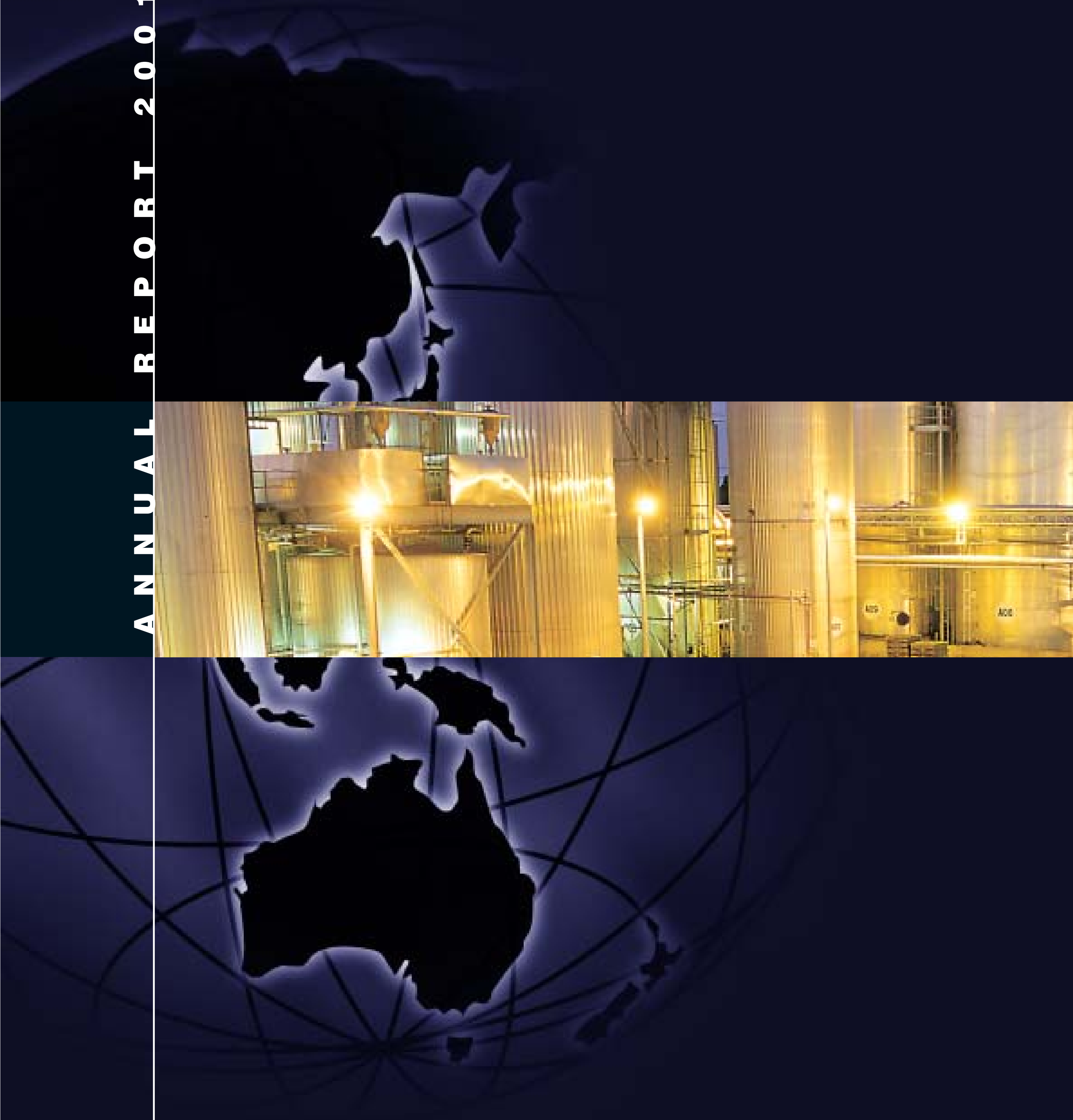
ANNUAL REPORT 2001



SYMEX

SYMEX HOLDINGS LIMITED

ABN 29 091 035 353

CORPORATE DIRECTORY

DIRECTORS

Alan Stockdale
Chairman

Michael Newton
Managing Director

Greg Tremewen
Finance Director

Allister Tomkins
Sales Director

Mark Evans
Non-Executive Director

REGISTERED OFFICE

14 Woodruff Street
Port Melbourne VIC 3207

LAWYERS TO THE COMPANY

Minter Ellison
Level 23
525 Collins Street
Melbourne VIC 3000

CORPORATE ADVISER

Terrain Capital Limited
Level 25
500 Collins Street
Melbourne VIC 3000

SHARE REGISTRY

ASX Perpetual Registrars Limited
Level 4
333 Collins Street
Melbourne VIC 3000

AUDITORS

KPMG
Level 5
161 Collins Street
Melbourne VIC 3000

PRINCIPAL BANKERS

St. George Bank
Level 1
333 Collins Street
Melbourne VIC 3000

ANNUAL GENERAL MEETING

The Annual General Meeting of Symex Holdings Limited will be held at 2.00pm on Thursday 25th October 2001 at Quay West Suites, 26 Southgate Avenue, Southbank VIC 3006.

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ANNUAL REPORT 2001

CHAIRMAN'S SIX MONTH REVIEW

This report represents an interim six months performance of your company as we change from a calendar year to a financial year reporting program. This also represents our first full six months report since listing on the ASX in August 2000.

Symex continues to be a focused manufacturer of Oleo Products with exports totalling approximately 65% of its outputs and sales to more than 35 countries. Structural advantages in raw material, energy and freight makes Symex one of the world's lowest cost producers. In addition to this, its management systems, efficient plant and equipment and a well trained and committed group of employees make Symex a highly profitable company with an ability to maintain growth over the forthcoming years. Moreover, the Board of your company is reviewing several acquisition and merger possibilities to add to shareholder value, apart from the organic growth.

Highlights from your Company's six months include:

- The 6-month NPAT (Net Profit After Tax) exceeded budget forecast by 4.7%;
- A third consecutive six month term of profit growth since the inception of Symex on 1 January, 2000;
- A 5-cent per share final dividend was declared to all shareholders;
- Continued growth of the company's share price ($1.05 31 December – $1.56 30 June)
- The successful design and installation of our new separation plant;
- Our products have been sold and shipped to new destinations such as Holland, Canada and the Middle East;
- Borrowings were reduced by 33% over this period, not withstanding the capital expansion program.

The company has achieved improved financial outcomes in tough market conditions. The diversity of its products applications together with a low cost platform have allowed your company to find new markets together with growth in traditional markets. With an increased manufacturing capability, the new markets opened to Symex present challenging opportunities.

As Chairman, I would like to thank all members of the Board for their contribution to this successful six months; congratulate Mike Newton and his management team; thank our advisers and express the Board's appreciation of the dedication and expertise of our staff. We hope that all shareholders and employees share the Board's satisfaction with the company's past performance and share our excitement about the future outlook.

Alan R. Stockdale
Chairman

MANAGING DIRECTOR'S SIX MONTH REVIEW

Overview

Our company had a successful six months of trading, countering a shift in economic conditions through aggressive marketing and development of new business in expanding markets. We are now well positioned to grow as new capacity is brought on line in the new financial year.

Phase One, buying the company from ICI plc, Phase Two, listing the business on the ASX and Phase Three, expanding our separation capacity are now complete. In Phase Four we will drive our costs even lower, increase capacity, expand our geographical customer base, whilst maintaining excellent and consistent product quality.

Manufacturing

Symex is committed to enhancing our world class manufacturing facility in Port Melbourne. With superior technology, strengths in local raw materials and favourable freight positioning, our aim is to become the largest tallow based Oleo Product producer in the Asia Pacific region.

In the past six months we have expanded our hydrogenation and glycerine refining capacities together with the new process of separation. Our plans for expansion in the coming 12 months include upgrading our bagging facilities to use packaging that can be recycled and reduce packaging costs, whilst increasing throughput. Design work and initial costing have also commenced for the expansion of our splitting capacity, with the aim of increasing from the current 70,000 tonne output to 100,000 tonnes.

Financials

From July 1, 2001 Symex will report full year results based on the financial year, hence the attached financial results are for the six months to June 30 2001. If one combines these with the previous six months to make a financial year 2001 result the profit after tax and before abnormal items was approximately $11.65 million with earnings per share of 12.4c. Our forecast profit after tax and before significant items for the 2002 financial year is $13.20 million, representing an increase of 13%.

Customers & Markets

During the reporting period we continued to develop new business in our key markets such as Australia, Japan, Taiwan, Korea and China. We have also expanded our geographical sales spread into the Middle East, Europe and the Americas. Symex will continue to focus on its strengths in tallow based Oleo Products. Significant growth opportunities exist in both traditional Asian markets and in new markets due to our competitors' inability to compete at the same cost level.

Employees

All our employees continue to work very effectively in growing our business. Training and further education of the workforce continues to be a key strategy to achieve ongoing cost reductions and productivity improvement, while maintaining a safe work environment. Our Total Quality program, which has been operating for over 10 years, delivered further efficiencies to the business in the last six months with over 400 improvement ideas submitted and implemented.

Our Future

Our strategy over the next three years is to increase our manufacturing capability of the Port Melbourne site to over 100,000 tonnes, which will further improve our overall cost competitiveness. In the next 12 months we will lay the groundwork for this as well as develop new profitable markets for this expected growth. Symex will also continue to explore opportunities on the global stage that will enhance shareholder value.

Michael Newton
Managing Director

CORPORATE GOVERNANCE STATEMENT

This Statement outlines the main Corporate Governance practices that were in place throughout the six month period ended 30 June 2001, unless otherwise stated. These practices are dealt with under the following headings: Board of Directors and its committees, Internal control framework, Ethical standards and The role of shareholders.

BOARD OF DIRECTORS AND ITS COMMITTEES

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall Corporate Governance of Symex Holdings Limited and its controlled entity ("the Company" and collectively "the consolidated entity") including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Board processes

To assist in the execution of its responsibilities, the Board has established an Audit Committee.

The full Board currently holds scheduled monthly meetings, plus any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

Composition of the Board

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report of this financial report. The Board currently comprises 2 non-executive directors and 3 executive directors.

Audit Committee

The role of the Audit Committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report.

The members of the Audit Committee during the period were:

A Stockdale (Chair)
M Evans
M Newton

The auditors and Finance Director are invited to Audit Committee meetings at the discretion of the Committee.

Remuneration and nomination

- Remuneration of senior employees other than executive directors is determined by the Managing Director and monitored by the Board.
- Remuneration of executive and non-executive directors including the Managing Director is determined by the Board with, where appropriate, shareholder approval.
- Remuneration of non-executive directors is determined by the Managing Director.
- Advice on remuneration and nomination is sought where appropriate from a third party remuneration specialist.

Director dealings in Company shares

The Constitution permits directors to acquire shares in the Company.
The Company has adopted a written policy which:

- prevents trading within specific time periods when it will be assumed directors and senior employees are in possession of price sensitive information (such as the period between a balance date and release of the full or half year results), and trading at any time when directors are actually in possession of such information;
- prevents short term or speculative trading by those persons;
- requires the Chairman and Managing Director to be informed before trading of any sort occurs.

INTERNAL CONTROL FRAMEWORK

The Board has instigated an internal control framework that can be described as follows:

Financial reporting

- monthly actual results are reported against budget and revised forecasts for the year are prepared regularly; and
- the Company reports to shareholders half-yearly. Procedures are also in place to ensure that price sensitive information is reported to the ASX in accordance with the Continuous Disclosure requirements of the ASX Listing Rules.

Quality and integrity of personnel

- formal appraisals are conducted at least annually for management and staff;
- the Company has adopted a Code of Conduct for all employees;
- the Company has written policies and procedures concerning issues such as health and safety in the workplace, harassment and equal opportunity.

Investment appraisal

- the Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses are being acquired or divested.

CORPORATE GOVERNANCE STATEMENT

ETHICAL STANDARDS

The consolidated entity has a Code of Conduct Manual which sets out the standards in accordance with which each director, manager and employee of the consolidated entity is expected to act. The requirement to comply with these ethical standards is communicated to all employees. The manual deals with the following main areas:

- professional conduct
- dealing with customers and consumers
- dealing with suppliers
- dealing with advisors and regulators
- dealing with security of confidential information
- dealing with financial and operational integrity
- dealing with occupational health and safety

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

THE ROLE OF SHAREHOLDERS

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- The annual report contains a review of the operations of the consolidated entity during the period. The audited financial report is prepared in accordance with the requirements of applicable Accounting Standards and the Corporations Act 2001 and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. The financial report is sent to any shareholder who requests it.
- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders.
- Notice of all meetings of shareholders is given to all shareholders, with appropriate explanatory material.
- The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

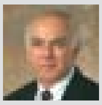
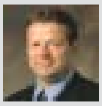
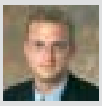
ANNUAL REPORT 2001

DIRECTORS' REPORT

The directors present their report together with the financial report of Symex Holdings Limited ("the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entity, for the six month period ended 30 June 2001 ("the period") and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial period are:

NAME & QUALIFICATIONS	AGE	EXPERIENCE AND SPECIAL RESPONSIBILITIES
Alan Stockdale LL.B,B.A		
Non-Executive Chairman 	56	Chairman of Axon Instruments Inc and Symex Holdings Limited. Former Treasurer of the State of Victoria and the world's first Minister for Information Technology and Multimedia. Executive Chairman – Asset and Infrastructure Group, Macquarie Bank and Director of several other companies. Appointed Chairman effective on 18 February 2000.
Mike Newton B. App Sc		
Managing Director 	47	Comprehensive knowledge of all manufacturing and technical aspects of the business with over 25 years' experience in both Australia and overseas. Extensive knowledge of global markets, customers, sales agents and distributors. Appointed Managing Director on 23 December 1999.
Greg Tremewen B.Bus (Acc)		
Finance Director 	38	Over 14 years' service with Symex and former owners Unilever/Uniqema and ICI Plc. Appointed Commercial Manager of Uniqema in 1995. Prior to joining the Company, Mr Tremewen worked as a systems analyst with International Harvester. Appointed Finance Director on 23 December 1999.
Allister Tomkins B. Bus (Eco & Bus Adm)		
Marketing & Sales Director 	34	Extensive sales, marketing and operations experience. Over 13 years' service in the business, maintaining strong relationships with customers, sales agents and distributors. Appointed Marketing & Sales Director on 8 March 2000.
Mark Evans B.Bus (Acc), ASIA		
Non-Executive Director 	35	Director of Bambuu Ltd, Terrain Capital Limited and Zeolite Australia Limited. Wide experience in the corporate advisory field including IPO's, mergers, acquisitions and all aspects of capital raising. Appointed Director on 23 December 1999.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the six month financial period ended 30 June 2001 are:

Director	Board Meetings		Audit Committee Meetings	
	A	B	A	B
A Stockdale	4	5	–	1
M Newton	5	5	1	1
G Tremewen	5	5	N/A	N/A
A Tomkins	5	5	N/A	N/A
M Evans	4	5	1	1

A - Number of meetings attended

B - Number of meetings held during the time the director held office during the year

CHANGE IN ACCOUNTING PERIOD

The Company has changed its financial year end from 31 December to 30 June. The effect of this change is that the comparative amounts disclosed in the financial report and related notes are not comparable as the lengths of the financial years differ. The current year amounts are based on a six month period.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the six month financial period were the manufacture and distribution of Oleo products including oleine, stearine, glycerine and distilled fatty acids. There were no significant changes in the nature of the activities of the consolidated entity during the period.

REVIEW AND RESULTS OF OPERATIONS

The consolidated operating profit after income tax amounted to $5.76 million for the six months ended 30 June 2001. This result is 4.7% higher than forecast in February 2001.

Over the past six months, the Company has started to expand its sales into new countries to spread geographic risk as well as targeted some specific new customers in its traditional markets.

The Company's capacity expansion programme is continuing. The new processes implemented will reduce operating costs. In particular, these will be intermediate chemicals, packaging, steam consumption and waste disposal costs.

Annual company targets aligned with the three year balanced strategy have been set for the 2002 financial year. Each internal team has established a set of measurable initiatives to ensure the targets are achieved.

The Company continues to challenge itself to exceed the needs of its customers, shareholders, sales agents, suppliers, the community, its employees and itself.

DIRECTORS' REPORT

DIVIDENDS

Dividends paid or declared by the Company in respect of the current six month financial period were:

Type	Cents per share	Total amount $'000	Date of payment	Tax rate for franking credit
Final-ordinary shares (declared)	5.0	4.575	30 Aug 2001	30% (Class C)

The dividend declared by the Company is 100% franked.

STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity that occurred during the financial period under review were as follows:

- During the financial period, the Company commenced its capacity expansion plant upgrade, which is progressing in accordance with project plans.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are governed by environmental legislation under State legislation in relation to its manufacturing operations. Licenses and agreements relevant to the environmental performance of its operations are held with South East Water Limited, the Environment Protection Authority and the WorkCover Authority.

Environmental management

The consolidated entity is committed to achieving a high standard of environmental performance. It has established an Environmental Improvement Plan Committee (EIP) in conjunction with the Environment Protection Authority (EPA), local residential and industrial communities. This has been operational for the past six years. This committee is responsible for the regular monitoring of environmental compliance with environmental regulations and internal business targets.

As part of this process, the committee is responsible for:

- Setting and communicating environmental objectives and quantified targets.
- Monitoring progress against these objectives and targets.
- Implementing environmental management plans in operating areas which may have a significant environmental impact.
- Identifying where remedial actions are required and implementing action plans.
- Regular monitoring of licence requirements, with performance against licence conditions reported to the various State regulators as required.

To ensure that all environmental responsibilities are met, an EIP meeting is held each quarter and performance reported on a regular basis as part of the site Management Group. Environmental performance is reported to the Board as required.

Performance against compliance requirements

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was achieved with no instances of non-compliance in relation to licence requirements noted.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the six month financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

LIKELY DEVELOPMENTS

The consolidated entity will continue to pursue its policy of increasing the profitability and market share of its major business sectors during the next financial year.

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Executive directors and senior executives may receive bonuses based on the achievement of specific goals related to the performance of the consolidated entity. Options are also issued under the Option Incentive Plan.

Details of the nature and amount of each major element of the emoluments of each director of the Company and each of the five named officers of the Company and the consolidated entity receiving the highest emolument are:

	Base emolument $	Bonuses $	Non-cash benefit $	Super contributions $	Total $
Directors					
Non-executive					
Alan Stockdale	50,000	–	1,443	4,000	55,443
Mark Evans	15,000	–	1,443	–	16,443
Executive					
Mike Newton	135,000	50,000	10,476	20,655	216,131
Greg Tremewen	87,500	50,000	21,235	13,388	172,123
Allister Tomkins	87,500	50,000	21,695	13,388	172,583
Executive officers (excluding directors)					
The Company					
Peter Bonadonna	47,660	40,000	13,772	7,292	108,724
Chris Lovejoy	45,727	10,000	16,176	6,996	78,899

The directors' and senior executives' emoluments for the Company and the consolidated entity are identical.

DIRECTORS' REPORT

OPTIONS

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
31 December 2005	$0.50	2,400,000
31 December 2005	$0.75	1,183,333
31 December 2005	$1.00	650,000
31 December 2005	$1.40	100,000

All options expire on the earlier of their expiry date or termination of the employee's employment.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the six month financial period the Company issued ordinary shares as a result of the exercise of options as follows:

Number of shares	Amount paid on each share	Market value of shares on date of exercise
66,667	$0.75	$1.72

There were no amounts unpaid on the shares issued.

DIRECTORS' INTERESTS

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Stock Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Alan Stockdale	–	2,000,000
Mike Newton	7,440,001	400,000
Greg Tremewen	7,440,001	300,000
Allister Tomkins	7,440,000	300,000
Mark Evans	1,357,501	300,000

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has entered into a Deed with each of the directors under which the Company agrees to indemnify each director for any liability and loss (including legal costs) incurred by the director as an officer of the Company. The indemnity does not cover losses arising out of conduct on the part of the director that involves a lack of good faith or which is contrary to express Company instructions.

Since the end of the previous financial year, the Company has paid insurance premiums of $21,645 in respect of Directors' and Officers' liability insurance contracts for current and former officers. The insurance premiums relate to:

- Claims made against individual Directors and Officers personally, alleging loss caused by wrongful acts in the management of the company; and
- Costs and expenses incurred by Directors and Officers for successfully defending claims.

The premiums paid were in respect of the following current directors and officers of the company:

- Alan Stockdale, Mike Newton, Greg Tremewen, Allister Tomkins, Mark Evans and Oliver Carton (Company Secretary)

The Company's insurance policy does not separately disclose details of the premiums paid in respect of individual officers of the Company.

In addition, the Company has not entered into any agreement to indemnify the auditors against any claims by third parties arising from their report on the annual financial report.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

Alan Stockdale

Director

30/7/2001.

Dated

M. Newton

Director

30-7-2001.

Dated

STATEMENTS OF FINANCIAL PERFORMANCE

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

	Note	CONSOLIDATED (6 mths) 2001 $'000	CONSOLIDATED (12 mths) 2000 $'000	THE COMPANY (6 mths) 2001 $'000	THE COMPANY (12 mths) 2000 $'000
Revenue from sale of goods	2	38,923	75,574	38,923	74,873
Other revenues from ordinary activities	2	152	6,290	141	412
Total revenue		**39,075**	**81,864**	**39,064**	**75,285**
Changes in inventories of finished goods and work in progress		441	3,441	441	3,441
Raw materials and consumables used		(15,783)	(34,301)	(15,783)	(34,301)
Employee expenses		(3,905)	(7,382)	(3,905)	(7,382)
Depreciation and amortisation expenses	3	(544)	(1,037)	(239)	(461)
Borrowing costs	3	(231)	(1,512)	(231)	(1,468)
Other expenses from ordinary activities		(9,334)	(21,527)	(12,942)	(18,743)
Profit from ordinary activities before related income tax expense		**9,719**	**19,546**	**6,405**	**16,371**
Income tax (expense)/benefit relating to ordinary activities	5	(3,959)	(4,257)	(2,433)	(4,257)
Profit from ordinary activities after related income tax expense	18	5,760	15,289	3,972	12,114
Net profit		**5,760**	**15,289**	**3,972**	**12,114**
Net profit attributable to members of the parent entity		**5,760**	**15,289**	**3,972**	**12,114**
Basic earnings per share	6	$0.063	$0.229		
		Amount	Amount		
Weighted average number of ordinary shares	6	91,500,003	66,636,615		

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 20 to 50.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2001

	Note	CONSOLIDATED 2001 $'000	CONSOLIDATED 2000 $'000	THE COMPANY 2001 $'000	THE COMPANY 2000 $'000
CURRENT ASSETS					
Cash assets	8	6,253	5,283	6,056	4,575
Receivables	9	11,718	11,971	11,718	11,971
Inventories	10	6,575	6,104	6,575	6,104
Other	11	430	239	430	239
Total current assets		**24,976**	**23,597**	**24,779**	**22,889**
NON-CURRENT ASSETS					
Receivables	9	–	–	2,273	6,473
Deferred tax assets	5	641	931	641	931
Property, plant and equipment	12	28,620	24,173	20,410	15,658
Total non-current assets		**29,261**	**25,104**	**23,324**	**23,062**
Total assets		**54,237**	**48,701**	**48,103**	**45,951**
CURRENT LIABILITIES					
Payables	13	7,640	7,321	7,995	7,746
Current tax liabilities	5	3,468	2,463	3,468	2,463
Provisions	16	6,052	2,034	6,052	2,034
Total current liabilities		**17,160**	**11,818**	**17,515**	**12,243**
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	14	5,450	8,110	5,450	8,110
Provisions	16	225	198	225	198
Deferred tax liabilities	5	1,642	–	116	–
Total non-current liabilities		**7,317**	**8,308**	**5,791**	**8,308**
Total liabilities		**24,477**	**20,126**	**23,306**	**20,551**
NET ASSETS		**29,760**	**28,575**	**24,797**	**25,400**
EQUITY					
Contributed equity	17	15,116	15,116	15,116	15,116
Retained profits	18	14,644	13,459	9,681	10,284
Total equity and parent entity interest		**29,760**	**28,575**	**24,797**	**25,400**

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 20 to 50.

STATEMENTS OF CASH FLOWS

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

	Note	CONSOLIDATED (6 mths) 2001 $'000	CONSOLIDATED (12 mths) 2000 $'000	THE COMPANY (6 mths) 2001 $'000	THE COMPANY (12 mths) 2000 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		39,270	81,338	39,270	74,273
Cash payments in the course of operations		(29,473)	(59,504)	(33,152)	(61,398)
Interest received		77	316	67	271
Borrowing costs paid		(231)	(1,468)	(231)	(1,468)
Income tax paid	5	(1,022)	(2,254)	(1,022)	(2,254)
Net cash provided by operating activities	24	**8,621**	**18,428**	**4,932**	**9,424**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(4,991)	(1,180)	(4,991)	(1,180)
Payments for business acquisition (net of cash acquired)		–	(20,157)	–	(20,157)
Net cash provided by/(used in) investing activities		**(4,991)**	**(21,337)**	**(4,991)**	**(21,337)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments from controlled entity		–	–	4,200	8,296
Loan to controlled entity		–	–	–	(14,769)
Proceeds from borrowings		–	28,000	–	28,000
Dividends paid		–	(1,830)	–	(1,830)
Repayment of borrowings		(2,660)	(33,094)	(2,660)	(18,325)
Proceeds from the issue of shares		–	15,116	–	15,116
Net cash provided by/(used in) financing activities		**(2,660)**	**8,192**	**1,540**	**16,488**
Net increase /(decrease) in cash held		**970**	**5,283**	**1,481**	**4,575**
Cash at the beginning of the financial period	24	**5,283**	**–**	**4,575**	**–**
Cash at the end of the financial period	24	**6,253**	**5,283**	**6,056**	**4,575**

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 20 to 50.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

RECLASSIFICATION OF FINANCIAL INFORMATION

Some line items and sub-totals reported in the previous financial year have been reclassified and repositioned in the financial statements as a result of the first time application on 1 January 2001 of the revised standards AASB 1018 Statement of Financial Performance, AASB 1034 Financial Report Presentation and Disclosures and the new AASB 1040 Statement of Financial Position.

Adoption of these standards has resulted in the transfer of the reconciliation of opening to closing retained profits from the face of the statement of financial performance to Note 18.

Revenue and expense items previously disclosed as abnormal have been reclassified and are now disclosed as individually significant items in Notes 3 and 5. These items are no longer identified separately on the face of the statement of financial performance.

The following assets and liabilities have been removed from previous classifications and are now disclosed as separate line items on the face of the statement of financial position:
- deferred tax assets, previously presented within other non-current assets
- current tax liabilities, previously presented within current provisions

CHANGE IN ACCOUNTING PERIOD

The Company has changed its financial year end from 31 December to 30 June. The effect of this change is that the comparative amounts disclosed in the financial report and related notes are not comparable as the lengths of the financial years differ. The current year amounts are based on a six month period.

PRINCIPLES OF CONSOLIDATION

Controlled entities

The financial statements of controlled entities are included from the date control commences until the date control ceases.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

REVENUE RECOGNITION – NOTE 2

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Any related balance in the asset revaluation reserve is transferred to the capital profits reserve on disposal.

GOODS AND SERVICES TAX

Revenues, 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 Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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 ATO 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 ATO are classified as operating cash flows.

FOREIGN CURRENCY

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

The accounting for hedges is set out below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

DERIVATIVES

The consolidated entity is exposed to changes in foreign exchange rates from its activities. The consolidated entity uses forward foreign exchange contracts to hedge this risk. Derivative financial instruments are not held for speculative purposes.

HEDGES

Anticipated transactions

Where hedge transactions are designated as a hedge of the anticipated purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction, gains and losses, on the hedge arising up to the date of the anticipated transaction, together with any costs or gains arising at the time of entering into the hedge, are deferred and included in the measurement of the anticipated transaction when the transaction has occurred as designated. Any gains or losses on the hedge transaction after that date are included in the statement of financial performance.

When the anticipated transaction is no longer expected to occur as designated the deferred gains and losses relating to the hedged transaction are recognised immediately in the statement of financial performance.

Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur as designated, the deferred gains and losses that arose on the hedge prior to its termination continue to be deferred and are included in the measurement of the purchase or sale or interest transaction when it occurs. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur as designated, deferred gains and losses that arose on the hedge prior to its termination are included in the statement of financial performance for the period.

Where a hedge is redesignated as a hedge of another transaction, gains and losses arising on the hedge prior to its redesignation are only deferred where the original anticipated transaction is still expected to occur as designated. When the original anticipated transaction is no longer expected to occur as designated, any gains or losses relating to the hedge instrument are included in the statement of financial performance for the period.

Gains and losses that arise prior to and upon the maturity of transactions entered into under hedge rollover strategies are deferred and included in the measurement of the hedged anticipated transaction if the transaction is still expected to occur as designated. If the anticipated transaction is no longer expected to occur as designated, the gains and losses are recognised immediately in the statement of financial performance.

Other hedges

All other hedge transactions are initially recorded at the relevant rate at the date of the transaction. Hedges outstanding at balance date are valued at the rates ruling on that date and any gains or losses are brought to account in the statement of financial performance. Costs or gains arising at the time of entering into the hedge are deferred and amortised over the life of the hedge.

BORROWING COSTS

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

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BORROWING COSTS (continued)

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

TAXATION – NOTE 5

The consolidated entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

ACQUISITION OF ASSETS

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the company if a similar borrowing were obtained from an independent financier under comparable terms and conditions.

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets as set out above.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

RECEIVABLES – NOTE 9

The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

Trade debtors

Trade debtors to be settled within 60 days are carried at amounts due.

INVENTORIES – NOTE 10

Inventories are carried at the lower of cost and net realisable value.

Cost includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

Manufacturing activities

The cost of manufacturing inventories and work-in-progress are assigned on a first-in first-out basis. Costs arising from exceptional wastage are expensed as incurred.

Net realisable value

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

INVESTMENTS

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

LEASED ASSETS

Leases under which the Company or its controlled entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

RECOVERABLE AMOUNT OF NON-CURRENT ASSETS VALUED ON COST BASIS

The carrying amount of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

DEPRECIATION

Complex assets

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

Useful lives

All assets, including intangibles, have limited useful lives and are depreciated using the straight line method over their estimated useful lives.

Assets are depreciated from the date of acquisition.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.

The depreciation rates for each class of asset are as follows:

	Depreciation rate	
	2001	**2000**
Plant and machinery (excluding turbines)		
– Computers	20%	20%
– Other	5%	5%
Turbines	3.33%	3.33%
Tanks	2.5%	2.5%

PAYABLES

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

BANK LOANS

Bank loans are carried on the statement of financial position at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in “sundry accruals”.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

EMPLOYEE ENTITLEMENTS – NOTE 25

Wages, salaries and annual leave

The provisions for employee entitlements to wages, salaries and annual leave represent present obligations resulting from employees' services provided up to the balance date, calculated at undiscounted amounts based on current wage and salary rates including related on-costs.

Long service leave

The provision for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to balance date.

Employee share and option plans

Where shares or options are issued to employees as remuneration for past services, the difference between fair value of the shares or options issued and the consideration received, if any, from the employee is expensed. The fair value of the shares or options is recorded in contributed equity.

Other share or options issued to employees are recorded in contributed equity at the fair value of consideration received, if any.

Transactions costs associated with issuing shares and options are recognised in equity subject to the extent of the proceeds received, otherwise expensed. Other administrative costs are expensed.

Superannuation plan

The Company and controlled entity contribute to one defined contribution and one defined benefit employee superannuation plans. Contributions are charged against income as they are made. Further information is set out in Note 25.

2. REVENUE FROM ORDINARY ACTIVITIES

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000
Sale of goods revenue from operating activities	38,923	75,574	38,923	74,873
Other revenues:				
From operating activities				
Interest:				
Other parties	78	316	67	271
From outside operating activities				
Rental income	74	141	74	141
Gain arising from termination of Co-Generation Australia Limited contract	–	5,833	–	–
Total other revenues	152	6,290	141	412
Total revenue from ordinary activities	**39,075**	**81,864**	**39,064**	**75,285**

3. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000
(a) Individually significant items included in profit from ordinary activities before income tax expense				
• Discount on acquisition of Uniqema business relating to inventory	–	4,101	–	4,101
• Gain arising from termination of CGAL contract	–	5,833	–	–
• Write-off of goodwill on acquisition of controlled entity	–	(3,022)	–	–
• Write-down of gas turbine to recoverable amount	–	(2,000)	–	–
(b) Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:				
Cost of goods sold	15,342	30,861	15,342	30,861
Borrowing costs:				
Other parties - bank loans and overdraft	231	1,512	231	1,468
Depreciation of:				
Tanks and buildings	22	45	22	45
Plant and equipment	522	924	217	416
	544	969	239	461
Amortisation of:				
Deferred expenditure	–	68	–	–
	–	68	–	–
Total depreciation and amortisation	544	1,037	239	461
Net bad and doubtful debts expense including movements in provision for doubtful debts	165	53	165	53
Net expense from movements in provision for:				
Employee entitlements	(325)	684	(325)	684
Stock obsolescence	20	–	20	–
Operating lease rental expenses:				
Minimum lease payments	59	156	59	156

4. AUDITORS' REMUNERATION

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000
Audit services:				
Auditors of the company - KPMG	45	44	35	44
Other services:				
Auditors of the company - KPMG	35	40	30	40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

5. TAXATION

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000
(a) Income tax expense				
Prima facie income tax expense/(benefit) calculated at 34% (2000:34%) on the profit from ordinary activities	3,304	6,646	2,178	5,566
Increase in income tax expense due to:				
Depreciation on revalued property, plant & equipment not deductible for tax	31	–	31	–
Adjustment for change in tax rate	(20)	103	(20)	103
Income tax underprovision in prior year	254	–	254	–
Decrease in income tax expense due to:				
Sundry	(10)	(41)	(10)	(18)
Tax benefit on tax losses in controlled entity	–	(664)	–	–
Income tax expense on operating profit before individually significant income tax items	3,559	6,044	2,433	5,651
Individually significant income tax items:				
Adjustment for goodwill written-off	–	1,027	–	–
Adjustment for discount on acquisition relating to inventory	–	(1,394)	–	(1,394)
Recognition of timing differences of controlled entity not previously brought to account	1,526	–	–	–
Recovery of tax losses of controlled entity not previously brought to account	(1,126)	(1,420)	–	–
Income tax expense attributable to operating profit	3,959	4,257	2,433	4,257
Income tax expense/(credit) attributable to operating profit is made up of:				
Current income tax provision	2,027	4,851	2,027	4,851
Future income tax benefit	117	(453)	117	(453)
Deferred income tax provision	1,581	–	55	–
Adjustment for change in tax rate	(20)	(141)	(20)	(141)
Underprovision in prior year	254	–	254	–
	3,959	**4,257**	**2,433**	**4,257**
(b) Current tax liabilities				
Provision for current income tax				
Movements during the year:				
Balance at beginning of year	2,463	–	2,463	–
Income tax (paid)/refunded	(1,022)	(2,254)	(1,022)	(2,254)
Current year's income tax expense on operating profit	2,027	4,717	2,027	4,717
	3,468	**2,463**	**3,468**	**2,463**

5. TAXATION (continued)

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
(c) Deferred tax liabilities				
Provision for deferred income tax				
Provision for deferred income tax comprises the estimated expense at the applicable rate of 30% on the following items:				
Difference in depreciation of property, plant & equipment for accounting and income tax purposes	1,564	–	38	–
Sundry	78	–	78	–
	1,642	**–**	**116**	**–**
(d) Deferred tax assets				
Future income tax benefit				
Future income tax benefit comprises the estimated future benefit at the applicable rate of 30% (2000:34% or 30%, depending on when the benefit was expected to be realised) on the following items:				
Timing differences	641	931	641	931
	641	**931**	**641**	**931**
Future income tax benefit not taken to account				
The potential future income tax benefit (deferred tax liability) in a controlled entity, which is a company, arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond any reasonable doubt:				
Tax losses carried forward	8	1,126	–	–
Timing differences	–	(1,500)	–	–
	8	**(374)**	**–**	**–**

The potential future income tax benefit will only be obtained if:

(i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the relevant company and/or the controlled entity continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the relevant company and/or the consolidated entity in realising the benefit.

The prior year comparatives have been restated to disclose the timing differences which have now been brought to account in the financial statements in the current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

6. EARNINGS PER SHARE

	CONSOLIDATED	
	(6 mths) 2001 Number	(12 mths) 2000 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	91,500,003	66,636,615

CLASSIFICATION OF SECURITIES AS POTENTIAL ORDINARY SHARES

The following securities have been classified as potential ordinary shares and included in diluted earnings per share:

(a) options outstanding under the Executive Share Option Plan; and

(b) options outstanding issued to directors.

Diluted earnings per share

The diluted earnings per share is not materially different from the basic earnings per share.

7. SEGMENT INFORMATION

	SPECIALTY CHEMICALS		ENERGY		ELIMINATIONS		CONSOLIDATED	
	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000
Industry segments								
Revenue outside the consolidated entity	39,064	75,285	11	6,579	–	–	39,075	81,864
Inter-segment revenue	–	–	4,885	5,002	(4,885)	(5,002)	–	–
Total Revenue	**39,064**	**75,285**	**4,896**	**11,581**	**(4,885)**	**(5,002)**	**39,075**	**81,864**
Segment operating profit	6,405	16,371	3,314	6,197	–	(3,022)	9,719	19,546
Unallocated expenses							(3,959)	(4,257)
Profit from ordinary activities after income tax							**5,760**	**15,289**
Segment assets	48,103	45,951	9,233	10,215	(3,099)	(7,465)	54,237	48,701
Total assets							**54,237**	**48,701**

The major products/services from which the above segments derive revenue are:

Industry Segments	Products/Services
Specialty Chemicals	Oleine, Stearine, Glycerine, Distilled fatty acids
Energy	Electricity, Steam

Inter-segment pricing is determined on an arm's length basis.

7. SEGMENT INFORMATION (continued)

GEOGRAPHICAL SEGMENTS

The consolidated entity operates predominantly in Australia. All revenue, profit from ordinary activities and segment assets relate to operations in Australia. Approximately 60% of sales are made to customers located outside of Australia.

8. CASH ASSETS

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Cash at bank	6,253	5,283	6,056	4,575

9. RECEIVABLES

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Current				
Trade debtors	11,750	11,858	11,750	11,858
Less: Provision for doubtful debts	(415)	(250)	(415)	(250)
	11,335	11,608	11,335	11,608
Other debtors	383	363	383	363
	11,718	**11,971**	**11,718**	**11,971**
Non-current				
Loans to controlled entity	–	–	2,273	6,473

Details of loans to controlled entity are set out in Note 28.

Other debtors

Other debtor amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged at market rates where the terms of repayment exceed three months. Collateral is generally not obtained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

10. INVENTORIES

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Current				
Raw materials, at cost	880	830	880	830
Work in progress, at cost	626	966	626	966
Finished goods	5,069	4,308	5,069	4,308
	6,575	**6,104**	**6,575**	**6,104**
Finished goods comprises:				
Finished goods, at cost	5,089	4,308	5,089	4,308
Less: Provision for obsolescence	(20)	–	(20)	–
	5,069	**4,308**	**5,069**	**4,308**

11. OTHER CURRENT ASSETS

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Prepayments	430	239	430	239

12. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Freehold land				
At cost	4,673	4,673	4,673	4,673
Tanks and buildings				
At cost	1,916	1,916	1,916	1,916
Accumulated depreciation	(67)	(45)	(67)	(45)
	1,849	1,871	1,849	1,871

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Plant and machinery				
At cost	17,123	16,628	9,166	8,672
Accumulated depreciation	(3,349)	(2,933)	(633)	(416)
	13,774	13,695	8,533	8,256
At recoverable amount (turbines)	3,076	3,076	–	–
Accumulated depreciation	(107)	–	–	–
	2,969	3,076	–	–
Capital works in progress, at cost	5,355	858	5,355	858
Total property, plant and equipment net book value	**28,620**	**24,173**	**20,410**	**15,658**
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:				
Freehold land				
Carrying amount at beginning of year	4,673	–	4,673	–
Additions	–	4,673	–	4,673
Disposals	–	–	–	–
Carrying amount at end of year	**4,673**	**4,673**	**4,673**	**4,673**
Tanks and buildings				
Carrying amount at beginning of year	1,871	–	1,871	–
Additions	–	1,916	–	1,916
Disposals	–	–	–	–
Depreciation	(22)	(45)	(22)	(45)
Carrying amount at end of year	**1,849**	**1,871**	**1,849**	**1,871**
Plant and machinery				
Carrying amount at beginning of year	16,771	–	8,256	–
Additions	–	8,193	–	8,193
Transfer from capital works in progress	494	479	494	479
Disposals	–	–	–	–
Acquisition through entity acquired	–	11,023	–	–
Depreciation and writedowns	(522)	(2,924)	(217)	(416)
Carrying amount at end of year	**16,743**	**16,771**	**8,533**	**8,256**
Capital works in progress				
Carrying amount at beginning of year	858	–	858	–
Additions	4,991	1,337	4,991	1,337
Transfer to property, plant and equipment	(494)	(479)	(494)	(479)
Carrying amount at end of year	**5,355**	**858**	**5,355**	**858**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

13. PAYABLES

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Current				
Trade creditors-controlled entity	–	–	827	992
Trade creditors	7,413	7,032	7,093	6,641
Sundry accruals	227	289	75	113
	7,640	**7,321**	**7,995**	**7,746**

14. INTEREST-BEARING LIABILITIES

		CONSOLIDATED		THE COMPANY	
	Notes	**2001 $'000**	**2000 $'000**	**2001 $'000**	**2000 $'000**
Non-Current					
Loans, secured		5,450	8,110	5,450	8,110
Financing arrangements					
The consolidated entity has access to the following lines of credit:					
Total facilities available:					
Standby letters of credit		200	200	200	200
Bill acceptance facility		5,450	12,110	5,450	12,110
		5,650	**12,310**	**5,650**	**12,310**
Facilities utilised at balance date:					
Standby letters of credit		–	–	–	–
Bill acceptance facility	20	5,450	8,110	5,450	8,110
		5,450	**8,110**	**5,450**	**8,110**
Facilities not utilised at balance date:					
Standby letters of credit		200	200	200	200
Bill acceptance facility	20	–	4,000	–	4,000
		200	**4,200**	**200**	**4,200**

14. INTEREST-BEARING LIABILITIES (continued)

BILL ACCEPTANCE FACILITY

The bill acceptance facility is available for the next 2 1/2 years.
The facility bears interest at 7.55% (2000:8.57%).

The bill acceptance facility and standby letter of credit facility are secured by a first registered mortgage over all industrial property of the Company and first registered mortgage debenture charge over all present and future assets and undertakings of the consolidated entity.

STANDBY LETTER OF CREDIT

The standby letter of credit facility is a committed facility, available to be drawn down.
No drawdowns against this facility had been made as at the 2001 balance date.

15. AMOUNTS PAYABLE/RECEIVABLE IN FOREIGN CURRENCIES

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
The Australian dollar equivalents of unhedged amounts payable or receivable in foreign currencies, calculated at year end exchange rates, are as follows:				
United States Dollars				
Amounts payable – Current	68	252	68	252
Amounts receivable – Current	5,456	1,947	5,456	1,947
Japanese Yen				
Amounts payable – Current	–	134	–	134
Amounts receivable – Current	897	143	897	143
Great British Pound				
Amounts receivable – Current	72	–	72	–
South African Rand				
Amounts payable – Current	–	33	–	33
Amounts receivable – Current	174	210	174	210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

16. PROVISIONS

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Current				
Dividend	4,575	–	4,575	–
Employee entitlements	1,442	1,794	1,442	1,794
Other	35	240	35	240
	6,052	**2,034**	**6,052**	**2,034**
Non-Current				
Employee entitlements	225	198	225	198
	225	**198**	**225**	**198**

17. CONTRIBUTED EQUITY

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Issued and paid-up share capital				
91,500,003 (2000:91,500,003)				
ordinary shares, fully paid	15,116	15,116	15,116	15,116
(a) Ordinary shares				
Balance at the beginning of the year	15,116	–	15,116	–
Shares issued				
• Nil (2000: 22,000,000) for cash				
pursuant to a prospectus	–	10,900	–	10,900
• Transaction costs arising from issue				
for cash pursuant to prospectus	–	(1,113)	–	(1,113)
• Nil (2000: 69,500,003)				
issued for cash	–	5,329	–	5,329
Balance at year end	**15,116**	**15,116**	**15,116**	**15,116**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

18. RETAINED PROFITS

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Retained profits at beginning of period	13,459	–	10,284	–
Net profit attributable to members of the parent entity	5,760	15,289	3,972	12,114
Dividends	(4,575)	(1,830)	(4,575)	(1,830)
Retained profits at the end of the period	**14,644**	**13,459**	**9,681**	**10,284**

19. DIVIDENDS

Dividends proposed or paid and not provided for in previous years by the Company are:

	Cents per share	Total amount $'000	Date of payment	Tax rate for franking credit	% Franked
2001					
Final-ordinary	5.0	4,575	30 Aug 2001	30% (Class C)	100%
Total franked amount		4,575			
2000					
Interim-ordinary	2.0	1,830	21 Nov 2000	34% (Class C)	100%
Total franked amount		1,830			

	THE COMPANY	
	2001 $'000	2000 $'000
Dividend franking account		
Class C (30% (2000:34%)) franking credits available to shareholders of Symex Holdings Ltd for subsequent financial years	8,962	6,496

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax
(b) franking debits that will arise from the payment of dividends recognised as a liability at year-end
(c) franking credits that will arise from the receipt of dividends recognised as receivables at year end
(d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(A) INTEREST RATE RISK

Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rate	Floating interest rate $'000	Fixed interest maturing in 1 year or less $'000	Non-interest bearing $'000	Total $'000
2001						
Financial Assets						
Cash assets	8	3.65%	6,253	–	–	6,253
Receivables	9	–	–	–	11,718	11,718
			6,253	**–**	**11,718**	**17,971**
Financial Liabilities						
Payables	13	–	–	–	7,640	7,640
Provisions	16	–	–	–	35	35
Employee entitlements	25	–	–	–	1,667	1,667
Dividends payable	16	–	–	–	4,575	4,575
Interest bearing liabilities	14	7.55%	5,450	–	–	5,450
			5,450	**–**	**13,917**	**19,367**
2000						
Financial Assets						
Cash assets	8	4.9%	5,283	–	–	5,283
Receivables	9	–	–	–	11,971	11,971
			5,283	**–**	**11,971**	**17,254**
Financial Liabilities						
Payables	13	–	–	–	7,321	7,321
Provisions	16	–	–	–	240	240
Employee entitlements	25	–	–	–	1,992	1,992
Interest bearing liabilities	14	8.6%	1,365	6,745	–	8,110
			1,365	**6,745**	**9,553**	**17,663**

(B) FOREIGN EXCHANGE RISK

The consolidated entity enters into forward foreign exchange contracts to hedge a proportion of anticipated sale commitments denominated in foreign currencies (principally US dollars and Japanese yen) expected in each month within the following three years subject to Board approved limits. The amount of anticipated future sales is forecast in light of current conditions in foreign markets, commitments from customers and experience. All sales and purchases from the first of each month are designated as being hedged until all hedge contracts are fully utilised.

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (continued)

The following table sets out the gross value to be received under foreign currency contracts, the weighted average contracted exchange rates and settlement periods of outstanding contracts for the consolidated entity.

	Weighted average rate		CONSOLIDATED	
	2001	2000	2001 $'000	2000 $'000
Sell US dollars				
No later than one year	0.5443	0.5561	22,600	19,958
Later than one year but not later than two years	0.5066	0.5205	23,685	23,057
Later than two years but not later than three years	0.4935	–	12,158	–
			58,443	**43,015**
Sell Japanese yen				
No later than one year	54.05	54.77	11,343	10,042
Later than one year but not later than two years	54.05	51.15	11,416	11,730
Later than two years but not later than three years	54.05	–	5,550	–
			28,309	**21,772**

As these contracts are hedging anticipated sales, any unrealised gains and losses on the contracts, together with the costs of the contracts, will be deferred and then recognised in the financial statements at the time the underlying transaction occurs as designated. The net deferred gains and losses on hedges of anticipated foreign currency sales are:

	CONSOLIDATED	
	2001 Net gains $'000	2000 Net gains $'000
Not later than one year	308	1,337
Later than one year but not later than two years	318	1,550
Later than two years but not later than three years	160	–
	786	2,887

Where the underlying transaction has occurred as designated, the effect of the hedge has been recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (continued)

(C) CREDIT RISK EXPOSURES

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised financial instruments

The credit risk on financial assets, excluding investments, of the consolidated entity which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties in various countries and by performing extensive due diligence procedures on major new customers.

The consolidated entity is not materially exposed to any individual overseas country or individual customer.

Unrecognised financial instruments

Credit risk on derivative contracts which have not been recognised on the statement of financial position is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised ratings agency.

Foreign exchange contracts are subject to credit risk in relation to the relevant counterparties, which are principally large banks. The maximum credit risk exposure on foreign currency contracts is the full amount the consolidated entity pays when settlement occurs, should the counterparty fail to pay the amount which it is committed to pay the consolidated entity and is disclosed at Note 20 (b) above.

(D) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Valuation approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following bases:

Recognised financial instruments

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of trade debtors, other debtors, accounts payable and employee entitlements approximate net fair value.

Unrecognised financial instruments

The valuation of financial instruments not recognised on the statement of financial position detailed in this note reflects the estimated amounts which the consolidated entity expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at reporting date. This is based on independent market quotations and determined using standard valuation techniques.

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Net fair values

Recognised financial instruments

The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:

	CONSOLIDATED 2001		CONSOLIDATED 2000	
	Carrying amount $'000	Net fair value $'000	Carrying amount $'000	Net fair value $'000
Financial assets				
Cash assets	6,253	6,253	5,283	5,283
Receivables	11,718	11,718	11,608	11,608
Financial liabilities				
Bank overdrafts and loans	5,450	5,450	8,110	8,110
Payables	7,640	7,640	7,321	7,321
Employee entitlements	1,667	1,667	1,992	1,992
Dividends payable	4,575	4,575	–	–

Cash assets are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

Unrecognised financial instruments

The net fair value of financial instruments not recognised on the statement of financial position held as at the reporting date are:

	CONSOLIDATED	
	2001 $'000	2000 $'000
Forward foreign exchange contracts	786	2,887

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

21. COMMITMENTS

	CONSOLIDATED		THE COMPANY	
	2001 $'000	**2000 $'000**	**2001 $'000**	**2000 $'000**
Non-cancellable operating lease expense commitments				
Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	7	41	7	41
One year or later and no later than five years	407	46	407	46
	414	**87**	**414**	**87**

The consolidated entity leases motor vehicles under non-cancellable operating leases expiring from one to four years. Operating leases are replaced every three years.

During the current period, the Company renewed its operating leases relating to executive motor vehicles.

22. CONTINGENT LIABILITIES

As part of the agreement relating to the purchase of the Uniqema business from ICI Holdings (Australia) Pty Ltd, Symex Holdings Limited may be obliged to pay, as part of the purchase price, an annual amount between $0 and $1.0 million over a five year period, which commenced 29 February 2000. The amount potentially payable is based on sliding scale referrable to the average gross invoice value of glycerine sold by the Company in the preceding one year period.

As at 30 June 2001, there were no amounts payable in relation to this agreement.

23. CONTROLLED ENTITIES

		Ordinary share consolidated entity interest	
	Note	**2001**	**2000**
(a) Particulars in relation to controlled entities			
Name			
Symex Holdings Limited			
Controlled entities			
Co-Generation Australia Limited	(i)	100%	100%

Notes
(i) The controlled entity is incorporated in Australia.

	CONSOLIDATED		THE COMPANY	
	2001 $'000	**2000 $'000**	**2001 $'000**	**2000 $'000**
(b) Acquisition of controlled entities				
The following controlled entity was acquired during the financial year:				
Acquisitions of entities				
During the financial year the Company made nil purchases (2000: purchased 100% of the ordinary shares of Co-Generation Australia Ltd). Details of the acquisition are as follows:				
Consideration	–	–	–	–
Cash acquired	–	(35)	–	(35)
Inflow of cash	**–**	**(35)**	**–**	**(35)**
Fair value of net assets of entity acquired:				
Property, plant and equipment	–	11,160	–	11,160
Cash	–	(35)	–	(35)
Inventories	–	637	–	637
Trade creditors	–	(56)	–	(56)
Borrowings	–	(14,728)	–	(14,728)
	–	**(3,022)**	**–**	**(3,022)**
Goodwill on acquisition	–	3,022	–	3,022
Consideration (cash)	**–**	**–**	**–**	**–**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

24. NOTES TO THE STATEMENTS OF CASH FLOWS

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001 $'000	(12 mths) 2000 $'000	(6 mths) 2001 $'000	(12 mths) 2000 $'000
(i) Reconciliation of Cash				
For the purposes of the statements of cash flows, cash includes cash on hand and at bank. Cash as at the end of the financial period as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:				
Cash assets	6,253	5,283	6,056	4,575
(ii) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities				
Profit from ordinary activities after income tax	5,760	15,289	3,972	12,114
Add/(less) non-cash items:				
• Discount on acquisition of business allocated to inventory	–	(4,101)	–	(4,101)
• Depreciation	544	969	239	461
• Goodwill written off on consolidation	–	3,022	–	–
Net cash provided by operating activities before change in assets and liabilities	**6,304**	**15,179**	**4,211**	**8,474**
Change in assets and liabilities during the financial year:				
• (Increase)/decrease in receivables	272	(49)	272	(687)
• (Increase)/decrease in inventory	(470)	298	(470)	298
• (Increase)/decrease in other assets	(209)	15	(209)	13
• (Decrease)/increase in creditors	889	(2,266)	818	(1,715)
• (Decrease)/increase in income tax payable	1,005	2,463	1,005	2,463
• (Decrease)/increase in provisions	(1,102)	3,248	(1,102)	1,038
• (Decrease)/increase in deferred taxes payable	1,932	(460)	407	(460)
Net cash provided by operating activities	**8,621**	**18,428**	**4,932**	**9,424**

25. EMPLOYEE ENTITLEMENTS

		CONSOLIDATED		THE COMPANY	
		2001 $'000	2000 $'000	2001 $'000	2000 $'000
Aggregate employee entitlements including on-costs:					
Current	16	1,442	1,794	1,442	1,794
Non-current	16	225	198	225	198
		1,667	**1,992**	**1,667**	**1,992**
Number of employees					
Number of employees at year end		90	93	90	93

Executive share option plan

Unissued ordinary shares of the Company under option, including both options issued to the directors and under an Executive Option Incentive Plan, are:

				TOTAL OPTIONS EXERCISED AND SHARES ISSUED		UNISSUED SHARES AND OPTIONS AVAILABLE	
Issue date	**Expiry date**	**Exercise price**	**Options issued**	**2001**	**2000**	**2001**	**2000**
28/8/2000	31/12/2005	$0.50	2,400,000	–	–	2,400,000	2,400,000
28/8/2000	31/12/2005	$0.75	1,250,000	–	–	1,250,000	1,250,000
28/8/2000	31/12/2005	$1.00	650,000	–	–	650,000	650,000
3/5/2001	31/12/2005	$1.40	100,000	–	–	100,000	–
			4,400,000	**–**	**–**	**4,400,000**	**4,300,000**

All options expire on the earlier of their expiry date or termination of the employee's employment. In addition:

- the ability to exercise the options is conditional upon exercisable dates being reached;
- the market value of shares under these options at 30 June 2001 was $1.56 (31 December 2000: $1.05); and
- options issued do not represent remuneration for past services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

25. EMPLOYEE ENTITLEMENTS (continued)

Superannuation plans

The consolidated entity contributes to one defined contribution and one defined benefit employee superannuation plans.

In the case of the defined benefit employee superannuation plans, employer contributions are based on the advice of the plans' actuary. Contributions in excess of those specified in SIS legislation are not legally enforceable. Employee contributions are based on various percentages of their gross salaries. After serving a qualifying period, all employees are entitled to benefits on retirement, disability or death.

The plans provide defined benefits based on years of service and final average salary. In accordance with the various Trust Deeds, the consolidated entity is under no legal obligation to make up any shortfall in the plans' assets to meet payments due to employees.

An actuarial assessment of the plans as at 1 July 2000 was carried out by Esther Conway, FIAA of Watson Wyatt Australia Pty Ltd on 9 February 2001. The actuary concluded that the assets of the plans were sufficient to meet all benefits payable in the event of the plans' termination, or the voluntary or compulsory termination of employment of each employee of the consolidated entity.

The accrued benefits, plan assets at net market value and vested benefits of the plans are set out below. Accrued benefits are benefits which the plans are presently entitled to pay at some future date, as a result of membership of the plans. Vested benefits are benefits which are not conditional upon the continued membership of the plans or any factor, other than resignation from the plans.

The directors, based on the advice of the trustees of the plans, are not aware of any changes in circumstances since the date of the most recent actuarial review which would have a material impact on the overall financial position of the plans.

Details of contributions to the defined contribution and defined benefit plans during the period and contributions payable at 30 June 2001 are as follows:

	CONSOLIDATED		THE COMPANY	
	2001 $'000	2000 $'000	2001 $'000	2000 $'000
Employer contributions to the plans	286	271	286	271
Employer contributions payable to the plans at balance date	55	19	55	19

Defined benefits plans				2001 $'000
	Plan assets at net market value (i)	Total accrued benefits (i)	Excess/ (Deficit)	Total vested benefits (i)
Symex Holdings Limited Superannuation Plan	6,499	6,432	67	6,227
				2000 $'000
Symex Holdings Limited Superannuation Plan	6,499	6,432	67	6,227

(i) Plan assets at net market value, accrued benefits and vested benefits have been calculated at 1 July 2000 being the date of the most recent actuarial reviews performed and the date of the most recent financial statements of the plans.

26. DIRECTORS' REMUNERATION

	THE COMPANY	
	(6 mths) 2001	(12 mths) 2000
Directors' income		
The number of directors of the Company whose income from the Company or any related party falls within the following bands:		
$10,000 and $19,999	1	–
$30,000 and $39,999	–	1
$50,000 and $59,999	1	–
$110,000 and $119,999	–	1
$170,000 and $179,999	2	–
$200,000 and $209,999	1	–
$310,000 and $319,999	–	1
$320,000 and $329,999	–	1
$430,000 and $439,999	–	1

The remuneration bands are not consistent with the emoluments disclosed in the Directors' Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001 $	(12 mths) 2000 $	(6 mths) 2001 $	(12 mths) 2000 $
Total income paid or payable, or otherwise made available, to all directors of the Company and controlled entities from the Company or any related party	624,415	1,219,544	624,415	1,219,544

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

27. EXECUTIVES' REMUNERATION

	CONSOLIDATED		THE COMPANY	
	(6 mths) 2001	(12 mths) 2000	(6 mths) 2001	(12 mths) 2000
The number of Australian based executive officers of the Company and of controlled entities, whose remuneration from the Company or related parties, and from entities in the consolidated entity, falls within the following bands:				
$100,000 and $109,999	1	1	1	1
$110,000 and $119,999	–	1	–	1
$120,000 and $129,999	–	1	–	1
$130,000 and $139,999	–	1	–	1
$160,000 and $169,999	–	2	–	2
	$	$	$	$
Total income in respect of the financial year received, or due and receivable, from the Company, entities in the consolidated entity or related parties by executive officers of the Company and of controlled entities whose income is $100,000 or more	108,724	796,202	108,724	796,202

Executive officers are those officers involved in the strategic direction, general management or control of business at a company or operating division level.

Executives' remuneration includes amounts paid by the Company during the year to indemnify executives, and an allocation of insurance premiums paid by the Company or related parties in respect of directors' and officers' liabilities and legal expenses' insurance contracts, in accordance with common commercial practice.

The remuneration bands are not consistent with the emoluments disclosed in the Directors' Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

28. RELATED PARTY DISCLOSURES

DIRECTORS

The names of each person holding the position of Director of the company during the financial period are:

Alan Stockdale
Greg Tremewen
Mark Evans
Michael Newton
Allister Tomkins

Details of directors' remuneration are set out in Note 26.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at period end.

DIRECTORS' HOLDINGS OF SHARES AND SHARE OPTIONS

The interests of directors of the reporting entity and their director-related entities in shares and share options of entities within the consolidated entity at year end are set out below.

	CONSOLIDATED				
	2001 additions	2001 transfers	2001 disposals	2001 number held	2000 number held
Symex Holdings Limited:					
Ordinary shares	160,000	5,890,000	819,000	25,137,503	31,686,503
Options	–	–	–	3,300,000	3,300,000

During the period, Terrain Investments Ltd and Daviston Pty Ltd, director-related entities of Mr Mark Evans, agreed to transfer shares they held in trust to the beneficial owners of the shares. Of the shares transferred to beneficial owners, 1,177,500 were transferred to Evadon Pty Ltd, a director-related entity of Mr Mark Evans. The balance of the shares transferred were to entities not associated with any directors of the Company. The shares transferred to the beneficial owners remain in voluntary escrow.

OTHER TRANSACTIONS WITH THE COMPANY

Terrain Capital Limited, a company related to Mr Mark Evans, provided corporate advisory services to Symex Holdings Limited and was paid $54,367, with an additional $10,000 due and payable.

The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2001

28. RELATED PARTY DISCLOSURES (continued)

WHOLLY-OWNED GROUP

Details of interests in wholly-owned controlled entities are set out in Note 23.
Details of dealings with these entities are set out below:

Other transactions

The Company purchases steam from Co-Generation Australia Limited in the normal course of business and on normal terms and conditions.

Balances with wholly-owned group entities

The aggregate amounts receivable from, and payable to, wholly owned group entities by the Company at balance date:

	THE COMPANY	
	2001 $'000	**2000 $'000**
Receivables – non-current		
Other loans	2,273	6,473
Payables – current		
Trade creditors	827	992

DIRECTORS' DECLARATION

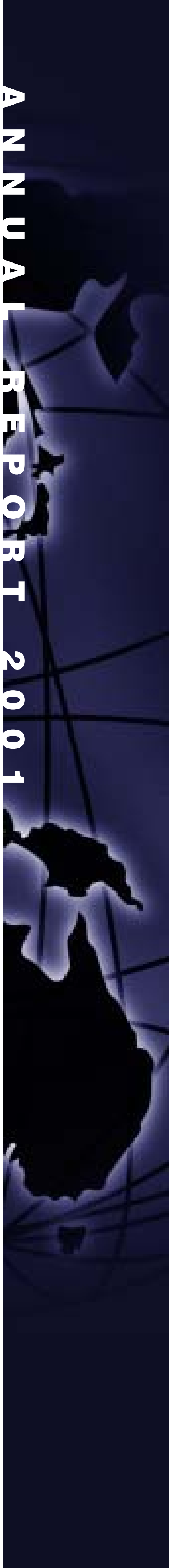
1. In the opinion of the directors of Symex Holdings Limited:
   (a) the financial statements and notes, set out on pages 16 to 50, are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2001 and of their performance, as represented by the results of their operations and their cash flows, for the period ended on that date; and
      (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

   (b) 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:

Director
30/7/2001.
Dated
Melbourne

Director
30-7-2001.
Dated
Melbourne



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SYMEX HOLDINGS LIMITED

SCOPE

We have audited the financial report of Symex Holdings Limited for the financial period ended 30 June 2001, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes and the directors' declaration set out on pages 16 to 50. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the period or from time to time during the financial period. The Company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Symex Holdings Limited is in accordance with:

(a) the Corporations Act 2001 including:
  - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2001 and of their performance for the period ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

KPMG

KPMG

Richard J Garvey
Partner
Melbourne, 30 July 2001

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS (AS AT 17 JULY 2001)

Substantial shareholders

The number of shares held by the substantial shareholders are set out below:

Shareholder	Ordinary
Western Park Holdings Pty Ltd	7,750,000
Michael Newton	7,440,001
Greg Tremewen	7,440,001
Allister Tomkins	7,440,000
National Nominees Limited	7,215,038

Class of shares and voting rights

At 17 July 2001, there were 2,455 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 43 of the Company's Constitution are:

"Subject to any rights or restrictions attaching to any class of shares:

(a) every member may vote;

(b) on a show of hands every member has one vote;

(c) on a poll every member has:

(i) for each fully paid share held by the member, one vote; and

(ii) for each partly paid share held by the member, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited to) on the share."

OPTIONS

At 17 July 2001 there were options over 4,333,333 unissued ordinary shares granted to directors and employees under an Option Incentive Plan. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

On-market buy-back

There is no current on-market buy-back.

Distribution of equity security holders (as at 17 July 2001)

	NUMBER OF SHAREHOLDERS	
Category	**Ordinary**	**Options**
1 – 1,000	180	
1,001 – 5,000	883	
5,001 – 10,000	646	
10,001 – 100,000	682	5
100,001 and over	64	11
	2,455	**16**

The number of shareholders holding less than a marketable parcel is 8.

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20 LARGEST SHAREHOLDERS

Name	Number of quoted ordinary shares held	Percentage of capital held
National Nominees Limited	7,215,038	7.88
Western Park Holdings Pty Ltd	4,250,000	4.64
Stebur Investments Pty Ltd	2,725,000	2.98
Mr Michael Wilmot Pearl	950,000	1.04
Mr William Graham	800,000	0.87
Mrs Deborah Lyn Smith	800,000	0.87
J T Condon	750,000	0.82
Invia Custodian Pty Ltd	732,259	0.80
Ms Jo Sestan	727,000	0.79
Permanent Trustee Australia Limited	680,000	0.74
Mr Peter Laurence Smith	600,000	0.66
Mr Anthony Leonard Smith	591,735	0.65
Mr Ross Macdowell	587,715	0.64
Ms Anne Catherine Macknight	510,000	0.56
John Laurence Smith & Heather Anne Smith	508,750	0.56
Mr Robert Michael Dolan & Mrs Judith Dolan	500,000	0.55
Melissa Carol Smith	403,125	0.44
Illabarook Pty Ltd	300,000	0.33
Mr Graham Edmund Moir	300,000	0.33
Mr Russell Andrew Smith	260,000	0.28
	24,190,622	**26.43**

Name	Number of unquoted ordinary shares held	Percentage of capital held
Mr Michael Newton	7,440,001	8.13
Mr Greg Tremewen	7,440,001	8.13
Mr Allister Tomkins	7,440,000	8.13
Western Park Holdings Pty Ltd	3,500,000	3.83
D & D Tolhurst Ltd	1,590,000	1.74
Deveray Pty Ltd	1,177,500	1.29
Evadon Pty Ltd	1,177,500	1.29
Pacrim Investment Consultants Pty Ltd	1,177,500	1.29
Tilchan Pty Ltd	1,177,500	1.29
Harvey Digby Pty Ltd	1,000,000	1.09
Terrain Investments Limited	180,000	0.18
	33,300,002	**36.39**

OFFICES AND OFFICERS

Company secretary
Mr Oliver Carton

Principal registered office
Symex Holdings Limited
14 Woodruff Street
Port Melbourne VIC 3207
Telephone: (03) 9251 2311
Facsimile: (03) 9645 3001

Location of share registry
Melbourne
ASX Perpetual Registrars
Level 4, 333 Collins Street
Melbourne VIC 3000
Telephone: (03) 9615 9800
Facsimile: (03) 9615 9900

Stock exchange
The Company is listed on the Australian Stock Exchange.

Other information
Symex Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

SYMEX

SYMEX HOLDINGS LIMITED