

Preliminary final report

Name of issuer

Vietnam Emerging Capital Limited

ACN

123 981 537

Preliminary
final

Financial year ended
(‘Current period’)

30 June 2009

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

				\$A
Revenue (item 1.1)	up	34%	to	56,170
(Loss) for the period (item 1.9)	down	79.3%	to	(191,823)
(Loss) for the period attributable to members of the parent (item 1.11)	down	79.3%	to	(191,823)
Dividends		Current period		Previous corresponding period
Franking rate applicable:		nil		nil
Final dividend (preliminary final report only)(item 10.13-10.14)				
Amount per security		n/a		n/a
Franked amount per security		n/a		n/a
Interim dividend (Half yearly report only) (item 10.11 – 10.12)				
Amount per security		n/a		n/a
Franked amount per security		n/a		n/a
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

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Consolidated income statement *(The figures are not equity accounted) (see note 3)*

(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)

	Current period - \$A	Previous corresponding period - \$A
1.1 Revenues <i>(item 7.1)</i>	56,170	41,915
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(247,993)	(968,612)
1.3 Finance costs	-	-
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
1.5 Profit (loss) before income tax	(191,823)	(926,697)
1.6 Income tax expense <i>(see note 4)</i>	-	-
1.7 Profit (loss) from continuing operations	(191,823)	(926,697)
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
1.9 Profit (loss) for the period	(191,823)	(926,697)
1.10 Profit (loss) attributable to minority interests	-	-
1.11 Profit (loss) attributable to members of the parent	(191,823)	(926,697)
1.12 Basic earnings per <i>security</i> <i>(item 9.1)</i>	(1.21) cents	(6.93) cents
1.13 Diluted earnings per <i>security</i> <i>(item 9.1)</i>	(0.57) cents	(3.01) cents
1.14 Dividends per <i>security</i> <i>(item 9.1)</i>	n/a	n/a

Comparison of half-year profits

(Preliminary final statement only)

	Current period - \$A	Previous corresponding period - \$A
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(157,968)	(205,363)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	(33,855)	(721,334)

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Consolidated balance sheet

(See note 5) (as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - \$A	Previous corresponding period - \$A
3.1	Cash and cash equivalents	262,060	642,602
3.2	Trade and other receivables	-	-
3.3	Other current assets (provide details if material)	11,899	36,975
3.4	Total current assets	273,959	679,577
Non-current assets			
3.5	Available for sale investments	201,563	92,028
3.6	Investments in associates	-	-
3.7	Property, plant and equipment (net)	5,035	9,313
3.8	Investment properties	140,609	-
3.9	Total non-current assets	347,207	101,341
3.10	Total assets	621,166	780,917
Current liabilities			
3.11	Trade and other payables	32,071	-
3.12	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)		
3.13	Total current liabilities	32,071	-
Non-current liabilities			
3.14	Other (provide details if material)	-	-
3.15	Total non-current liabilities	-	-
3.16	Total liabilities	32,071	-
3.17	Net assets	589,095	780,917
Equity			
3.18	Share capital	1,628,148	1,628,148
3.19	Other reserves	79,206	79,206
3.20	Retained earnings	(1,118,259)	(926,437)
3.21	Total equity	589,095	780,917

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Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – A\$	Previous corresponding period – A\$
Opening Issued Capital balance	1,628,148	300,005
Shares issued to applicants	-	1,512,108
Expenses of share issue	-	(183,965)
Balance at end of period	1,628,148	1,628,148
Opening Reserves Balance	79,206	-
Transfers to / (from) Reserves	-	79,206
Balance at end of period	79,206	79,206
Opening Retained earnings	(926,437)	260
Total recognised income and expense for the period	(191,823)	(926,697)
Balance at end of period	(1,118,260)	(926,437)
Equity balance at end of Period	589,095	780,917

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Consolidated statement of cash flows

(See note 6) (as per AASB 107: Cash Flow Statements)

	Current period -\$A	Previous corresponding period - \$A
Cash flows related to operating activities		
5.1 Receipts from customers	21,311	-
5.2 Payments to suppliers and employees	(339,266)	(780,288)
5.3 Dividends received	5,442	563
5.4 Interest received	27,162	40,475
5.5 Income taxes paid	-	-
5.6 Net cash used in operating activities	(285,351)	(739,250)
Cash flows related to investing activities		
5.7 Payments for purchases of property, plant and equipment	-	(9,638)
5.8 Proceeds from sale of property, plant and equipment	-	-
5.9 Payment for purchases of equity investments	(145,878)	(236,810)
5.10 Proceeds from sale of equity investments	47,720	-
5.11 Loans to other entities	-	-
5.12 Loans repaid by other entities	-	-
5.14 Dividends received	-	-
5.15 Net cash used in investing activities	(98,158)	(246,448)
Cash flows related to financing activities		
5.16 Proceeds from issues of securities (shares, options, etc.)	-	1,328,143
5.17 Proceeds from borrowings	-	-
5.18 Repayment of borrowings	-	-
5.19 Net cash used in financing activities	-	1,328,143
Net increase (decrease) in cash and cash equivalents	(383,509)	342,445
5.23 Cash at beginning of period (see Reconciliations of cash)	642,602	300,157
5.24 Exchange rate adjustments to item 5.23	2,967	-
5.25 Cash at end of period	262,060	642,602

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(see Reconciliation of cash)		
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Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period \$A	Previous corresponding period \$A
6.1 Profit/(loss) <i>(item 1.9)</i>	(191,823)	(926,697)
Adjustments for:		
6.2 Depreciation	4,278	325
6.3 Impairment	(96,907)	144,784
6.4 Share based payments	-	79,206
6.5 (Increase)/Decrease in other receivables & prepayments	6,083	(36,868)
6.6 Increase in trade payables	(32,071)	-
6.7 Decrease in other payables	25,088	-
6.8 Net cash from operating activities <i>(item 5.6)</i>	(285,351)	(739,250)

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Notes to the financial statements

Note 1 Basis of preparation

The general purpose financial report for the reporting period ended 30 June 2009 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting", Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This preliminary report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

Accordingly, this interim financial report is to be read in conjunction with any public announcements made by Vietnam Emerging Capital Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Going concern

The report has been prepared on a going concern basis which contemplates the continuity of normal trading activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The company made an operating loss of 191,823 (\$926,647 30 June 2008) during the year ended 30 June 2009.

Notwithstanding that there is significant uncertainty as to the outcome of this capital raising, the directors believe that it is appropriate to prepare the financial report on a going concern basis as the directors are of the opinion that the capital raising noted above is achievable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

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Note 1 Basis of preparation of preliminary final report (continued)

Impairment

The carrying amounts of the entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Trade and other payables

Trade and other payables are stated at their amortised cost, are non-interest bearing and are normally settled within 60 days.

Taxation

Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are temporary differences are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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Note 1 Basis of preparation of preliminary final report (continued)

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Share capital transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

Accounting period

The results for the period ended 30 June 2009 cover the period from 1 July 2008 to 30 June 2009 (the previous period is from 16 February 2007 (being the date of incorporation) to 30 June 2008).

Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since date 30 June 2009.

Events subsequent to balance date

Other than disclosed above, there have been no subsequent events that would have a material impact on the financial report for the period ended 30 June 2009.

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Details of revenues and expenses

(see note 16) (Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

		Current period - \$A	Previous corresponding period - \$A
	Revenue		
	Interest received	49,792	41,352
	Dividends	6,378	563
7.1	Total Revenue	56,170	41,915
	Expenses		
	Accounting & Audit fees	46,500	12,538
	Advertising & marketing	1,793	129,466
	Compliance and listing fees	43,862	121,823
	Consulting fees	59,967	-
	Directors fee	54,000	271,500
	Depreciation	4,278	325
	Employee benefit expenses	25,926	-
	Unrealised foreign exchange loss	(2,967)	24,655
	Impairment	(92,584)	129,596
	Share based expenses	-	94,206
	Travel	77,534	132,390
7.2	Other expenses	29,684	52,113
	Total Expenses	247,993	968,612
	Profit (loss) before tax	(191,823)	(926,697)

	Ratios	Current period	Previous corresponding period
	Profit before tax / revenue		
8.1	Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	(29.3%)	(2,356%)
	Profit after tax / equity interests		
8.2	Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	(32.6%)	(2,356%)

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Earnings per Security

- 9.1 *Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:*

Note 26 – Earnings Per Share		Consolidated	
	2009	2008	
	Cents	Cents	
(a) Basic earnings per share			
(Loss) attributable to the ordinary equity holders of the company	(1.21)	(6.93)	
(b) Diluted earnings per share			
(Loss) attributable to the ordinary equity holders of the company	(0.57)	(3.01)	
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:			
(c) Reconciliation of earnings used in the calculation of earnings per share			
Earnings used in calculating basic earnings per share	(191,823)	(926,697)	
<i>Diluted earnings per share</i>			
Earnings used in calculating diluted earnings per share	<u>(191,823)</u>	<u>(926,697)</u>	
	Number of	Number of	
	Shares	Shares	
	2009	2008	
Weighted average number of ordinary and partly paid shares used in the calculation of basic earnings per share	15,882,626	13,365,144	
Adjustments for calculation of diluted earnings per share:			
Options converted at one to one	17,414,166	17,414,166	
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted earnings per share	<u>33,701,183</u>	<u>30,779,310</u>	

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Dividends

10.1 Date the dividend is payable

n/a

10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

n/a

10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

10.4 The *dividend or distribution plans* shown below are in operation.

n/a

The last date(s) for receipt of election notices to the *dividend or distribution plans*

n/a

10.5 Any other disclosures in relation to *dividends or distributions*

n/a

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Dividends paid or provided for on all *securities*

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

		Current period - \$A	Previous corresponding period - \$A	Franking rate applicable
Dividends paid or provided for during the reporting period		<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.6	Current year interim	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.7	Franked dividends	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.8	Previous year final	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.9	Franked dividends	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Dividends proposed and not recognised as a liability		<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.10	Franked dividends	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

Dividends per *security*

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

		Current year	Previous year	Franking rate applicable
Dividends paid or provided for during the reporting period		<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.11	Current year interim	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.12	Franked dividends – cents per share	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.13	Previous year final	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.14	Franked dividends – cents per share	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Dividends proposed and not recognised as a liability		<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
10.15	Franked dividends – cents per share	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

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Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

	Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.1 Ordinary securities					
<i>Ordinary fully paid shares</i>					
14.2 Balance at start of period	15,882,626	10,840,444	25	1,814,448	300,005
14.3 a) Increases through issues	-	-	-	-	1,514,443
14.4 b) Decreases through returns of capital, buybacks etc.	-	-	-	-	-
14.5 Balance at end of period	15,882,626	10,840,444	25	1,814,448	1,814,448
	Number issued	Number listed	Paid-up value (cents)	Current period – A\$	Previous corresponding period – A\$
14.6 Options					
Exerciseable at \$0.25, expiring 30 June 2010					
14.7 Balance at start of period	17,782,626	-	-	-	-
14.8 Issued during period	-	-	-	-	-
14.9 Exercised during period	-	-	-	-	-
14.10 Expired during period	-	-	-	-	-
14.11 Balance at end of period	17,782,626	-	-	-	-
14.12 Total Securities	33,665,252	10,840,444	-	1,814,448	1,814,448

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		Current period – A\$	Previous corresponding period – A\$
Reserves			
14.33	Balance at start of period	79,206	-
14.34	Transfers to/from reserves	-	79,206
14.35	Total for the period	79,206	79,206
14.36	Balance at end of period	79,206	79,206
14.37	Total reserves	79,206	79,206
Retained earnings			
14.38	Balance at start of period	(926,437)	260
14.39	Changes in accounting policy	-	-
14.40	Restated balance	-	-
14.41	Profit /(Loss) for the balance	(191,823)	(926,697)
14.42	Total for the period	(191,823)	(926,697)
14.43	Dividends	-	-
14.44	Balance at end of period	(1,118,260)	(926,437)

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

(equity method) (as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

Lac Trung Development & Investment Joint –
Stock Co., Ltd (Socialist Republic of Vietnam)

Reporting entities percentage holding

40%

		Current period - \$A	Previous corresponding period - \$A
15.1	Profit (loss) before income tax	-	-
15.2	Income tax	-	-
15.3	Profit (loss) after tax	-	-
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	Share of net profit (loss) of associates and joint venture entities	-	-

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Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment 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 statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

	Current period - \$A	Previous corresponding period - \$A
Segments		
Revenue:	-	-
19.1 External sales	-	-
19.2 Inter-segment sales	-	-
19.3 Total (consolidated total equal to item 1.1)	-	-
19.4 Segment result	(57,965)	(288,619)
19.5 Unallocated expenses	(133,858)	(740,478)
19.6 Operating profit/(loss) (equal to item 1.5)	(191,823)	(1,029,097)
19.7 Interest expense	-	-
19.8 Interest income	49,792	41,352
19.9 Share of profits of associates	-	-
19.10 Income tax expense	-	-
19.11 Net profit (consolidated total equal to item 1.9)	(191,823)	(926,697)
Other information		
19.12 Segment assets	354,513	237,079
19.13 Investments in equity method associates	-	-
19.14 Unallocated assets	266,653	543,838
19.15 Total assets (equal to item 3.18)	621,166	780,917
19.16 Segment liabilities	-	-
19.17 Unallocated liabilities	32,071	-
19.18 Total liabilities (equal to item 3.32)	32,071	-
19.19 Capital expenditure	-	-
19.20 Depreciation	(4,278)	(325)
19.21 Other non-cash expenses	97,807	(187,122)

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NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	3.7 cents	4.9 cents

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place	Level 28, 31 Market Street Sydney 2000
Date	30 November 2009
Time	11:00am
Approximate date the annual report will be available	28 October 2009

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

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2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
☐ The financial statements are in the process of being audited or subject to review.

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5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available*

"Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the company incurred a net loss of \$191,823 during the period ended 30 June 2009. Note 1 also states the directors' reasons for the financial report being prepared on a going concern basis. Should the company not achieve the matters as set forth in Note 1 there is significant uncertainty about the company's ability to continue as a going concern."

6. The *issuer* does not have a formally constituted audit committee.



Sign here: Date:11 September 2009.....
(Company secretary)

Print name:Robert Lees.....

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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 the amount of the change 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. *Issuers* are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" is set out in *AASB 118: Revenue*
 - 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 statement 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 issuer must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franking rate applicable" for items in *section 9*.
5. **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 134: Interim Financial Reporting*, and *AASB 101: Presentation of Financial Statements*. Banking institutions, trusts and financial institutions 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 *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 116: Property, Plant and Equipment*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Consolidated statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 107: Cash Flow Statements*. *Issuers* 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

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presentation adopted must meet the requirements of *AASB 107*.

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* (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* 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 consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under *ASIC* Class Order 98/0100 dated 15 July 2004, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 101: Presentation of Financial Statements* or *AASB 134: Interim Financial Reporting* as appropriate and are the unadjusted figures from the last annual or half year report as appropriate. However, if the previously reported figures are adjusted to achieve greater comparability, in accordance with an accounting standard or other reason, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the listing rules for an *issuer* to complete this statement does not prevent the *issuer* issuing statements more frequently. Additional material lodged with the *ASIC* under the *Corporations Act* must also be given to the *Exchange*. For example, a *directors'* report and declaration, if lodged with the *ASIC*, must be given to the *Exchange*.
13. **Accounting Standards** the *Exchange* will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
14. **Borrowing corporations** This statement may be able to be used by an *issuer* required to comply with the *Corporations Act* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards.
15. **Details of expenses** *AASB 101: Presentation of Financial Statements* requires disclosure of expenses according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*. *Issuers* must disclose details of expenses using the layout (by nature or function) employed in their accounts.

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The information in *items 7.1 - 7.2* may be provided in an attachment to Appendix 3

Relevant items *AASB 101: Presentation of Financial Statements* requires the separate disclosure of specific revenues and expenses which are of a size, nature or incidence that disclosure is *relevant*, as defined in *AASB 101*, in explaining the financial performance of the *issuer*. There is an equivalent requirement in *AASB 134: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by the *Exchange*.

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**

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 134: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 5: Non-current Assets for Sale and Discontinued Operations*

In any case, the information may be provided as an attachment to this Appendix 3