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(483.09)%	(62.49)%
Profit after tax / + equity interests		
9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	(10.28)%	(7.02)%

Earnings per security (EPS)

10.0 Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

(a) Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Net Loss
Weighted average number of ordinary shares

	Current period	Previous corresponding period
Net Loss	(401,155)	(401,439)
Weighted average number of ordinary shares	29,404,879	29,707,745

(i) The Company's partly paid shares, to the extent that they have been paid (one cent per share), have been included in the determination of the basic earnings per share.

The Company's options and partly paid shares, to the extent of the balance of the call (19 cents per share), have not been included in the determination of basic earnings per share. Diluted loss per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share.

NTA backing

(see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security (cents per share)	14.30	15.48

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5(g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

None

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 controlled entity (or group of entities) since the date in the current period on which control was ⁺ 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 controlled 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	N/A
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled 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

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 +CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHES 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 34% tax <i>(see note 4)</i>	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	0¢	0¢	0¢
15.5	Previous year	0¢	0¢	0¢
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: 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 <i>(each class separately)</i>	-	-
15.11 Preference +securities <i>(each class separately)</i>	-	-
15.12 Other equity instruments <i>(each class separately)</i>	-	-
15.13 Total	-	-

The ⁺dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the ⁺dividend or distribution

N/A

Any other disclosures in relation to dividends (distributions)

N/A

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates and joint venture entities	Current period	Previous corresponding period
	\$A	\$A
16.1 Profit (loss) from ordinary activities before tax	-	(223,357)
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	(223,357)
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	-	(223,357)
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	-	(223,357)

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 dd/mm/yy") or disposal ("to dd/mm/yy").

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
17.1 Equity accounted associates and joint venture entities Central Exchange Ltd (now consolidated)	-	31.44%	-	(223,357)
17.2 Total			-	(223,357)
17.3 Other material interests	N/A	N/A	N/A	N/A
17.2 Total				

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 ⁺ securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference ⁺ securities (description)	-	-	-	-
18.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 ⁺Ordinary securities	28,404,879	28,404,879	N/A	fully paid
	20,000,000	-	20 cent	1 cent
18.4 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 ⁺Convertible debt securities (description and conversion factor)	-	-	-	-
18.6 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
18.7 Options (description and conversion factor)	5,000,000	-	Exercise price 20 cents	Expiry date (if any) 21 July 2003
18.8 Issued during current period	-	-	-	-
18.9 Exercised during current period	-	-	-	-
18.10 Expired during current period	-	-	-	-
18.11 Debentures (description)				
18.12 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
18.13 Unsecured notes (description)				
18.14 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-

Segment Reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Segment Reporting and for the half year reports. AASB 1029: Interim Financial Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report.)

The Consolidated Entity operates predominantly within Australia and in one industry segment, being telecommunications technology.

Segment Revenues & Results	External Revenue		Operating results	
	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01
	\$	\$	\$	\$
Telecommunications	5,723	367,000	(23,830)	75,644
Investments	37,289	113,754	(124,783)	(163,139)
	43,012	480,754	(148,613)	(87,495)
Unallocated	87,629	57,607	(482,502)	(248,944)
	130,641	538,361		
Profit from ordinary activities before income tax			(631,115)	(336,439)
Income tax expense relating to ordinary activities			24,855	(65,000)
Profit from ordinary activities after income tax			(606,260)	(401,439)

Segment Assets & Liabilities	Assets		Liabilities	
	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01
	\$	\$	\$	\$
Telecommunications	88,242	1,118,273	-	-
Investments	316,178	608,322	-	-
	404,420	1,726,595	-	-
Unallocated	3,989,480	4,227,529	(120,093)	(141,085)
	4,393,900	5,954,124	(120,093)	(141,085)

Other Segment Information	VoIP Technology		Investments	
	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01
	\$	\$	\$	\$
Carrying value of investments accounted for using the equity method	-	-	-	426,082
Share of net losses of associate company accounted for under the equity method	-	-	-	(223,357)
Acquisition of segment assets	-	-	-	70,477
Depreciation and amortisation of segment assets	-	(201,449)	-	-
Other non-cash expenses				
Diminution of segment assets	-	-	(103,769)	(50,536)

Comments by Directors

Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. 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 Financial Report Preparation

- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period.

ASX listed Central Exchange Ltd has been treated as a controlled entity pursuant to Accounting Standard 1024 "Consolidated Accounts" for the first time as the Company holds 48.817% of its issued ordinary share capital. Previously, the Company had accounted for its investment in Central Exchange Ltd on a equity accounting basis as an Associate entity pursuant to Accounting Standard AASB 1016 'Accounting for Investment in Associates.'

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported in this Appendix or in attachments, with financial effect quantified (if possible)

On 13 March 2003, the Company entered into a contract for the sale of its strata office units for \$435,000. Settlement is due to occur on or before 30 April 2003. Such office units are currently being leased. The carrying value of such asset at 31 December 2002 was \$398,223.62

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

Nil

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (*Disclose changes and differences in the half yearly report in accordance with AASB 1029: Interim Financial Reporting. Disclose changes in accounting policies in the preliminary final report in accordance with AASB 1001: Accounting Policies Disclosure*)

Please refer item 19.2.

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amounts of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

None

- 19.7 Changes in contingent liabilities or assets.

Nil.

Additional Disclosure for Trusts

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

N/A

- 20.2 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

Annual meeting

The annual meeting will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the +annual report will be available	N/A

Compliance Statement

- 1 This report has been prepared under accounting policies which comply with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A

- 2 This report, and the +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

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 attached/will follow immediately they are available* (delete one). (Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act)
- 6 This entity does not have a formally constituted audit committee.



Victor Ho
(Company Secretary)

Date: 14 March 2003

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. **Condensed Consolidated Statement of Financial Performance**
 - 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.
 5. **Condensed Consolidated Statement of Financial Position**

Format The format of the consolidated statement of financial position 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: Interim Financial Reporting and AASB 1040: Statement of Financial Position. 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 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. **Condensed 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. 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 +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are not required to state a net tangible asset backing per +ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the +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.
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. **Details of expenses** AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. AASB ED 105 clarifies that the disclosures required by AASB 1018 must be either all according to nature or all according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their +accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

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.
17. **Discontinuing operations** Half yearly report All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001. Preliminary final report Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with AASB 1042 Discontinuing Operations. In any case the information may be provided as an attachment to this Appendix 4B.
18. **Format** This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.