FINBAR INTERNATIONAL LIMITED

ACN 009 113 473

AND CONTROLLED ENTITIES

13TH ANNUAL REPORT
FOR THE YEAR ENDED
30TH JUNE 1997

FINBAR
INTERNATIONAL LIMITED

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COMPANY DETAILS

DIRECTORS

Paul Anthony	Rengel	(Chairman)
Wan Kah	Chan	(Managing Director)
Kee Kong	Loh	
John Boon Heng	Cheak	
Richard Dean	Rimington	
Albert Bonaventure Siew Lung	Ho	

COMPANY SECRETARY
Darren Pateman

REGISTERED OFFICE
Level 1
6 Preston Street
COMO WA 6152

POSTAL ADDRESS
Level 1
6 Preston Street
COMO WA 6152

OPERATIONS OFFICE
Level 1
6 Preston Street
COMO WA 6152

SHARE REGISTER
Corporate Registry
Services Pty Ltd
Level 29 Central Park
152-158 St Georges Terrace
PERTH WA 6000

BANKERS
Westpac Banking
Corporation Ltd
109 St Georges Terrace
PERTH WA 6000

AUDITORS
Hall Chadwick
Chartered Accountants
Level 20
140 St Georges Terrace
PERTH WA 6000

SOLICITORS
Chalmers & Partners
Level 6, 524 Hay Street
PERTH WA 6000

STOCK EXCHANGE LISTING
Australian Stock Exchange
Limited (Perth)

Chairman's Message

Dear Shareholders

It is very pleasing to be able to present once again the annual report of your company which summarises another year of growth in Finbar's net asset base and reports the first substantial profit since the requotation of its securities on the Australian Stock Exchange during the 1994/95 fiscal year.

These achievements result from the placement of new capital, acquisition of a new controlled entity and the realisation of the first sale of the company's completed property developments.

The Directors are particularly pleased to be able to report a strong growth in the value of your investment and an after-tax profit of $717,835. Finbar's core business of property investment and development is continuing to grow at a carefully measured pace with a view to maximising the rate of return on funds invested. At the same time, the company's wholly owned and controlled entity, Spectrum Medical Pty Ltd, has absorbed the acquisition of the medical centres under its control and has also contributed to the group profit.

Your Board of Directors plans to continue steady growth in the company's net asset base through the development of existing properties, and the acquisition of new properties upon which a satisfactory return can be obtained from further development. Plans for enhancement of return from the group's investment in medical centres are also in place and should have a positive impact on results during the new fiscal year. Additionally, as a result of steady growth over the previous three fiscal periods, along with enhanced prospects of profitability into the future, the Board can now seriously consider any new opportunities for expansion as they arise. Finbar's achievements to date would not have been possible without the strong support it continues to enjoy from both existing and new shareholders, for which the Board of Directors expresses its appreciation.

As non-executive Chairman, I also acknowledge the commendable dedication of the executive Directors, Mr W.K. Chan, Dr A. Ho, Mr R.D. Rimington and their staff, who are also strongly supported by the other non-executive Directors, Mr K.K. Loh and Mr J.B.H. Cheak.

The Directors believe that the value of your investment in Finbar will continue to be sustained and they are optimistic about the company's future profitability. That optimism is commercially realistic, despite the fact that the company operates in an industry which is sensitive to economic fluctuations. By the application of sound policy on matters of asset growth and project funding, the Directors are confident that the company will remain financially sound.

This annual report is accompanied by the statutory notice of the company's annual general meeting, and the Directors recommend that shareholders attend. In particular, you should note that the Directors have recommended the declaration of a dividend at the annual general meeting.

Paul Rengel

Paul Anthony Rengel
Chairman of Directors

Managing Director's Report

The 1996/97 financial year has been a satisfying one for Finbar, and strategies put in place over the last couple of years are coming to fruition with very promising results.

Due to Finbar's increased financial strength, the company is now fully geared to take advantage of the property development business. Since 1996, total equity has increased from $9,195,988 to $13,681,635, allowing the company to identify larger scale projects within the Perth metropolitan area.

With the successful completion of three projects during the year, the company is gaining the confidence and support of its banker, Westpac. At the same time, the management team of Mr Rick Rimington, Mr Darren Pateman and Dr Albert Ho is now extremely well placed to identify and seize new opportunities as they arise.

The group's principal activities continue to be a combination of an income-producing rental property portfolio, an ongoing programme of property developments to be offered for sale and the ownership and management of a portfolio of medical centres.

Finbar's most significant current property development project, the "Paddington Place" project at the corner of Carr and Fitzgerald Streets on the edge of Northbridge, is progressing extremely well and has already achieved remarkable success. A total of 52 of the 78 units have been sold from the plans, representing gross sales of $9.7 million.

The project is meeting its construction schedule for completion in March 1998 and will make a substantial contribution to profits in the 1997/98 fiscal year.

A proposed major property development, now in the planning stages, also has a great deal of potential. Finbar has recently entered into a contract to purchase a large prime site at the corner of Judd Street and Labouchere Road, South Perth and is going through the process of obtaining re-zoning and planning approval.

The planned mixed development of residential units, offices and restaurants should eventually be a very prestigious and profitable project for the company.

The group's medical centre business, Spectrum, has operated for almost a full year. As would be expected of any new acquisition, the business is currently standardising management systems and will this year be in a position to better contribute to the overall profit of the group.

PERTH REAL ESTATE MARKET

The housing market in Perth continues to show good signs of recovery as the 1997 year closes. The over-supply which existed in 1993 and 1994 has been taken up and there is now an under-supply of housing stocks.

Current housing demand is estimated at 18,900 dwellings and supply for 1997 is estimated to be 16,300. The more favourable market is a result of significant improvement in housing affordability driven by lower interest rates.

In general, the Perth home unit market continues to mature as more people adopt inner city living and Perth takes on a more cosmopolitan feel. Currently in the city there are 27 projects under construction, with a supply of 835 units.

Of these, 339 are pre-sold and 446 units are unsold. Overall, the market is still price-sensitive and buyers expect quality and lifestyle, but competitively priced property is selling well. As consumer confidence continues to grow, Finbar expects a steady growth in the low and middle end of the market. The upper end of the market has made considerable gains over the past few years but may be vulnerable to any downturn in the economy. The company is keeping a close watch on the current uncertainties surrounding the world stock and currency markets.

As the new millennium approaches, Finbar is mindful of the changing trends and requirements of purchasers. The focus at Finbar is to continue to measure the trends and be ahead of the marketplace in order to meet purchasers' demands.

DEVELOPMENT WORKS COMPLETED

6-8 Stone Street, South Perth - "Seville on the Point"

Construction of this successful 15 apartment residential complex is now complete. At 30 June 1997 a total of nine units had been sold, with the balance of the units sold subsequently.

102 Labouchere Road, South Perth - "Fairway Mews"

This three villa development was completed in November 1996 and all units were sold and settled during the 1996/97 fiscal year.

19 Renwick Street, South Perth

This five apartment residential complex was completed in July 1997. At 30 June 1997 one sale had been achieved. At the time of printing this annual report, four out of five apartments had been sold.

DEVELOPMENT
WORKS IN PROGRESS

Corner Carr and Fitzgerald Streets, West Perth - "Paddington Place"

This prestigious 78 unit residential complex nestles at the edge of the popular Northbridge precinct and is a landmark development both for Finbar and for inner city living in Perth. Works are progressing according to schedule and the development is due for completion in March 1998.

"Paddington Place" has proved appealing to both the investor and owner-occupier markets. To date a total of 52 units have been sold off the plan, representing gross sales of $9.7 million.

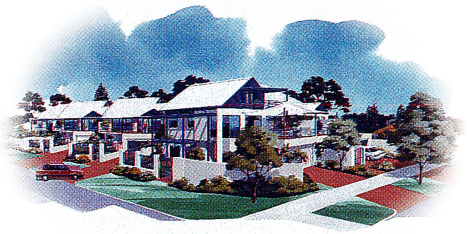
With third floor slabs now poured, the city views for the majority of the south and east facing top floor apartments may be fully appreciated.

The complex blends a range of architectural styles - Federation, French Provincial, Terrace and Victorian - to create the visually eclectic character typical of urban heritage streetscapes.

Corfield Street, Gosnells

This 12,730sqm site was acquired in July 1996 with the intention of expanding both Finbar's income-earning portfolio and Spectrum's portfolio of medical centres.

The company has applied to the local council for re-zoning to allow the development of a mixed medical centre and residential development and is currently waiting for approval.



Melville Parade, Como

The company acquired this prime 1158sqm site with views across Melville Waters in February 1997 for $555,000. Plans for a complex of five green title residential townhouses featuring beach resort style architecture have been approved and site clearing has commenced.

UNDEVELOPED LAND

317 Canning Highway, Como

This 1948sqm parcel of land was purchased in September 1997 for $298,000 with the intention of erecting a five unit residential development on the site.

COMMERCIAL RENTAL PORTFOLIO

6 Preston Street, Como

A new addition to Finbar's portfolio is the company's own offices in the sought-after precinct of Preston Street, Como.

Acquired for $470,000 in January 1997, the office comprises 260sqm of space on two strata titles. One strata title office unit of 113sqm is being leased to a tenant while Finbar occupies the balance of the office space.

273 Railway Avenue, Armadale

Acquired in July 1996 as part of the Spectrum Medical group's business acquisition, this well-exposed property shows a substantial premium return from its radiology, pharmacy, pathology and physiotherapy tenants. Space is also leased to one of Spectrum's medical centres.

Magnet Road, Canning Vale

Cooper Oil Tool Australia continue to be valuable tenants as they have since their commencement of the lease in 1992.

A release of approximately 2706sqm of under-utilised land on the northern boundary of Magnet Road has been negotiated, and approval for a new title is being obtained. Finbar will develop this subdivided land into additional commercial properties to further enhance the company's property portfolio.

29 Walters Drive, Herdsman Business Park

Located in the prestigious Herdsman Business Park, this modern property continues to show stable rental return from its new tenants.

SPECTRUM MEDICAL MANAGEMENT PTY LTD

The overall Spectrum group results throughout the year have shown much promise. Patient numbers have increased to 4550 per week through the acquisition of two additional surgeries in October 1996, both located in Rockingham, Western Australia.

By increasing patient numbers, the Spectrum group will provide strong support for the lateral integration and further expansion of the group through the establishment of secondary services such as pathology, radiology and physiotherapy.

The profitability growth of Spectrum lies in the utilisation of the valuable client base produced by the medical surgeries and providing these secondary services to patients.

All Spectrum surgeries are located in suburbs of high population growth, indicating potential to steadily increase patient numbers.

In summary, I believe that all aspects of Finbar's operations point to the fact that the company is moving ahead into an exciting and profitable new phase. All the indicators augur well for the future performance of your investment and I thank you, as a shareholder, for your continued support.

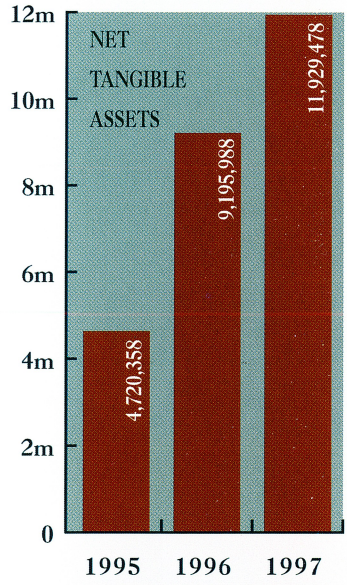
I would also like to take this opportunity to thank the management team, staff, consultants, contractors and our banker, Westpac, for the support they have given the company's increasing expansion.

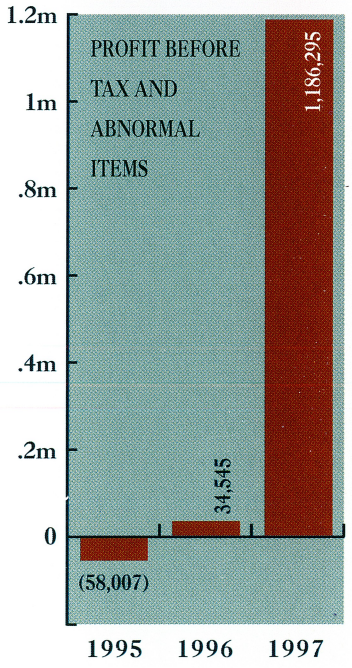
Wan Kah Chan
Managing Director

13 October 1997

Financial Highlights

- An after tax profit of $717,835 - the first substantial profit since the requotation of Finbar's security on the Australian Stock Exchange during the 1994/95 fiscal year.
- Recommendation by the Directors to declare a dividend at the company's forthcoming annual general meeting.
- Pre-sales of 53 out of 78 units for Finbar's landmark "Paddington Place" property development, representing gross sales of $9.7 million which will be reflected in the results of the current financial year.
- Increase in total equity from $9,195,988 to $13,681,633, allowing participation in larger, potentially more profitable property developments.





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FINBAR INTERNATIONAL LIMITED

ACN 009 113 473

AND CONTROLLED ENTITIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1997

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Company Details

DIRECTORS	Paul Anthony Rengel (Chairman) Wan Kah Chan (Managing Director) Kee Kong Loh John Boon Heng Cheak Richard Dean Rimington Albert Bonaventure Siew Lung Ho
COMPANY SECRETARY	Darren Pateman
REGISTERED OFFICE	Level 1 6 Preston Street COMO WA 6152
POSTAL ADDRESS	Level 1 6 Preston Street COMO WA 6152
OPERATIONS OFFICE	Level 1 6 Preston Street COMO WA 6152
SHARE REGISTER	Corporate Registry Services Pty Ltd Level 29 Central Park 152-158 St Georges Terrace PERTH WA 6000
BANKERS	Westpac Banking Corporation Ltd 109 St Georges Terrace PERTH WA 6000
AUDITORS	Hall Chadwick Chartered Accountants Level 20 140 St Georges Terrace PERTH WA 6000
SOLICITORS	Chalmers & Partners Level 6, 524 Hay Street PERTH WA 6000
STOCK EXCHANGE LISTING	Australian Stock Exchange Limited (Perth)

Directors' Report

The Directors herewith present the companyís annual financial report for the year ended 30th June 1997 and the auditors' report thereon in compliance with Corporations Law. The Directors report further as follows:

DIRECTORS

The following persons hold office as directors of Finbar International Limited at the date of this report:

Paul Anthony	RENGEL	(Chairman)
Wan Kah	CHAN	(Managing Director)
Kee Kong	LOH	
John Boon Heng	CHEAK	
Richard Dean	RIMINGTON	
Albert Bonaventure Siew Lung	HO	

INFORMATION ON DIRECTORS

The particulars of the qualifications, experience, shareholdings and disclosure of interests of the Directors are as follows:

PAUL ANTHONY RENGEL (APPOINTED 22.5.92)

Qualifications: Bachelor of Commerce (UWA); Fellow, Australian Institute of Chartered Accountants. Mr Rengel is a Chartered Accountant with 27 years experience in public practice in international firms. Mr Rengel is a Partner in Bourne Griffiths, Chartered Accountants. He is an associate of the Australian Institute of Company Directors and the Australian Institute of Management. Mr Rengel is the Chairman and attended 4 of the 4 Directorís meetings and 2 Shareholders meetings held during the fiscal year.

WAN KAH CHAN (APPOINTED 27.4.95)

Mr Chan has a Bachelor of Science degree from Monash University and has a Master of Business Administration degree from the University of Queensland. Mr Chan has considerable experience as a Director in public corporations and in the areas of trading, manufacturing, finance and property development. Mr Chan has attended 4 of the 4 Directors meetings and 2 Shareholders meetings held during the fiscal year.

KEE KONG LOH (APPOINTED 28.4.93)

Mr Loh has a degree in Accountancy from the University of Singapore and is a member of the Institute of Certified Public Accountants of Singapore. He is also a Director of Chuan Hup Holdings Limited, a substantial shareholder in the company. Mr Loh attended 4 of the 4 Directors meetings held during the fiscal year.

JOHN BOON HENG CHEAK (APPOINTED 28.4.93)

Mr Cheak is a graduate in Economics from the University of Western Australia. He is an Executive Director of Chuan Hup Holdings Limited, a substantial shareholder in the company. Mr Cheak attended one of the four Directors meetings held during the year.

RICHARD DEAN RIMINGTON (APPOINTED 27.4.95)

Mr Rimington is an experienced property developer with 12 years of involvement in land subdivision, development, construction and marketing, with particular focus on high quality medium density residential property, which is the core business of the company. He is responsible for project management of the companyís property development operations. He has attended 4 of the 4 Directors meetings and 2 Shareholders meetings held during the fiscal year.

Independent Audit Report

Hall Chadwick
Chartered Accountants & Business Advisers

Level 20
AMP Tower
140 St George's Terrace
Perth 6000
Western Australia

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PERTH WA 6001

Telephone: (08) 9481 0544
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National Association
Hall Chadwick

International Association
AGN International

Partners
Maurice L. Anghie
Keith R. Cooke
Robert W. Dunn
Terrence C. Posma
Phillip S. Rix
Kim A. Strickland
Chris M. Williamson

Consultant
Maurice H. Lyford

Associated offices
throughout Australia

FINBAR INTERNATIONAL LIMITED AND CONTROLLED ENTITIES
A.C.N. 009 113 473
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

SCOPE

We have audited the financial statements, being the Statement by Directors, Profit and Loss Account, Balance Sheet, Statement of Cash Flows and notes to and forming part of the financial statements of Finbar International Limited for the year ended 30 June 1997. The financial statements include the consolidated accounts of the economic entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with accounting policies and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view which is consistent with our understanding of the company's and economic entity's financial position, 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 statements of Finbar International Limited are properly drawn up:

(a) so as to give as a true and fair view of:

  (i) the state of affairs as at 30 June 1997, and of the profit and cash flows for the financial year ended on that date of the company and the economic entity; and

  (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;

(b) in accordance with the provisions of the Corporations Law; and

(c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Hall Chadwick

HALL CHADWICK
Chartered Accountants

M L ANGHIE
Partner

Dated this 30 day of September 1997.

AUD\2FIN03\0039\ND

Statement by Directors

In the opinion of the Directors of Finbar International Limited:

(a) the attached profit and loss account for the group and the company is drawn up so as to give a true and fair view of the result of the company for the year ended 30th June 1997,

(b) the attached balance sheet of the group and the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 30th June 1997,

(c) as at the date of this statement there are reasonable grounds to believe that the company will be able to meet its debts as and when they fall due.

(d) the accompanying consolidated accounts:

(i) have been made out in accordance with Divisions 4, 4A and 4B of part 3.6 of the Corporations Law; and

(ii) give a true and fair view of the matters dealt with by those Divisions.

Signed in accordance with a resolution of the Directors made pursuant to section 303(2) of the Corporations Law.

W K CHAN

P A RENGEL

PERTH
WESTERN AUSTRALIA

Date: 30 September 1997

Profit and Loss

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1997

RESULTS	Note	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
Operating Profit/(Loss) before Abnormal Items and Income Tax	2	1,186,295	994,567	34,545	36,034
Abnormal Items		-	-	(300,924)	(300,924)
Operating Profit (Loss) before Income Tax		1,186,295	994,567	(266,379)	(264,890)
Income Tax (Expense)/Benefit attributable to Operating Profit	4	(468,460)	(350,793)	-	-
Operating Profit/(Loss) after Income Tax		717,835	643,774	(266,379)	(264,890)
Outside Equity Interest in operating profit After tax		19,589	-	-	-
Operating Profit/(Loss) after Income Tax Attributable to members of the Parent Entity		698,246	643,774	(266,379)	(264,890)
Retained Profits/(Accumulated Losses) at the beginning of the financial year		(767,090)	(765,601)	(500,711)	(500,711)
Retained Profits/(Accumulated Losses) at the end of the financial year		(68,844)	(121,827)	(767,090)	(765,601)

THE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE ACCOUNTS ARE INCLUDED ON PAGES 19 TO 34

Balance Sheet

BALANCE SHEET
AS AT 30TH JUNE 1997

	Note	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
CURRENT ASSETS					
Cash	10	2,140,085	1,991,957	1,830,212	1,820,200
Receivables	11	1,448,411	966,895	22,831	73,564
Inventories	12	6,868,646	6,791,151	5,250,263	5,250,263
Other	16	6,565	-	-	-
Total Current Assets		10,463,707	9,750,003	7,103,306	7,144,027
NON-CURRENT ASSETS					
Receivables	11	-	1,762,237	-	-
Investments	13	131,308	1,163	-	2
Property, Plant & Equipment	14	5,217,311	4,913,703	2,767,347	2,728,113
Intangibles	15	1,752,157	-	-	-
Other	16	3,157	-	-	-
Total Non-Current Assets		7,103,933	6,677,103	2,767,347	2,728,115
TOTAL ASSETS		17,567,640	16,427,106	9,870,653	9,872,142
CURRENT LIABILITIES					
Accounts Payable	17	186,707	44,003	-	-
Borrowings	18	3,028,376	2,994,000	650,000	650,000
Provisions	19	523,812	350,793	-	-
Other	20	104,208	12,271	24,665	24,665
Total Current Liabilities		3,843,103	3,401,067	674,665	674,665
NON-CURRENT LIABILITIES					
Provisions	19	42,902	-	-	-
Total Non-Current Liabilities		42,902	-	-	-
TOTAL LIABILITIES		3,886,005	3,401,067	674,665	674,665
NET ASSETS		13,681,635	13,026,039	9,195,988	9,197,477
SHAREHOLDERS EQUITY					
Share Capital	21	12,224,107	12,224,107	9,483,819	9,483,819
Reserves	22	923,759	923,759	479,259	479,259
Accumulated Losses		(68,844)	(121,827)	(767,090)	(765,601)
Shareholders Equity attributable to Members of the parent entity		13,079,022	13,026,039	9,195,988	9,197,477
Outside Equity Interest	23	602,613	-	-	-
TOTAL EQUITY		13,681,635	13,026,039	9,195,988	9,197,477

THE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE ACCOUNTS ARE INCLUDED ON PAGES 19 TO 34

Statement of Cash Flows

STATEMENT OF CASH FLOWS
AS AT 30TH JUNE 1997

	Note	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers		7,271,445	3,739,284	200,821	202,871
Payments to suppliers and employees		(8,332,720)	(5,035,711)	(4,492,058)	(4,543,328)
Interest paid		(112,589)	(110,770)	(78,791)	(78,785)
Net cash provided by (used in) Operating activities	9	(1,173,864)	(1,407,197)	(4,370,028)	(4,419,242)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(1,217,972)	(1,221,032)	(128,363)	(89,129)
Interest received		33,128	43,665	112,395	112,365
Dividends received		3,184	3,184	4,800	4,800
Proceeds from sale of investments		-	-	245,272	245,272
Payment for Investments		(5,308)	-	-	(2)
Payments for loan to subsidiary		-	(1,148,513)	-	-
Payment for acquisition of businesses		(1,237,069)	-	-	-
Net cash provided by (used in) investing activities		(2,424,037)	(2,322,696)	234,104	273,306
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		1,557,650	1,557,650	4,742,009	4,742,009
Proceeds from borrowings		2,344,000	2,344,000	-	-
Repayment of borrowings		-	-	(50,000)	(50,000)
Net cash provided by (used in) financing Activities		3,901,650	3,901,650	4,692,009	4,692,009
Net increase in cash held		303,749	171,757	556,085	546,073
Cash at 1 July 1996		1,830,212	1,820,200	1,274,127	1,274,127
Cash at 30 June 1997	10	2,133,961	1,991,957	1,830,212	1,820,200

THE ACCOMPANYING NOTES WHICH FORM AN INTEGRAL PART OF THESE ACCOUNTS ARE INCLUDED ON PAGES 19 TO 34

Notes to Accounts

1.0 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the Corporations Law. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial statements.

1.1 INVESTMENTS

Investments are stated at the lower of cost or market value at year end. Dividends are brought to account as they are received.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at cost then depreciated so as to write off fixed assets over the respective useful lives of those assets, to the entities on a straight line basis.

1.3 RECOVERABLE AMOUNT OF NON-CURRENT ASSETS

Non-Current assets is written down to recoverable amount where the carrying value of any non-current assets exceeds recoverable amount. Recoverable amount is determined as the present value of the amount expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the non-current asset. The carrying amount of non-current assets is reviewed annually by the directors to ensure it is not in excess of the recoverable amount.

1.4 INCOME TAX

The company adopts the liability method of accounting for income tax. Income tax expense is calculated on operating profit after permanent differences between taxable and accounting income. Income tax on timing differences, which arise from items being brought to account in different period for income tax and accounting purposes, is carried forward in the balance sheet as a future tax benefit or a deferred tax liability. The future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain.

1.5 INVENTORIES

Inventories are valued at the lower of cost and net realisable value and comprise the following:

Land Held for Development

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, interest on funds borrowed for the development and holding costs until completion of development. Interest and holding charges incurred after development are expensed.

Construction Contracts and Work in Progress

Construction work in progress is carried at cost, less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Profit on sale of completed projects is recognised on the signing of unconditional contracts of sale.

Medical Supplies and Stores

Medical supplies and stores are valued at the lower cost and net realisable value.

1.6 INTANGIBLES

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

1.7 PRINCIPLES OF CONSOLIDATION

The consolidated accounts comprise the accounts of Finbar International Limited ("the company") and its controlled entities. A controlled entity is any entity controlled by the company. Control exists where the company has the capacity to dominate the decision making in relation to the financial and operating policies of the other entity so that the other entity operates with the company to achieve the objectives of the company. Details of the controlled entities are contained in Note 27 to the accounts.

All inter-company balances and transactions between the company and its controlled entity including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased. Outside interests in the equity and results of the entities that are controlled are shown as separate items in the consolidated accounts.

1.8 CASH

For the purpose of the statement of cash flows, cash includes:

(i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and

(ii) investments in money market instruments with less than 14 days to maturity.

1.9 EMPLOYEE ENTITLEMENTS

The economic entity has had full time employees only for approximately half of the fiscal year. Provision for their entitlements is made on the basis of the companyís actual liabilities to balance date, measured at their nominal amount and classified in terms of the current component payable within one year and the non current component, payable later than one year. This being the first year in which the company has employed full time employees the amounts payable later than one year are not significant and the nominal value is not sufficiently different from present value to warrant recomputation.

Contributions are made to employee superannuation funds in accordance with prescribed rules and are charged as expenses when incurred.

2.0 LEASES

Leases of fixed assets on which virtually all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

NOTE 2 OPERATING PROFIT/(LOSS)

Operating Profit / (Loss) is determined after crediting/charging the following Items

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
(i) Charging as Expenses:				
Interest paid or payable to:				
- other persons	112,589	110,770	78,791	78,785
Total borrowing costs	112,589	110,770	78,791	78,785
Movements in Provisions				
Depreciation of non-current assets:				
- property, plant & equipment	124,050	47,695	35,792	35,792
Amortisation of non-current assets				
- goodwill	87,433	-	-	-
Other Provisions				
- employee entitlements	31,705	-	-	-
Net expense resulting from movements in provisions	243,188	47,695	35,792	35,792
Bad & Doubtful Debts	25,081	-	-	-
Net loss on disposal of non-current Assets	8,707	-	-	-
(ii) Crediting as Income				
Dividends revenue from :				
- other corporations	3,184	3,184	4,800	4,800
Total dividends revenue	3,184	3,184	4,800	4,800
Interest revenue from :				
- other related entities	764	-	-	-
- wholly owned controlled entity	-	14,663	-	-
- other persons	32,364	29,002	112,395	112,365
Total interest revenue	33,128	43,665	112,395	112,365
(b) Operating Revenue				
Sales revenue	8,173,520	4,162,650	-	-
Other operating revenue				
- rent received	318,302	415,779	210,631	210,631
- other revenue	128,623	101,035	53,111	53,111
	8,620,445	4,679,464	263,742	263,742

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 3: ABNORMAL ITEMS				
Acquisition & capital raising costs	-	-	300,924	300,924
(no income tax expense applicable)	-	-	300,924	300,924
NOTE 4: INCOME TAX EXPENSE				
a) The prima facie tax on operating profit is reconciled to the income tax provided in the Accounts as follows:				
Prima Facie tax payable on operating profit Before income tax at 36%	427,066	358,044	-	-
Add:				
Tax effect of				
- non deductible amortisation	31,752	-	-	-
- other non deductible items	2,968	1,844	-	-
- taxable trust distribution	30,129	-	-	-
- tax losses not brought to account	8,266	-	-	-
	73,115	1,844	-	-
Less:				
Tax effect of:				
- other non assessable items	1,415	1,415	-	-
- non assessable trust distribution	22,612	-	-	-
Future income tax benefit not brought to account	7,694	7,680	-	-
Income tax attributable to operating profit Before income tax	468,460	350,793	-	-
b) Future income tax benefits of $8,031 have not been brought into account, as the realisation of the benefits are not virtually certain				

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 5: BAD AND DOUBTFUL DEBTS				
Bad Debts written off to profit & loss account				
- Trade Debtors	17,088	-	-	-
Transfer to provisions for doubtful debts				
- Trade Debtors	7,993	-	-	-
Total bad and doubtful debts expense	25,081	-	-	-
NOTE 6: AUDITOR'S REMUNERATION				
Remuneration of the auditor of the economic Entity for:				
- auditing or reviewing the accounts	35,384	22,061	7,000	7,000
- other services	-	-	23,050	23,050
	35,384	22,061	30,050	30,050
NOTE 7: REMUNERATION OF DIRECTORS				
Income paid or payable to all directors of each entity in the economic entity by the entities of which they are directors and any related parties.	370,964	110,250	69,000	69,000
Directors fees received or due and receivable by directors from the company and any related parties:	110,250	110,250	69,000	69,000
Number of parent entity directors whose income from the parent entity and any related parties was within the following bands		No.		No.
$ 0 - $ 9,999		3		3
$ 10,000 - $ 19,999		1		2
$ 20,000 - $ 29,999		-		-
$ 30,000 - $ 39,999		2		-

The names of the parent entity directors who have held office during the financial year are:

Paul Anthony	Rengel
Wan Kah	Chan
Kee Kong	Loh
John Boon Heng	Cheak
Richard Dean	Rimington
Albert Siew Lung	Ho

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $

No executive of the economic entity and any related entity has received or is due to receive remuneration exceeding $100,000 for management of the affairs of the economic entity

NOTE 8: EARNINGS PER SHARE

Basic earnings per share (cents per share)	0.016	0.015	(0.012)	(0.012)
Diluted earnings per share (cents per share)	0.013	0.012	(0.012)	(0.012)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EP	44,291,864	44,291,864	24,215,816	24,215,816

NOTE 9: CASH FLOW INFORMATION

a) Reconciliation of cash flow from operations with operating profit/(loss) after tax.

Operating profit/(loss) after income tax	717,835	643,774	(266,379)	(264,890)
Items classified as investing financing				
Interest Received	(33,128)	(43,665)	(112,395)	(112,365)
Dividends received	(3,184)	(3,184)	(4,800)	(4,800)
Non-cash flows in operating profit				
Amortisation	87,433	-	-	-
Depreciation	124,050	47,695	35,792	35,792
Loss on Sale of fixed assets	8,707	-	-	-
Profit on disposal of investment	-	-	(53,111)	(53,111)
Movement in provisions	566,714	350,793	-	-
Changes in assets and liabilities net of Effects from purchase of business				
(Increase)/Decrease in trade debtors and other debtors	(1,312,688)	(893,331)	(9,810)	(60,543)
Prepayments	(6,565)	-	-	-
(Increase)/Decrease in inventory	(1,614,383)	(1,540,888)	(3,960,089)	(3,960,089)
(Increase)/Decrease in trade creditors and accruals	294,502	31,609	764	764
Income tax benefit brought to account	(3,157)	-	-	-
Cash Flows from operations	(1,173,864)	(1,407,197)	(4,370,028)	(4,419,242)

		Acquisitions 1997 $
b)	Acquisition/Disposal of Businesses During the year the economic entity purchased controlling interests in four Medical Services companies Refer Note 27 for details of acquisitions.	
	Purchase price	1,579,057
	Cash payments	1,274,036
	Cash held at acquisition date	11,690
	Cash outflow	1,285,726
	Other assets and liabilities at acquisition of controlled entities	
	Receivables	112,892
	Inventories	4,000
	Property, Plant & Equipment	352,496
	Intangibles	1,406,038
	Creditors & Borrowings	(161,175)
		1,714,251
	Goodwill on consolidation	447,830
	Outside equity interests in acquisitions	(583,024)
		1,579,057

c) Non Cash Financing Activities

(i) Acquisition of Entities

During the year the company issued shares for the acquisition of medical practices by its controlled entity Spectrum Medical Pty Ltd and for the acquisition of real estate. A total of 2,459,540 shares at par value and 2,459,540 options exercisable at par on or before 31 August 1999, were issued to various vendors of medical practice service entities and 4,049,012 shares at par value and 4,049,012 options exercisable at par on or before 31 August 1999, in consideration of acquisition of real estate.

d) Summary of Used & Unused Loan Facilities

(i) Committed finance facilities were available to the company at the end of the financial year through its bankers for a total of $10,857,000. As at the date of this report $2,994,000 had been utilised leaving a balance of $7,863,000.

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 10: CASH				
Cash at bank	2,139,430	1,991,957	1,830,212	1,820,200
Cash on hand	655	-	-	-
	2,140,085	1,991,957	1,830,212	1,820,200
Reconciliation of Cash				
Cash at the end of the financial year as shown in the statement of cash flows is Reconciled to items in the balance sheet as follows :				
Cash	2,140,085	1,991,957	1,830,212	1,820,200
Bank overdraft/(included in current liabilities)	(6,124)	-	-	-
Net Cash at Year End	2,133,961	1,991,957	1,830,212	1,820,200
NOTE 11: RECEIVABLES				
CURRENT				
Trade Debtors	1,360,190	939,185	-	-
Provision for doubtful debts	(15,614)	-	-	-
	1,344,576	939,185	-	-
Sundry Debtors	23,240	-	22,831	20,781
Deposits	6,553	-	-	-
Amounts receivable from:				
- wholly owned subsidiaries	-	-	-	52,783
- other related parties	74,042	27,710	-	-
	1,448,411	966,895	22,831	73,564
NON-CURRENT				
Amounts receivable from:				
- wholly owned subsidiaries	-	1,762,237	-	-
	-	1,762,237	-	-

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 12: INVENTORIES				
CURRENT				
Finished Units on Hand	2,908,023	2,908,023	-	-
Development work in progress	1,646,266	1,646,266	780,000	780,000
Development land at cos	2,236,862	2,236,862	4,470,263	4,470,263
Medical supplies & stores at cost	77,495	-	-	-
	6,868,646	6,791,151	5,250,263	5,250,263
NOTE 13: INVESTMENTS				
NON CURRENT				
Shares				
- in subsidiaries at cost	-	1,163	-	2
- in associated trusts	131,308	-	-	-
	131,308	1,163	-	2
NOTE 14: PROPERTY, PLANT & EQUIPMENT				
LAND AND BUILDINGS				
Freehold Land				
At cost	3,495,212	3,478,038	1,609,513	1,570,279
Less: Provision for diminution in value	(200,360)	(183,186)	(183,186)	(183,186)
	3,294,852	3,294,852	1,426,327	1,387,093
Buildings				
Buildings Fixtures & Fixtures at cost	1,727,569	1,727,569	1,431,689	1,431,689
Less: Accumulated Depreciation	(139,917)	(139,917)	(100,427)	(100,427)
	1,587,652	1,587,652	1,331,262	1,331,262
PLANT & EQUIPMENT				
At cost	435,251	39,404	13,690	13,690
Less: Accumulated Depreciation	(125,971)	(8,205)	(3,932)	(3,932)
	309,280	31,199	9,758	9,758
Leasehold Improvements				
At cost	31,191	-	-	-
Less: Accumulated Depreciation	(5,664)	-	-	-
	25,527	-	-	-
Total Property, Plant and Equipment	5,217,311	4,913,703	2,767,347	2,728,113
NOTE 15: INTANGIBLE ASSETS				
Goodwill at cost & on consolidation	1,840,358	-	-	-
Less : Accumulated Amortisation	(88,201)	-	-	-
	1,752,157	-	-	-

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 16: OTHER ASSETS				
CURRENT				
Prepayments	6,565	-	-	-
	6,565	-	-	-
NON-CURRENT				
Future income tax benefits				
The future income tax benefit is made up of the following estimated tax benefits				
- timing differences	3,157	-	-	-
	3,157	-	-	-
NOTE 17: ACCOUNTS PAYABLE				
CURRENT				
Trade Creditors	186,707	44,003	-	-
	186,707	44,003	-	-
NOTE 18: BORROWINGS				
Unsecured Liabilities				
Bank Overdraft	6,124	-	-	-
Amounts payable to :				
- related parties	28,252	-	-	-
	34,376	-	-	-
Secured Liabilities				
Bank Loans	2,994,000	2,994,000	650,000	650,000
	3,028,376	2,994,000	650,000	650,000

(a) The bank loan is secured by registered first mortgages over certain land and buildings of the company.

NOTE 19: PROVISIONS				
CURRENT				
Taxation	459,050	350,793	-	-
Employee Entitlements	64,762	-	-	-
	523,812	350,793	-	-
NON-CURRENT				
Employee Entitlements	30,335	-	-	-
Deferred Income Tax	12,567	-	-	-
	42,902	-	-	-
NOTE 20: OTHER CURRENT LIABILITIES				
Accrued Charges	104,208	12,271	24,665	24,665

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 21: ISSUED CAPITAL				
Authorised Capital				
400,000,000 ordinary shares of $0.25 par value each	100,000,000	100,000,000	100,000,000	100,000,000
Issued and paid up capital				
48,896,428 ordinary shares of $0.25 each, fully paid (1996; 37,935,276 ordinary shares of $0.25 each, fully paid)	12,224,107	12,224,107	9,483,819	9,483,819

(a) Shares issued during the year

On 3 July 1996, 6,508,552 shares of $0.25 each were issued in consideration of interests in property (4,049,012 shares), and shares and units in controlled entities (1,955,540 shares) and associated entity (504,000 shares)

On 24 June 1997 4,445,000 shares of $0.25 each were issued as part of a placement to three existing shareholders. The value placed on the issue is $0.35 per share giving a premium of $0.10 per share

During the year 7,600 options were exercised.

(b) Options

The company has on issue 48,896,553 options exercisable at $0.25 on or before 31 August 1999 (1996; 42,395,601)

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
NOTE 22: RESERVES				
Share premium account	923,759	923,759	479,259	479,259
Movements during the year				
Share premium reserve				
Opening balance	479,259	479,259	479,259	479,259
Premium of $0.10 per share on 4,445,000 shares issued during the year	444,500	444,500	-	-
Closing balance	923,759	923,759	479,259	479,259
NOTE 23: OUTSIDE EQUITY INTEREST				
Reconciliation of outside equity interest in controlled entities				
Opening Balance	-	-	-	-
Share Capital	608,473	-	-	-
Less share of accumulated losses	(5,860)	-	-	-
Closing balance	602,613	-	-	-
NOTE 24: EMPLOYEE ENTITLEMENTS				
Employee Entitlements				
The aggregate employee entitlement liability comprises:				
Provisions - annual leave (current)	64,762	-	-	-
Provisions - long service leave (non-current)	30,335	-	-	-
	95,097	-	-	-
NOTE 25: CAPITAL AND LEASING COMMITMENTS				
(a) Operating Leases contracted for but not capitalised in the accounts				
Payable:				
- not longer than 1 year	243,759	-	-	-
- longer than 1 year but not longer than 2 years	236,496	-	-	-
- longer than 2 years but not longer than 5 years	383,262	-	-	-
	863,517	-	-	-
(b) Capital Expenditure Commitments				
Capital expenditure commitments contracted for:				
Building & development projects	5,861,296	5,861,296	-	-
	5,861,296	5,861,296	-	-
Payable				
- not later than 1 year	5,861,296	5,861,296	-	-

NOTE 26: SEGMENT INFORMATION

(a) Industry Segments	Property Rental & Development		Medical Centre Management		Eliminations		Consolidated	
	1997	1996	1997	1996	1997	1996	1997	1996
Operating revenue								
Sales to customers Outside the economic entity:	4,558,086	380,907	4,157,538	30	-	-	8,620,445	380,937
Intersegment sales:	121,378	-	-	-	(121,378)	-	-	-
Total Revenue	4,679,464	380,907	4,157,538	30	(216,557)	-	8,620,445	380,937
Segment Result	994,567	(264,890)	292,584	(1,489)	(78,513)	-	1,208,638	(266,379)
Unallocated expenses							(22,343)	
Economic entity Operating profit\ (loss) before tax							1,186,295	(266,379)
Segment Assets	16,427,106	9,872,142	4,220,720		- (3,080,186)	(1,489)	17,567,640	9,870,653
Total Assets							17,567,640	9,870,653

(b) Geographical Segments

The economic entity operates only within one geographical segment, being Australia

NOTE 27: CONTROLLED ENTITIES

(a) Subsidiaries and contribution to consolidated profit

	Country of Incorporation	Percentage Owned		Investment at cost		Contribution to consolidated operating profit after income tax attributable to members of the parent entity	
		1997 %	1996 %	1997 $	1996 $	1997 $	1996 $
Parent Entity:							
Finbar International Ltd	Aust	-	-	-	-	643,774	(264,890)
Subsidiaries of Finbar International Ltd							
Spectrum Medical Pty Ltd	Aust	100	100	1,163	1,163	(57,151)	(1,489)
Subsidiaries of Spectrum Medical Pty Ltd							
Sunreef Holdings Pty Ltd	Aust	80	-	366,134	-	62,810	-
Champion Medical Management Pty Ltd	Aust	70	-	812,249	-	87,405	-
Bayrose Holdings Pty Ltd	Aust	70	-	143,598	-	11,745	-
Rockingham & Palm Springs Medical Group Pty Ltd	Aust	55	-	257,076	-	(27,993)	-
Less unallocated expenses						(22,344)	
				1,580,220	1,163	698,246	(266,379)

(b) Controlled entities acquired

Spectrum Medical Pty Ltd acquired the following subsidiaries during the year ended 30 June 1997:

	DATE	CONSIDERATION
Sunreef Holdings Pty Ltd	03-Jul-96	$348,885 in shares plus costs
Champion Medical Management Pty Ltd	03-Jul-96	$797,353 in cash plus costs
Bayrose Pty Ltd	03-Jul-96	$140,000 in shares plus costs
Rockingham & Palm Springs Medical Group Pty Ltd	02-Oct-96	$252,448 in cash plus costs

The purchases by Spectrum Medical Pty Ltd were funded through intercompany debt. Finbar International Ltd issued shares to the total value of $488,885 (1,955,540 shares @ 25 cents) Cash payments were made on behalf of Spectrum Medical Pty Ltd for a total of $1,049,801. Spectrum Medical Pty Ltd was entitled to all profits earned from 1 July 1996 and 1 October 1996 respectively by its controlled entities.

NOTE: 28 RELATED PARTY TRANSACTIONS

	Consolidated 1997 $	Company 1997 $	Consolidated 1996 $	Company 1996 $
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated				
Transactions between related parties				
(i) Director Related Entities				
Flandron Holdings Pty Ltd a company of which Dr Ho is a director received a loan from Champion Medical Management Pty Ltd in its capacity as a shareholder.	23,000	-	-	-
Finbar International Ltd purchased its office premises from Wembley Lakes Estate Pty Ltd, a company of which Mr Chan and Mr Rimington are directors.	487,575	487,575	-	-
(ii) Directors				
Dr Ho, Dr Pong, Dr Warner and Dr Mudhar have received consultancy fees in their professional capacity as doctors.	255,391	-	-	-
Dr Ho is due to repay an amount of $19,926 to Spectrum Medical Pty Ltd being an overpayment of consultancy fees. Consulting fee recorded as an expense in the books of the entity:	5,324	5,324	-	-
The accounting firm of which Mr Rengel is a partner has received fees in relation to secretarial and accounting services.	49,835	30,160	19,531	19,531
(iii) Parent Company				
Finbar International Ltd owns the premises from which Champion Medical Management Pty Ltd (subsidiary), Mediplus Pty Ltd (associated to Dr Ho), J & R Management Pty Ltd (associated to Mr Chan and Mr Rimington), and Spectrum Medical Pty Ltd (subsidiary) operate. Rental income received from related parties:	20,175	126,890	-	-
Spectrum Medical Pty Ltd pays interest on a loan obtained from Finbar International Ltd.	-	14,663	-	-
(iv) Share Transactions of Directors				
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in members of the economic entity:				
Finbar International Ltd				
- ordinary shares	5,175,257	84,783	5,175,257	84,783
- preference shares	-	-	-	-
- options over ordinary shares	4,981,310	4,981,310	4,981,310	4,981,310
Sunreef Holdings Pty Ltd	190	-	-	-
Champion Medical Management Pty Ltd	341,725	-	-	-
Bayrose Holdings Pty Ltd	60,000	-	-	-
Rockingham & Palm Springs Medical Group Pty Ltd	103,275	-	-	-

Directors and their related entities acquired 6,953,552 ordinary shares and 6,508,552 options to acquire ordinary shares in Finbar International Ltd. They did not dispose of any shares or options during the period.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is provided pursuant to ASX Listing Rules.

(a) CORPORATE GOVERNANCE

The Board of Directors of Finbar International comprises three (3) Executive Directors and three (3) Non-Executive Directors, including the Chairman, all elected by the Shareholders on whose behalf they guide, manage and control the business and affairs of the company and its wholly owned and controlled entity , Spectrum Medical Pty Ltd and its controlled entities.

Each of the Directors is highly qualified and/or highly experienced in both specific areas of responsibility and in corporate governance generally.

The remuneration of the Directors is determined by recommendation from the Board and subsequent approval by Shareholders. The Executive Directors are remunerated through a service entity in which they have a beneficial interest and through which they also provide consultation services to other entities.

The Board of Directors as a governing body and its individual members are entitled to seek legal and other professional advice at the entity's expense in the course of diligent discharge of governance duties.

The Board attends to all aspects of corporate governance as a fully constituted body and does not consider it necessary at this time to establish sub committees such as audit or project management.

The Board is committed to the highest standards of business ethics and fiduciary conduct in its custodial role. Compliance with these standards, with regulatory responsibilities and continuous disclosure requirements, is closely monitored.

Additional Shareholder Information

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

(b) SHAREHOLDER DETAILS

(i) Details of shareholdings in Finbar International Limited as at 28/8/97. All shares are ordinary 25 cents par value shares with equal voting rights.

Distribution of Shareholders	Number of Shareholders	% of Shares	Number of Capital	% of Issued
From 1 - 1,000	371	63.31	116,768	0.24
1,001 - 5,000	53	9.04	139,962	0.28
5,001 - 10,000	97	16.55	796,128	1.63
10,001 - 100,000	37	6.31	1,023,425	2.10
100,001 - Over	28	4.79	46,821,645	95.75
	586	**100.00**	**48,897,928**	**100.00**

(ii) The number of shareholders with less than a marketable parcel of 1,000 shares as at 28/8/97 was: 351

(iii) Substantial Shareholders:

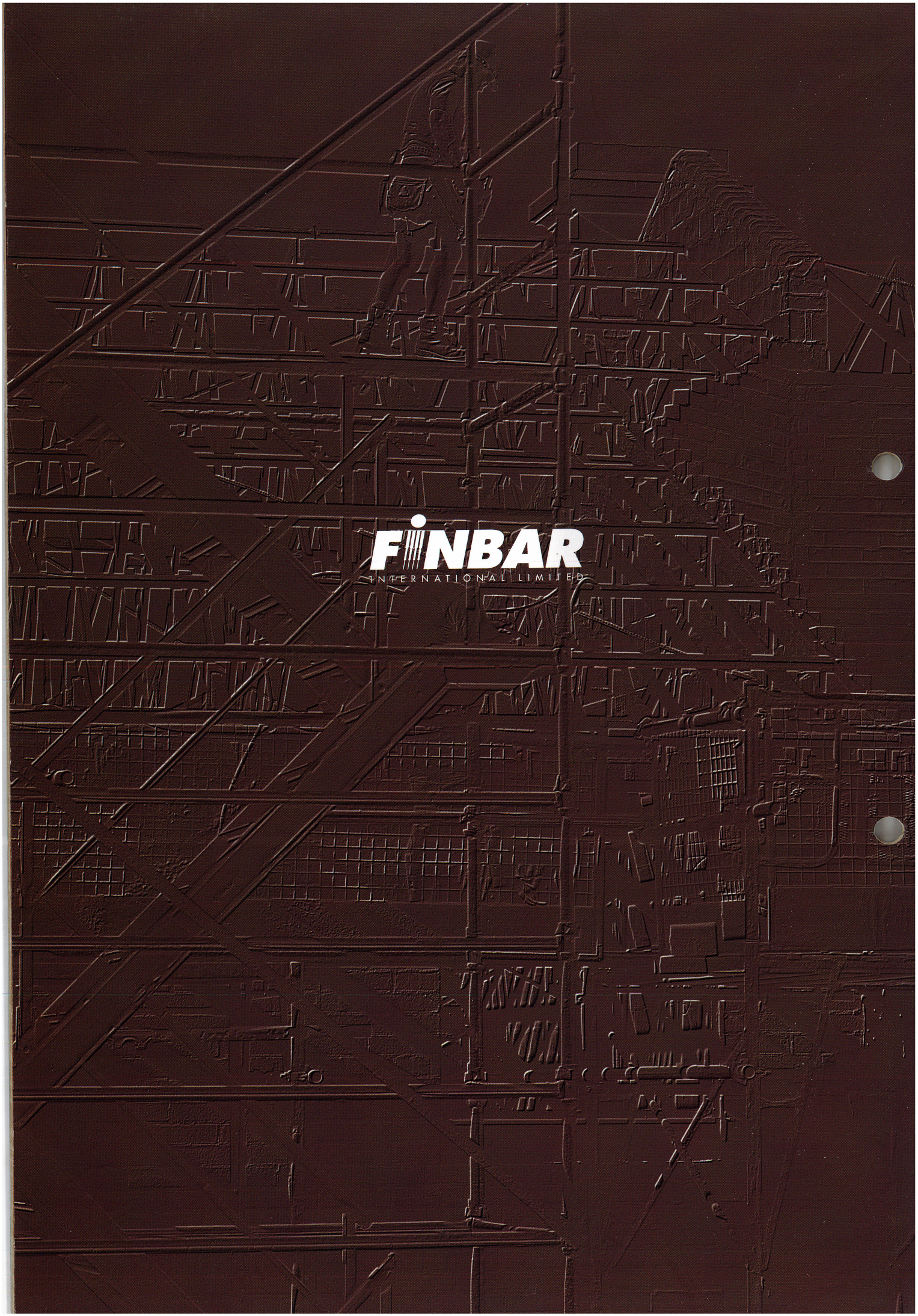
	SHARES	%
Chuan Hup Holdings Limited	11,376,998	23.27
JF Apex Securities Sdn Bhd	7,327,846	14.99
Flandron Pty Ltd	5,444,552	11.13
Charldon Inc	4,157,732	8.50
Apex Equity Holdings Berhad	3,148,950	6.44

Additional Shareholder Information

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

(iv) Twenty Largest Shareholders

NAME	SHARES	%	OPTIONS	%
Chaun Hup Holdings Ltd	11,376,998	23.27	12,176,998	24.90
JF Apex Securities Sdn Bhd	7,327,846	14.99	5,679,846	11.62
Flandron Pty Ltd	5,444,552	11.13	1,944,552	3.98
Charldon Inc	4,157,732	8.50	4,157,732	8.50
Apex Equity Holdings Berhad	3,148,950	6.44	5,148,950	10.53
Baguio International Limited	2,961,312	6.06	2,961,312	6.06
Blair Park Pty Ltd	2,759,500	5.64	2,101,991	4.30
Gretel Pty Ltd	1,350,000	2.76	430,759	0.88
JRC Pty Ltd	950,000	1.94	100,000	0.20
Dynamic Corp Pty Ltd	796,688	1.63	796,688	1.63
Ah Hwa Lim	593,626	1.21	614,126	1.26
Albert Siew Lung Ho	560,000	1.15	560,000	1.15
Linkcove Pty Ltd	504,000	1.03	504,000	1.03
Nefco Nominees Pty Ltd	503,609	1.03	94,000	0.19
Wan Soon Chan	500,000	1.02	500,000	1.02
Chilong Development Company	495,000	1.01	495,000	1.01
Hang Cheong Finance Ltd	485,000	0.99	485,000	0.99
Toru Fujii	479,568	0.98	479,568	0.98
Guan Seng Chan	460,126	0.94	460,126	0.94
Dynamic Corporation Pty Ltd	445,000	0.91	0	0.00
	45,299,507	92.63	39,690,648	81.17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