

# Appendix 4B (not equity accounted)

## Half yearly/preliminary final report

Introduced 1/7/96. Origin: Appendices 3, 4. Amended 1/7/97, 1/12/97, 1/7/98, 1/9/99.

Name of entity

SENETAS CORPORATION LIMITED

ACN, ARBN or ARSN

006 067 607

Half yearly  
(tick)



Preliminary  
final (tick)



Half year/financial year ended ('current  
period')

31ST DECEMBER 1999

### For announcement to the market

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

\$A

Sales (or equivalent operating) revenue (item 1.1)	up/down	% to	-
Abnormal items after tax attributable to members (item 2.5)	gain (loss) of		-
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (item 1.26)	down	(149)% to	(659,081)
+Operating profit (loss) after tax attributable to members (item 1.10)	down	(149)% to	(659,081)
Extraordinary items after tax attributable to members (item 1.13)	gain (loss) of		-
+Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	down	(149)% to	(659,081)

Dividends (distributions)	Amount per security	Franked amount per security at 36% tax
Final dividend (Preliminary final report only - item 15.4)	-	-
Interim dividend (Half yearly report only - item 15.6)	-	-
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)	-	-

+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)

N/A

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

**Appendix 4B (not equity accounted)**  
**Half yearly/preliminary final report**

**Consolidated profit and loss account**

(The figures are not equity accounted)

	Current period - \$A	Previous corresponding period - \$A
1.1 Sales (or equivalent operating) revenue	-	-
1.2 Other revenue	88,160	30,180
<b>1.3 Total revenue</b>	<b>88,160</b>	<b>30,180</b>
<b>1.4 +Operating profit (loss) before abnormal items and tax</b>	<b>(664,175)</b>	<b>(119,596)</b>
1.5 Abnormal items before tax (detail in item 2.4)	-	(144,834)
1.6 +Operating profit (loss) before tax (items 1.4 + 1.5)	(664,175)	(264,430)
1.7 Less tax	-	-
1.8 +Operating profit (loss) after tax but before outside +equity interests	(664,175)	(264,430)
1.9 Less outside +equity interests	5,094	-
<b>1.10 +Operating profit (loss) after tax attributable to members</b>	<b>(659,081)</b>	<b>(264,430)</b>
1.11 Extraordinary items after tax (detail in item 2.6)	-	-
1.12 Less outside +equity interests	-	-
1.13 Extraordinary items after tax attributable to members	-	-
<b>1.14 Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)</b>	<b>(659,081)</b>	<b>(264,430)</b>
1.15 +Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	-	-
<b>1.16 +Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)</b>	<b>(659,081)</b>	<b>(264,430)</b>
1.17 Retained profits (accumulated losses) at beginning of financial period	(26,392,234)	(25,048,501)
1.18 If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	-	-
1.19 Aggregate of amounts transferred from reserves	-	-
<b>1.20 Total available for appropriation (carried forward)</b>	<b>(27,051,315)</b>	<b>(25,312,931)</b>

+ See chapter 19 for defined terms.

**Appendix 4B (not equity accounted)**  
**Half yearly/preliminary final report**

**Consolidated profit and loss account continued**

1.20	Total available for appropriation ( <i>brought forward</i> )	(27,051,315)	(25,312,931)
1.21	Dividends provided for or paid	-	-
1.22	Aggregate of amounts transferred to reserves	-	-
1.23	<b>Retained profits (accumulated losses) at end of financial period</b>	<b>(27,051,315)</b>	<b>(25,312,931)</b>

**Profit restated to exclude amortisation of goodwill**

	Current period \$A	Previous corresponding period - \$A
1.24	(664,175)	(264,430)
1.25	5,094	-
1.26	(659,081)	(264,430)

**Intangible, abnormal and extraordinary items**

	<i>Consolidated - current period</i>			
	Before tax \$A	Related tax \$A	Related outside +equity interests \$A	Amount (after tax) attributable to members \$A
2.1	-	-	-	-
2.2	-	-	-	-
2.3	-	-	-	-
2.4	289,933	-	-	289,933
	289,933	-	-	289,933
2.5	-	-	-	-
2.6	-	-	-	-
2.7	-	-	-	-

**Comparison of half year profits**

*(Preliminary final report only)*

	Current year \$A	Previous year \$A
3.1	-	-
3.2	-	-

+ See chapter 19 for defined terms.

**Appendix 4B (not equity accounted)**  
**Half yearly/preliminary final report**

**Consolidated balance sheet**

(See note 5)

	At end of current period - \$A	As shown in last annual report - \$A	As in last half yearly report - \$A	
<b>Current assets</b>				
4.1	Cash	6,270,863	1,568,433	21,785
4.2	Receivables	238,609	46,047	40,694
4.3	Investments	908,233	-	-
4.4	Inventories	-	-	-
4.5	Other (provide details if material)	32,670	-	-
4.6	<b>Total current assets</b>	<b>7,450,375</b>	<b>1,614,480</b>	<b>62,479</b>
<b>Non-current assets</b>				
4.7	Receivables	8,525,599	8,041,068	7,903,793
4.8	Investments	7,980,432	4,403	79,320
4.9	Inventories	-	-	-
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	-	-	442,511
4.11	Development properties (+mining entities)	-	-	-
4.12	Other property, plant and equipment (net)	99,862	96,632	269,229
4.13	Intangibles (net)	220,000	50,000	-
4.14	Other (provide details if material)	-	-	-
4.15	<b>Total non-current assets</b>	<b>16,825,893</b>	<b>8,192,103</b>	<b>8,694,853</b>
4.16	<b>Total assets</b>	<b>24,276,268</b>	<b>9,806,583</b>	<b>8,757,332</b>
<b>Current liabilities</b>				
4.17	Accounts payable	1,140,803	137,510	385,896
4.18	Borrowings	-	-	325,000
4.19	Provisions	906	-	-
4.20	Other (provide details if material)	270,000	203,600	203,600
4.21	<b>Total current liabilities</b>	<b>1,411,709</b>	<b>341,110</b>	<b>914,496</b>
<b>Non-current liabilities</b>				
4.22	Accounts payable	-	-	3,012
4.23	Borrowings	-	-	-
4.24	Provisions	8,088,182	7,798,248	7,519,374
4.25	Other (provide details if material)	181,002	39,402	181,002
4.26	<b>Total non-current liabilities</b>	<b>8,269,184</b>	<b>7,837,650</b>	<b>7,703,388</b>
4.27	<b>Total liabilities</b>	<b>9,680,893</b>	<b>8,178,760</b>	<b>8,617,884</b>
4.28	<b>Net assets</b>	<b>14,595,375</b>	<b>1,627,823</b>	<b>139,448</b>

+ See chapter 19 for defined terms.

**Consolidated balance sheet continued**

	<b>Equity</b>			
4.29	Capital	41,645,392	28,020,257	25,452,379
4.30	Reserves	-	-	-
4.31	Retained profits (accumulated losses)	(27,051,315)	(26,392,234)	(25,312,931)
4.32	Equity attributable to members of the parent entity	14,594,076	1,627,823	139,448
4.33	Outside +equity interests in controlled entities	1,298	-	-
4.34	<b>Total equity</b>	<b>14,595,375</b>	<b>1,627,823</b>	<b>139,448</b>
4.35	Preference capital included as part of 4.32	-	-	

**Exploration and evaluation expenditure capitalised**

*To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.*

	Current period \$A	Previous corresponding period - \$A
5.1	-	541,473
5.2	-	-
5.3	-	(98,962)
5.4	-	-
5.5	-	-
5.6	-	<b>442,511</b>
	<b>Closing balance as shown in the consolidated balance sheet (item 4.10)</b>	

**Development properties**

*(To be completed only by entities with mining interests if amounts are material)*

	Current period \$A	Previous corresponding Period - \$A'000
6.1	-	-
6.2	-	-
6.3	-	-
6.4	-	-
6.5	-	-
6.6	-	-
6.7	-	-
	<b>Closing balance as shown in the consolidated balance sheet (item 4.11)</b>	

+ See chapter 19 for defined terms.

**Appendix 4B (not equity accounted)**  
**Half yearly/preliminary final report**

**Consolidated statement of cash flows**

(See note 6)

	Current period \$A	Previous corresponding period - \$A
<b>Cash flows related to operating activities</b>		
7.1 Receipts from customers	13,917	70,178
7.2 Payments to suppliers and employees	(939,425)	(162,169)
7.3 Dividends received	-	-
7.4 Interest and other items of similar nature received	74,242	-
7.5 Interest and other costs of finance paid	(287)	-
7.6 Income taxes paid	-	-
7.7 Other (provide details if material)	(26,610)	-
	<b>(878,163)</b>	<b>(91,991)</b>
<b>7.8 Net operating cash flows</b>		
<b>Cash flows related to investing activities</b>		
7.9 Payment for purchases of property, plant and equipment	(22,254)	-
7.10 Proceeds from sale of property, plant and equipment	60,000	28,850
7.11 Payment for purchases of equity investments	-	-
7.12 Proceeds from sale of equity investments	-	-
7.13 Loans to other entities	(212,551)	-
7.14 Loans repaid by other entities	-	-
7.15 Other Interest received on escrow funds	289,934	-
Payment for Investments	(4,328,333)	-
	<b>(4,213,204)</b>	<b>28,850</b>
<b>7.16 Net investing cash flows</b>		
<b>Cash flows related to financing activities</b>		
7.17 Proceeds from issues of +securities (shares, options, etc.)	9,855,797	101,184
7.18 Proceeds from borrowings	-	-
7.19 Repayment of borrowings	-	(18,067)
7.20 Dividends paid	-	-
7.21 Other (provide details if material)	(62,000)	-
	<b>9,793,797</b>	<b>83,117</b>
<b>7.22 Net financing cash flows</b>		
<b>7.23 Net increase (decrease) in cash held</b>	<b>4,702,430</b>	<b>19,976</b>
7.24 Cash at beginning of period (see Reconciliation of cash)	1,568,433	2,107
7.25 Exchange rate adjustments to item 7.24.	-	(298)
	<b>6,270,863</b>	<b>21,785</b>
<b>7.26 Cash at end of period</b> (see Reconciliation of cash)		

+ See chapter 19 for defined terms.

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

Issue of shares as part of acquisition of investments in:-		
eCryp - 2,500,000 shares	\$500,000	-
7,771,203 shares	\$3,030,769	-
ePil - 1,100,000 shares (yet to be issued)	\$220,000	-

## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A	Previous Corresponding Period - \$A
8.1 Cash on hand and at bank	6,270,863	21,785
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
	<b>6,270,863</b>	<b>21,785</b>
8.5 <b>Total cash at end of period</b> (item 7.25)		

## Ratios

	Current period	Previous corresponding period
<b>Profit before abnormals and tax / sales</b>	N/A	N/A
9.1 Consolidated +operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)		
<b>Profit after tax / +equity interests</b>	(4.5)%	(189.62)%
9.2 Consolidated +operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.32)		

## Earnings per security (EPS)

	Current period	Previous corresponding period
10.1 Calculation of the following in accordance with <i>AASB 1027: Earnings per Share</i>		
(a) Basic EPS	(0.76)	(0.02)
(b) Diluted EPS (if materially different from (a))	(0.43)	(0.02)
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	86,782,265	12,264,752

## NTA backing

(see note 7)	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	12.19c	-*

\*In the comparative period, the company was a mining company and therefore was not required to disclose this ratio.

**Appendix 4B (not equity accounted)**  
**Half yearly/preliminary final report**

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**Details of specific receipts/outlays, revenues/ expenses**

	Current period \$A	Previous corresponding period - \$A
12.1 Interest revenue included in determining item 1.4	74,242	-
12.2 Interest revenue included in item 12.1 but not yet received (if material)	N/A	N/A
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	287	15,011
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)	N/A	N/A
12.5 Outlays (except those arising from the +acquisition of an existing business) capitalised in intangibles (if material)	N/A	N/A
12.6 Depreciation and amortisation (excluding amortisation of intangibles)	19,024	4,901

**Control gained over entities having material effect**

(See note 8)

13.1 Name of entity (or group of entities)	ePil Pty Ltd
13.2 Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	(\$7,270)
13.3 Date from which such profit has been calculated	01/07/1999
13.4 +Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	\$NIL

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+ See chapter 19 for defined terms.

## Loss of control of entities having material effect

(See note 8)

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	\$N/A
14.3	Date to which the profit (loss) in item 14.2 has been calculated	N/A
14.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	\$N/A
14.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$N/A

## Reports for industry and geographical segments

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to AASB 1005 and indicates which amounts should agree with items included elsewhere in this report.*

The company operates predominantly in only one geographical segments being Australia, being an investor in information and communications technologies both as an incubator and as a venture capitalist.

### Segments

Operating Revenue	-
Sales to customers outside the economic entity	-
Inter-segment sales	-
Unallocated revenue	-
 Total revenue (consolidated total equal to item 1.3)	 -
Segment result (including abnormal items where relevant)	-
Unallocated expenses	-
Consolidated +operating profit before tax (before equity accounting) (equal to item 1.6)	-
Segment assets	-
Unallocated assets	-
Total assets	-
(equal to item 4.16)	-

*Comparative data for segment assets should be as at the end of the previous corresponding period.*

+ See chapter 19 for defined terms.

**Appendix 4B (not equity accounted)**  
**Half yearly/preliminary final report**

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**Dividends (in the case of a trust, distributions)**

15.1	Date the dividend (distribution) is payable	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	N/A

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+ See chapter 19 for defined terms.

**Appendix 4B (not equity accounted)  
Half yearly/preliminary final report**

**Amount per security**

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	N/A	N/A	N/A
15.5	Previous year	N/A	N/A	N/A
15.6	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	N/A	N/A	N/A
15.7	Previous year	N/A	N/A	N/A

**Total dividend (distribution) per security (interim plus final)**

*(Preliminary final report only)*

	Current year	Previous year
15.8 +Ordinary securities	N/A	N/A
15.9 Preference +securities	N/A	N/A

**Half yearly report - interim dividend (distribution) on all securities or  
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A	Previous corresponding period - \$A
15.10 +Ordinary securities	N/A	N/A
15.11 Preference +securities	N/A	N/A
15.12 <b>Total</b>	<b>N/A</b>	<b>N/A</b>

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

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

N/A
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Any other disclosures in relation to dividends (distributions)

N/A
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+ See chapter 19 for defined terms.

**Appendix 4B (not equity accounted)  
Half yearly/preliminary final report**

**Equity accounted associated entities and other material interests**

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

		Current period \$A	Previous corresponding period - \$A
<b>Investments in associated entities</b>			
16.1	Statutory carrying value of investments in associated entities (SCV)	N/A	N/A
16.2	Share of associated entities' retained profits and reserves not included in SCV:	N/A	N/A
	Retained profits	N/A	N/A
	Reserves	N/A	N/A
16.3	<b>Equity carrying value of investments</b>	N/A	N/A

**Material interests in entities which are not controlled entities**

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

<i>Name of entity</i>	Percentage of ownership interest (+ordinary securities, +units etc) held at end of period		Contribution to +operating profit (loss) and extraordinary items after tax		
	Current Period	Previous corresponding period	Current period - \$A	Previous corresponding period - \$A	
17.1 <b>Equity accounted associated entities</b>	N/A	N/A	<i>Equity accounted</i>		
			N/A	N/A	
17.2 <b>Other material interests</b>	<i>Not equity accounted (ie part of item 1.14)</i>				
	Alta Internet Business Centres Pty Ltd From 31/8/99	25%	N/A	-	N/A
	Surfboard Securities Ltd From 20/12/99	5%	N/A	-	N/A
	Chakra.net Pty Ltd From 14/12/99	10%	N/A	-	N/A

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current period

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

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 <b>Preference +securities</b> <i>(description)</i>	N/A	N/A	N/A	N/A
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	N/A	N/A	N/A	N/A
18.3 <b>Ordinary securities</b>	119,764,464	79,764,464		
18.4 Changes during current period (a) Increases through issues	40,000,000* 12,290,000 2,500,000 7,771,203 15,121,614 140,591	- 12,290,000 2,500,000 7,771,203 15,121,614 140,591	00.0 37.0 20.0 39.0 37.0 20.0	00.0 37.0 20.0 39.0 37.0 20.0
(b) Decreases through returns of capital, buy-backs	N/A	N/A		
18.5 <b>+Convertible debt securities</b> <i>(description and conversion factor)</i>	N/A	N/A	N/A	N/A
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/A	N/A	N/A	N/A
18.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry Date (if any)</i>
Market Options	28,080,332	28,080,332	<b>20.0</b>	<b>31/05/04</b>
18.8 Issued during current period	2,500,000	2,500,000	20.0	31/05/04
18.9 Exercised during current period	140,591	140,591	20.0	31/05/04
18.10 Expired during current period				
18.11 <b>Debentures</b> <i>(totals only)</i>				
18.12 <b>Unsecured notes</b> <i>(totals only)</i>				

\* 40,000,000 shares were allotted in August 1999 to Doravale Enterprises Pty Ltd (for no consideration) as trustee of the Scheme of Arrangement as disclosed in the year ended 30 June 1999 Annual Report. These shares forms part of our issued share capital, but are not included in the number quoted as they are not listed on the ASX.

+ See chapter 19 for defined terms.

## **Appendix 4B (not equity accounted) Half yearly/preliminary final report**

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### **Comments by directors**

*Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.*

### **Basis of accounts preparation**

*If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. [Delete if preliminary final statement.]*

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

No revenue has been received in this period due to the nature of the company being engaged in the investments of start up entities with long lead times to revenue generation. Refer Directors Report.
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A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

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+ See chapter 19 for defined terms.

**EVENTS OCCURRING AFTER BALANCE DATE:**

Since 31 December 1999, the company has successfully completed the agreement to acquire 51% of Aurion Corporation Pty Ltd. Cash of \$1,000,000 was paid as part of the purchase during February 2000. An issue of 3,333,300 Senetas Corporation Limited (Senetas) shares at 42 cents each and 400,000 options at 20 cents, expiry date 31/05/04 will also be issued as part of the agreement. This company specialises in developing and supporting human resource software designed for use on the Internet Application Server model in private and public network environments.

Since 31 December 1999, the company has acquired 1,000,000 shares in YellowOnline.Com.Inc (a company incorporated in the United States of America (USA)) for US\$2,500,000 (AUS\$3,956,948) in February 2000. The company specialises in publishing nationwide Internet Yellow Pages in the USA.

Since 31 December 1999 the company has made 3 share placements as follows:

9,830,998 new shares at a price of 85 cents to raise \$8,356,350 in February 2000.

1,200,000 new shares at a price of 85 cents to raise \$1,020,000 in February 2000.

6,147,059 new shares at a price of \$1.70 to raise \$10,450,000 in February 2000.

The purpose of the share placements was for working capital, strategic Internet business based investments and further investments.

Since 31 December 1999, a proposed merger has been announced by Grange Resources Limited with Surfboard Securities Ltd (a company which Senetas has a 5% interest in the share capital) which will use an exchange of securities to secure the acquisition.

Since 31 December 1999 the company has agreed to acquire a 51% interest in CTAM Pty Ltd who is a global leader, developer and supplier of very high speed hardware security products for Internet based Virtual Private Networks (VPN) and very high speed Asynchronous Transfer Mode (ATM) networks. The acquisition is subject to due diligence and shareholder approval and will involve a \$1,500,000 payment together with the issue of 3,416,667 shares at \$1.20 each in Senetas plus a subscription of \$1,000,000 for shares in CTAM Pty Ltd by Senetas.

Since 31 December 1999 the company has made a further investment payment of \$2,000,000 increasing its interest in the share capital from 25% to 45% during February 2000 for Alta Internet Business Centres Pty Ltd.

Since 31 December 1999 the company has advanced funds of \$100,000 in January 2000 to dataEase Pty Ltd which is currently undergoing an independent valuation. There is a signed heads of agreement to acquire a 30% interest in dataEase Pty Ltd.

Since 31 December 1999 the company has acquired 180,000 shares of RealityBuy.Com.Inc (RealityBuy) (a company incorporated in the USA) for US\$370,000 (AUS\$600,357). Together with Senetas' fully owned subsidiary Kusp Limited, Senetas has also entered into a licensing agreement with RealityBuy. Payment for the licensing rights is US\$609,000 (AUS\$988,155) of which US\$230,000 (AUS\$373,195) (to be satisfied by an allotment of Senetas shares) is to be paid on signing the agreement. A portion of the license fee will be waived if Kusp Limited meets certain agreed performance targets in relation to RealityBuy's products.

Since 31 December 1999 the company has held an extraordinary general meeting on 28 January 2000 where 6 resolutions were passed. Of the resolutions passed, 4 of those have not been disclosed elsewhere in this report and are listed below:

**Resolution 1**

**Issue of Options/Shares to Directors**

Barry Lewin "sign on" options of 1,000,000 the exercise price is 37 cents and will lapse 1/12/09.

Alan Munday "sign on" options of 500,000 the exercise price is 37 cents and will lapse 29/6/09.

Barry Lewin performance options 1,000,000 the exercise price is 50 cents and 1,000,000 the exercise price is 70 cents. One third of both options can be exercised at the following dates of 1/2/2000, 30/6/2000 and 1/1/2001. Mr Lewin must be a director of the company following vesting dates to exercise the performance options. The expiry date is 10 years after the date the options are granted.

**Resolution 2**

The employee share plan will now be known as the "Senetas Employee Share/Option Plan". In addition amendments were made which have the effect of changing the upper limit of securities which can be issued under the Plan from 15% to 20% of the company's diluted capital base.

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† See chapter 19 for defined terms.

Resolution 3

This resolution was varying 2 aspects of the options previously granted to each of Francis Galbally, Don Hagans, Peter Cook and Peter Streader, the current directors of Senetas, and Alan Munday, being an Alternate Director to Francis Galbally and Peter Cook. The first aspect was to limit the life of the options to 10 years instead of 5 years to ensure all Directors have common terms. The second aspect was to vary the terms of valuation of the options or converted shares when dismissal without notice with due legal cause was involved. The participant's forfeited shares would be valued at the lower of their prevailing market value and the amount paid for the share – ie their exercise price.

Resolution 6

The approval to allot 2 tranches of shares in consideration for the acquisition of the rights to the "Touch and Feel on the Internet" technology which is contingent on certain factors.

- First tranche of 407,000 new shares at an agreed aggregate issue price of US\$100.00 (AUS\$152).
- Second tranche of 705,000 new shares at an agreed aggregate issue price of US\$100.00 (AUS\$152)

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

N/A

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly report in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)*

N/A

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+ See chapter 19 for defined terms.

## Additional disclosure for trusts

19.1	Number of units held by the management company or responsible entity or their related parties	N/A
19.2	<p>A statement of the fees and commissions payable to the management company or responsible entity.</p> <p>Identify:</p> <ul style="list-style-type: none"> <li>• initial service charges</li> <li>• management fees</li> <li>• other fees</li> </ul>	N/A

## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

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

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A

- 2 This report, and the financial statements prepared under the Corporations Law (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on financial statements to which one of the following applies.

(Tick one)

The financial statements have been audited.

The financial statements have been subject to review.

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Law.*)

- 6 The entity has a formally constituted audit committee.

Sign here: ..... Date: 10 March 2000  
(Director/Company secretary)

Print name: Alan R Munday

## Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must

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+ See chapter 19 for defined terms.

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

**3. Consolidated profit and loss account**

Item 1.1 The definition of “operating revenue” and an explanation of “sales revenue” (or its equivalent) and “other revenue” are set out in *AASB 1004: Disclosure of Operating Revenue*.

Item 1.4 “+operating profit (loss) before abnormal items and tax” is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg, fringe benefits tax).

**4. Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

**5. Consolidated balance sheet**

**Format** The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029 and AASB 1034*. Banking institutions, trusts and financial institutions identified in an ASIC Class Order dated 2 September 1997 may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 9.1-9.4 of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030*.

**6. Statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

**7. Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (ie, all liabilities, preference shares, outside +equity interests etc). +Mining entities are *not* required to state a net tangible asset backing per +ordinary security.

**8. Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated

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+ See chapter 19 for defined terms.

+operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. However, an entity may report exact figures, if the \$A'000 headings are amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +ASIC under the Corporations Law must also be given to ASX. For example, a directors' report and statement, if lodged with the +ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
13. **Corporations Law accounts** As at 1/7/96, this report may be able to be used by an entity required to comply with the Corporations Law as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.

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+ See chapter 19 for defined terms.