



Annexure 3A

BSX Listing Rules

Half yearly/Yearly Disclosure

References

Version 1, Operative 23/8/2000

Chapter 3, BSX Listing Rules

QUEENSLAND PAULOWNIA FORESTS LIMITED

Name of entity

49071625477

ABN, ACN or ARBN

Half yearly (tick)

Annual (tick)

☐
☒

30 June 2005

Half year/financial year ended
(Current period)

Summary

				\$A,000
Sales revenue or operating revenue	up/down	73.4%	to	31,782
Profit (loss) before abnormal items and after tax	up/down	42.4%	to	9,933
Abnormal items before tax		gain (loss) of		-
Profit (loss) after tax but before outside equity interests	up/down	42.4%	to	9,933
Extraordinary items after tax attributable to members		gain (loss) of		(6,071)
Profit (loss) for the period attributable to members	up/down	44.6%	to	3,862

Dividends (distributions)

Franking rate applicable

Fully Franked - 30%

Current period

Final

Interim

Nil¢
8¢

Previous corresponding period

Final

Interim

Nil¢
4¢

Record date for determining entitlements to the dividend, (in the case of a trust distribution)

N/A

Date 23/8/2000

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Short details of any bonus or cash issue or other items(s) of importance not previously released to BSX:

Consolidated profit and loss account

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	31,782	18,327
Expenses from ordinary activities	13,260	8,386
Increase/(Decrease) in Self Generating Assets	(3,067)	153
Borrowing costs	1286	246
Share of net profit (loss) of associates and joint venture entities	-	-
Profit (loss) from ordinary activities before tax	14,169	9,848
Income tax on ordinary activities	4,236	2,873
Profit (loss) from ordinary activities after tax	9,933	6,975
Outside equity interests	-	-
Profit (loss) from ordinary activities after tax attributable to members	9,933	6,975
Profit (loss) from extraordinary activities after tax attributable to members	(6,071)	-
Profit (loss) for the period attributable to members	3,862	6,975
Retained profits (accumulated losses) at the beginning of the financial period	10,060	3,938
Net transfers to and from reserves		
Net effect of changes in accounting policies		
Dividends paid or payable	1,986	853
Retained profits (accumulated losses) at end of financial period	11,936	10,060

Profit restated to exclude amortisation of goodwill

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	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	3,862	6,975
Less (plus) outside equity interests	-	
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	3,862	6,975

Revenue and expenses from operating activities

	Current period \$A'000	Previous corresponding period \$A'000
Details of revenue and expenses		
Woodlot Establishment Fees	27,386	14,855
Management & Licence Fees	3,271	2,925
Increment in SGARA	-	153
Interest	444	125
Miscellaneous	680	421
Total Revenue	31,781	18,480
Expenses		
Decrease in SGARA	3067	
Depreciation & Amortisation	482	491
Borrowing Costs	1,286	245
Underwriting Fee	1,283	733
Operating Expenses	11,494	7,162
Total Expenses	17,612	8,631

Intangible and extraordinary items

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Date 23/08/2000			

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Amortisation of goodwill	-	-	-
Amortisation of other intangibles	176	53	123
Total amortisation of intangibles	176	53	123
Extraordinary items (details)	8,673	2,602	6,071
Fundamental error. 2004 transaction reversed at December 04			
Total extraordinary items	8,673	2,602	6,071

Comparison of half year profits
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	(2,538)	(826)
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	9,933	6,975

Consolidated balance sheet

Current assets	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
Cash	8,113	2,848	4,496
Receivable	19,436	10,414	995
Investments			
Inventories	158	298	207
Other (provide details if material)	1,194	1,386	607
Total current assets	28,901	14,946	6,305
Non-current assets			

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Receivables	2,231	5,457	109
Investments	783	-	
Inventories- Trees SGARA	1,666	4,734	4,655
Other property, plant and equipment (net)	7,512	5,147	6,160
Intangibles (net)	-	176	-
Other (provide details if material)	-	65	
Total non-current assets	12,192	15,579	10,924
Total assets	41,093	30,525	17,229
Current liabilities			
Accounts payable	5,458	2,358	826
Borrowings	374	586	193
Provisions	2,115	935	80
Other (Tax Provision)	4,113	2,894	
Prepaid Fees	1,815	3,429	1,524
Other			32
Total current liabilities	13,875	10,202	2,655
Non-current liabilities			
Accounts payable	-		
Borrowings	277	93	210
Provisions	707	1,587	709
Other (Convertible Notes)	9,453	5,659	9,284
Total non-current liabilities	10,437	7,339	10,203
Total liabilities	24,312	17,541	12,858
Net assets	16,781	12,984	4,371
Equity			
Capital	4,845	2,920	2,920
Reserves	-	-	-
Retained profits (accumulated losses)	11,936	10,064	1,451
Equity attributable to members of the parent entity	-	-	-
Outside equity interests in controlled entities	-	-	-

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Total equity	16,781	12,984	4,371
Preference capital and related premium included	-	-	-

Consolidated statement of cash flows

Cash flows related to operating activities	Current period \$A'000	Previous corresponding period \$A'000
Receipts from customers	17,108	6,821
Payments to suppliers and employees	(9,968)	(6,713)
Dividends received		
Interest and other items of similar nature received	283	125
Interest and other costs of finance paid	(1,285)	(246)
Income taxes paid	(1,218)	(487)
Other (GST)	40	(176)
Net operating cash flows	4,960	(676)
Cash flows related to investing activities		
Payments for purchases of property, plant and equipment	(1,527)	(531)
Proceeds from sale of property, plant and equipment	2	31
Payment for purchases of equity investments		
Proceeds from sale of equity investments		
Loans to other entities		
Loans repaid by other entities		
Other		(2,923)
Net investing cash flows	(1,525)	(3,423)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.)	3,341	5,659
Proceeds from borrowings		
Repayment of borrowings	(658)	(447)
Dividends paid	(853)	(427)
Other (provide details if material)		
Net financing cash flows	1,830	4,785

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Net Increase (decrease) in cash held		
Cash at beginning of period (see Reconciliation of cash)	2,848	2,162
Exchange rate adjustments		-
Cash at end of period (see Reconciliation of cash)	8,113	2,848

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.

Underwriting fees for 2004,2005 and 2006 were settled by way of the issue of 3,500,000 shares to the Underwriter at 55 cents per share

Reconciliation of cash

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

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	4,997	134
Deposits at call	3,116	2,714
Bank overdraft		
Other (provide details)		
Total cash at end of period	8,113	2,848

Ratios

	Current period	Previous corresponding period
Profit before tax/sales		
Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue	44.58%	53.77%
Profit after tax/equity interests		

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Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	59.19%	53.75%
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Earnings per security (EPS)

	Current period	Previous corresponding period
Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	15.56 cents	32.73 cents
(b) Diluted EPS (if materially different from (a))		

NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	67.6 cents	60.06 cents

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Details of specific receipts/outlays, revenues/expenses

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	444	124
Interest revenue included but not yet received (if material)	161	
Interest costs excluded from borrowing costs capitalised in asset values	-	19
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	220
Depreciation (excluding amortisation of intangibles)	482	479
Other specific relevant items		

Control gained over entities having material effect

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired	\$
Date from which such profit has been calculated	
Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period	\$

Loss of control of entities having material effect

Name of entity	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control	\$
Date from which the profit (loss) has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period	\$
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of	\$

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control

Reports for industry and geographical segments

Segments

Operating Revenue

Sales to customers outside the economic entity	31,782	18,327
18,367		
Inter-segment sales	-	
Unallocated revenue	-	
Total revenue	31,782	

Segment result

Unallocated expenses -

Consolidated profit from ordinary activities after tax (before equity accounting) 9,933

Segment assets)	41,093	30,525
Unallocated assets)		
Total assets)	41,093	30,525

Dividends

Date the dividend is payable

N/A

Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

Amount per security

		Franking rate applicable	100%	%	%
<i>(annual report only) Ordinary Shares</i>					
Final dividend:	Current year	¢	N/A	¢	N/A
	Previous year	¢	¢	¢	¢
<i>(Half yearly and annual statements)</i>					
Interim dividend:	Current year	8¢	N/A	¢	N/A

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Previous year	4¢	¢	¢	¢
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Total annual dividend (distribution) per security
(Annual statement only)

	Current year	Previous year
Ordinary securities	8¢	4¢
Preference securities	¢	¢

Total dividend (distribution)

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$1,986	\$853
Preference securities	\$	\$
Total	\$1,986	\$853

Half yearly report – interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities		
Preference securities	\$	\$
Total		\$

The dividend or distribution plans shown below are in operation.

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

Any other disclosures in relation to dividends (distributions)

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Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Entities share of:	Current period A\$'000	Previous corresponding period A\$'000
Profit (loss) from ordinary activities before tax.		
Income tax		
Profit (loss) from ordinary activities after tax		
Extraordinary items net of tax		
Net profit (loss)		
Outside equity interests		
Net profit (loss) attributable to members		

Material interests in entities which are not controlled entities

The entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to profit (loss) from ordinary activities and extraordinary items after tax	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period A\$'000	Previous corresponding period A\$'000
Total				
Other material interests				

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Total				

Issued and listed securities

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

Category of securities

	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
Preference securities <i>(description)</i>				
Changes during current period				
Ordinary securities	24,825,995	Nil		
	17,000,000		3.68 cents	3.68cents
	7,825,995		55 cents	55 cents
Changes during current period	3,500,000		55 cents	55 cents
Convertible debt securities <i>(description and conversion factor)</i>	9,000,000 at \$1.00 Interest Rate 9.28% per annum Redeemable June 2005 at \$1.01 or if listed before this date conversion rate is \$1.20	9,000,000	\$1.00	\$1.00
Changes during current period	3,341,200 issued	3,341,200	\$1.00	\$1.00
			Exercise price	Expiry date
Options <i>(description and conversion factor)</i>				

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Changes during current period				
Exercised during current period				
Expired during current period				
Debentures				
Unsecured Notes				

Discontinuing Operations**Consolidated profit and loss account**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue						
Other revenue						
Expenses from ordinary activities						
Profit (loss) before tax						
Less tax						
Profit (loss) from ordinary activities after tax						

Consolidated statement of cash flows

	Continuing operations	Discontinuing operations	Total entity
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	Current period - \$A'000	Previous correspo nding period - \$A'000	Current period - \$A'000	Previous correspon ding period - \$A'000	Current period - \$A'000	Previous correspon ding period - \$A'000
Net operating cash flows						
Net investing cash flows						
Net financing cash flows						

Other disclosures

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets		
- total liabilities		
Profit (loss) on disposal of assets or settlement of liabilities		
Related tax		
Net profit (loss) on discontinuance		

Description of disposals

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Comments by directors

Basis of accounts preparation

Prepared on historical cost basis except for Generating and Self Generating Assets (SGARA) which are measured at fair value in accordance with AASB 1037

If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

1 A fundamental error in the recognition of revenue and expenses brought to account at 30 June 2004 in relation to a contract entered into with a third party was reversed in December 04 resulting in a net loss after tax of \$6,071,150 for the transaction shown as a fundamental error.

This transaction has now been brought to account in full for June 2005 results and has affected sales, expenses and tax as follows in \$000's

Sales increase	\$9,740
Expenses Increase	\$1,067
Tax Increase	\$2,602

The net affect is neutral on the after tax Profit for year ending 30 June 2005.

2

The ongoing drought has resulted in the review of plantation investments owned by the company and the Directors believed it was appropriate to make an adjustment to its plantation assets..The SGARA calculation was adjusted, based on a conservative and prudent analysis, in regard to log volume yields and expected delays in the timing of income from these assets.

The assets were decreased before tax by \$3,067,769 . This resulted in a decrease in deferred tax provisions of \$920,330.

3

This year the Convertible Note issue was fully subscribed and interest at 9.28% per annum plus 20% of the uplift to the conversion rate of \$1.20 was expensed. This resulted in borrowing costs of \$1,217,764 being expensed for the year compared to \$127,734 last financial year in relation to these securities.

4.

Underwritten sales were \$2,784,000 for the 2005 (\$9,740,000 for 2004) year due to a \$10million dollar increase in retail sales. This resulted in an increase in commissions and expenses paid of \$1million.

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

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

\$192,614

Once tax for 2005 year is paid to ATO by December 2005 sufficient credits should be available to pay fully franked dividends for at least the next year.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

Additional disclosure for trusts

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

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

Identify:

- Initial service charges
- Management fees
- Other fees

Annexure 3A
Half Yearly/Yearly Disclosure**Annual meeting**
(Annual statement only)

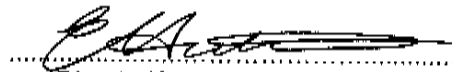
The annual meeting will be held as follows:

Place	Surfers Paradise
Date	To be advised- (Late November)
Time	To be advised (Late November)
Approximate date the annual report will be available	31 October 2005

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law.
- 2 This statement, and the financial statements under the Corporations Law (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are/are not* (*delete one*) followed as compared with the most recent annual accounts.
- 4 This statement does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:
(Tick one)
☐ The financial statements have been audited.
☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
☒ The financial statements are in the process of being audited or subject to review.
☐ The financial statements have *not* yet been audited or reviewed.
- 6 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* (*delete one*).
- 7 The entity has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here:


(Director/Company secretary)

Date:13/9/2005.....

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Print name: Elizabeth Hutchinson.....

Notes

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 entity must attach a note providing additional information and explanations to give a true and fair view.

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 entity must explain in a note the major items responsible for the difference and their amounts.

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 financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.