



EASYCALL INTERNATIONAL LIMITED

ARBN 070 569 023

Australian Stock Exchange : EZY

Singapore Exchange: Easycall

To: Company Announcements

Company: Australian Stock Exchange (via ASX Online)

From: Elaine Ho,
Assistant Company Secretary

Date: 30 May 2006

Pages including this cover page: 26

To: Singapore Exchange (via SGXNET)

From: Elaine Ho,
Assistant Company Secretary

Date: 30 May 2006

Pages including this cover page: 26

Please see attached announcement.

About EasyCall International Limited

Headquartered in Singapore, EasyCall International Limited is a Higher-Learning Education Group that is listed on the Australian Stock Exchange and Singapore Exchange. EasyCall is dedicated to the advancement, establishment and provision of internationally-recognised higher-level education services and skills training programs. EasyCall owns and operates the Tianjin University of Commerce Boustead College, which occupies 151,000 square metres of land in the XiQing District of Tianjin, China.

For further information on EasyCall, please visit www.easycall.com.sg. Alternatively, should you have any enquiries, please contact Elaine Ho at 0500 555 706 (dialling from Australia only) or at (65) 6742 7789, or via email at elaine.ho@easycall.com.sg.

For Immediate Release

EASYCALL ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2006

Melbourne and Singapore, Tuesday 30 May 2006: EasyCall International Limited, a company listed on the Australian and Singapore stock exchanges, announced today that for the year ended 31 March 2006, the Group recorded a net profit after tax of A\$0.2 million (S\$0.2 million) against a restated net loss of A\$7.1 million (S\$8.5 million) in the last financial year.

<i>A\$ million</i>	<i>Year Ended 31 Mar 2006</i>	<i>Year Ended 31 Mar 2005 (Restated)</i>
Revenues	19.4	19.1
Costs and Expenses	(18.9)	(20.6)
Profit/(Loss) from Operating Activities	0.5	(1.5)
Borrowing Costs	(0.5)	(0.4)
Profit/(Loss) Before Abnormal Items and Tax	-	(1.9)
Gain on Deconsolidation of Computer Power Group	11.0	-
Provisions in respect of Computer Power Group	(8.0)	-
Deferred Asset Written Off	(2.7)	-
Goodwill Written Off	-	(5.4)
Gain on Disposal of Investments	-	0.3
Profit/(Loss) Before Tax	0.3	(7.0)
Income Tax	(0.1)	(0.1)
Net Profit/(Loss) After Tax	0.2	(7.1)
Earnings/(Loss) Per Share (Australian cents)	0.07	(2.85)
Net Tangible Assets Per Share (Australian cents)	5.76	3.99
Cash Backing Per Share (Australian cents)	4.64	6.16

The results of the last financial year had to be re-stated, in accordance with the provisions of International Accounting Standard 27, *Consolidated and Separate Financial Statements* ("IAS 27") and International Financial Reporting Standard 5, *Non-Current Assets Held for Sale and Discontinued Operations* ("IFRS 5"), in respect of the Group's accounting treatment of its investment in Computer Power Group Pty Ltd ("CPG").

The Group took the view last year that CPG should not be consolidated in the Group's financial statements, given that active steps were being taken to dispose of CPG. However, arising from more rule-based amendments in IFRS 5 and the consequential amendments to IAS 27, which took effect from 1 January 2005, the time period allowable for the disposal of

CPG was restricted to only 12 months from the date of acquisition. Upon the expiry of this 12-month period on 30 May 2005, as the Group had not been successful in disposing of CPG, it had no alternative but to consolidate CPG with effect from the acquisition date.

As a consequence of consolidating CPG, the Group's results last year had to be restated to include net losses attributable to CPG of A\$3.8 million (S\$4.5 million) and a goodwill write off relating to CPG of A\$5.4 million (S\$6.5 million). This had the effect of adjusting last year's reported net profit of A\$2.1 million (S\$2.5 million) to a net loss of A\$7.1 million (S\$8.5 million).

Following the administration and subsequent liquidation of CPG in January 2006, CPG was deconsolidated, giving rise to a gain of A\$11.0 million (S\$13.2 million) during the year ended 31 March 2006. This gain was partially offset by provisions amounting to A\$8.0 million (S\$9.6 million) in respect of loans advanced to CPG, bank guarantees provided for CPG, legal and professional fees incurred in connection with the legal claim against the vendors of CPG and the net cost of investment in CPG.

A further A\$2.7 million (S\$3.2 million) in deferred asset was written off during the year ended 31 March 2006. This was in respect of the unamortised portion of the fee paid to Boustead Singapore Limited ("Boustead") in January 2003 for the establishment and continued support of the Group's China education business. The Group is of the view that following the distribution in specie of a substantial portion of Boustead's shares in the Company in March 2006, any future benefits attributable to this deferred asset would no longer be justified.

The impact of CPG and other one-off items aside, the Group's core education business in China continued to strengthen. The number of full time students grew from 5,300 to 5,900 in the new academic year beginning September 2005, lifting total course fee revenues to A\$10.2 million (S\$12.2 million) from A\$6.9 million (S\$8.3 million) last year and further improving operating margins.

Consolidated net tangible assets as at 31 March 2006 stood at A\$14.4 million (S\$17.2 million) or equivalent to 5.8 Australian cents (6.9 Singapore cents) per share.

Outlook

Education operations in Tianjin, China

Response has been encouraging for the 4-year degree courses conducted by Tianjin University of Commerce Boustead College, the Group's undergraduate college established in 2004. Demand for the college's degree courses, which are recognised by the Ministry of Education in China, is expected to remain strong.

The Group is targeting a fresh intake of around 1,500 undergraduate students for the new academic year beginning September 2006, which should maintain its total student enrolment at around 5,800. More significantly, the discontinuation of diploma courses and the shift in emphasis to degree courses will tilt the student mix in favour of the higher value added degree courses.

Having established a sustainable business model with a critical mass in student enrolment,

the Group is confident that its education business in Tianjin will continue its trend of strong earnings and cash flows in the coming year.

Management is now looking actively to add new education and training activities to broaden the Group's offerings and sustain the Group's long term growth.

Computer Power Group Pty Ltd ("CPG")

The Company, since its announcement in May 2004 of its acquisition of CPG, had made several subsequent announcements relating to CPG such as having instituted legal proceedings against the vendors of CPG for misrepresentation; the decision on 1 January 2006 to cease financial support to CPG; the decision of the directors of CPG on 1 January 2006 to place the company under administration; the decision of CPG's creditors on 30 January 2006 to liquidate the company; and most recently, the sale by the liquidators to The Didasko Group Pty Ltd of the assets of CPG including the shares held in Computer Power NZ Limited.

The Company's legal proceedings in the Federal Court of Australia against Spherion Group Limited and that entity's former American parent to recover the loss that it has suffered are still ongoing.

Further announcements on the progress of the legal claim will be released as and when appropriate.

About EasyCall International Limited

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Appendix 4E

Preliminary final report

Introduced 30/6/2002.

Name of entity

EasyCall International Limited

ABN or equivalent company reference

Half yearly
(tick)

Preliminary
final (*tick*)

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

070 569 023

☒

31 March 2006

Results for announcement to the market

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

A\$'000

Revenues from ordinary activities (<i>item 1.1</i>)	up 1.75%	to	19,394
Profit from ordinary activities after tax attributable to members (<i>item 1.22</i>)	up 102.61%	to	186
Net profit for the period attributable to members (<i>item 1.11</i>)	up 102.61%	to	186
nm : not meaningful			

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend (<i>Preliminary final report only - item 15.4</i>)	NIL	NIL
Interim dividend		
Previous corresponding period (<i>Preliminary final report - item 15.5</i>)	NIL	NIL

Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)	N/A
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Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

N/A

Condensed consolidated income statement

	Current period – 12 months ended March 31, 2006 A\$'000	Previous corresponding period – 12 months ended March 31, 2005 A\$'000 (Restated*)
1.1 Revenues from ordinary activities (<i>see items 1.23 –1.25</i>)	19,394	19,060
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(18,606)	(25,669)
1.3 Borrowing costs	(492)	(409)
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	0	0
1.5 Profit (loss) from ordinary activities before tax	296	(7,018)
1.6 Income tax on ordinary activities (<i>see note 4</i>) - Current year	(110)	(102)
1.7 Profit (loss) from ordinary activities after tax	186	(7,120)
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	0	0
1.9 Net profit (loss)	186	(7,120)
1.10 Net profit (loss) attributable to outside equity interests	0	0
1.11 Net profit (loss) for the period attributable to members	186	(7,120)
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	0	0
1.13 Net exchange differences recognised in equity	0	0
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	0	0
1.15 Initial adjustments from UIG transitional provisions	0	0
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	0	0
1.17 Total changes in equity not resulting from transactions with owners as owners	186	(7,120)

Earnings per security (EPS)

1.18 Basic EPS (Australian cents/share)	0.07	(2.85)
1.19 Diluted EPS (Australian cents/share)	0.07	(2.85)

*: See item 19.5

Condensed consolidated income statement

Profit (loss) from ordinary activities attributable to members

	Current period – 12 months ended March 31, 2006 A\$'000	Previous corresponding period – 12 months ended March 31, 2005 A\$'000 (Restated*)
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	186	(7,120)
1.21 Less (plus) outside equity interests	0	0
1.22 Profit (loss) from ordinary activities after tax, attributable to members	186	(7,120)

Revenue and expenses from ordinary activities

	Current period – 12 months ended March 31, 2006 A\$'000	Previous corresponding period – 12 months ended March 31, 2005 A\$'000 (Restated*)
1.23 Revenue from sales or services	18,718	17,265
1.24 Interest revenue	325	327
1.25 Other relevant revenue	351	1,468
1.26 Details of relevant expenses		
- cost of services sold	4,686	5,431
- amortisation of deferred assets	405	405
- staff costs	5,486	5,008
- net premises	1,674	2,540
- marketing expenses	1,496	2,557
- foreign currency loss	(140)	122
- indirect operating expenses	4,532	3,241
- provision for disposal of subsidiaries	7,438	0
- reversal of legal expenses	0	(76)
- loss (gain) on deferred asset written off	2,733	0
- loss (gain) on goodwill written off	0	5,407
- loss (gain) on disposal of property, plant and equipment	31	7
- gain on disposal of subsidiaries and associates	(10,981)	(311)
	17,360	24,331
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	1,246	1,338

Capitalised outlays		
1.28 Interest costs capitalised in asset values	0	0
1.29 Outlays capitalised in intangibles (unless arising from an acquisition of a business)	0	0

*: See item 19.5

Consolidated retained profits

	Current period – 12 months ended March 31, 2006 A\$'000	Previous corresponding period – 12 months ended March 31, 2005 A\$'000 (Restated*)
1.30 Accumulated losses at the beginning of the financial period	(187,104)	(179,050)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	186	(7,120)
1.32 Net transfers from (to) reserves	(1,222)	(934)
1.33 Net effect of changes in accounting policies	0	0
1.34 Dividends and other equity distributions paid or payable	0	0
1.35 Accumulated losses at end of financial period	(188,140)	(187,104)

*: See item 19.5

Intangible and extraordinary items

<i>Consolidated - current period (12 months ended March 31, 2006)</i>				
	Before tax A\$'000	Related tax A\$'000	Related outside equity interests A\$'000	Amount (after tax) attributable to members A\$'000
	(a)	(b)	(c)	(d)
2.1 Amortisation of goodwill	0	0	0	0
2.2 Amortisation of other intangibles (Agreed to item 1.26)	405	0	0	405
2.3 Total amortisation of intangibles	405	0	0	405
2.4 Extraordinary items (details)	0	0	0	0
2.5 Total extraordinary items	0	0	0	0

Comparison of half year profits

(Preliminary final report only)

	Current period – 12 months ended March 31, 2006 A\$'000	Previous corresponding period – 12 months ended March 31, 2005 A\$'000 (Restated*)
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	(104)	(511)
3.2 Consolidated profit from ordinary activities after tax attributable to members for the <i>2nd</i> half year	290	(6,609)

*: See item 19.5

Condensed consolidated balance sheet		March 31, 2006 A\$'000	September 30, 2005 A\$'000 (Restated*)	March 31, 2005 A\$'000 (Restated*)
Current assets				
4.1	Cash	11,586	18,881	15,382
4.2	Receivables	1,004	2,174	1,629
4.3	Investments	0	0	0
4.4	Inventories	27	434	192
4.5	Tax assets	0	0	0
4.6	Other (provide details if material)	0	0	0
4.7	Total current assets	12,617	21,489	17,203
Non-current assets				
4.8	Receivables	0	187	187
4.9	Investments (equity accounted)	0	0	0
4.10	Other investments	0	0	0
4.11	Inventories	0	0	0
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	0	0	0
4.13	Development properties	0	0	0
4.14	Other property, plant and equipment (net)	19,011	18,187	17,473
4.15	Intangibles (net)	0	0	0
4.16	Tax assets	0	0	0
4.17	Other (provide details if material) - Deferred Assets	0	2,934	3,137
4.18	Total non-current assets	19,011	21,308	20,797
4.19	Total assets	31,628	42,797	38,000
Current liabilities				
4.20	Payables	10,234	19,677	14,823
4.21	Interest bearing liabilities	1,739	1,630	1,561
4.22	Tax liabilities	46	46	38
4.23	Provisions exc. tax liabilities	0	610	489
4.24	Other (provide details if material)	0	0	0
4.25	Total current liabilities	12,019	21,963	16,911
Non-current liabilities				
4.26	Payables	0	0	0
4.27	Interest bearing liabilities	5,216	7,331	7,811
4.28	Tax liabilities	0	0	0
4.29	Provisions exc. tax liabilities	0	121	133
4.30	Other (provide details if material)	0	42	49
4.31	Total non-current liabilities	5,216	7,494	7,993
4.32	Total liabilities	17,235	29,457	24,904
4.33	Net assets	14,393	13,340	13,096

*: See item 19.5

Appendix 4E
EasyCall International Limited

Condensed consolidated balance sheet		March 31, 2006 A\$'000	September 30, 2005 A\$'000 (Restated*)	March 31, 2005 A\$'000 (Restated*)
	Equity			
4.34	Capital/contributed equity	2,499	2,499	2,499
4.35	Reserves	200,034	198,049	197,701
4.36	Accumulated losses	(188,140)	(187,208)	(187,104)
4.37	Equity attributable to members of the parent entity	14,393	13,340	13,096
4.38	Outside equity interests in controlled entities	0	0	0
4.39	Total equity	14,393	13,340	13,096
4.40	Preference capital included as part of 4.37	0	0	0

*: See item 19.5

Condensed consolidated cash flow statement

		Current period - 12 months ended March 31, 2006 A\$'000	Previous corresponding period – 12 months ended March 31, 2005 A\$'000 (Restated*)
	Cash flows related to operating activities		
7.1	Receipts from customers	19,618	21,123
7.2	Payments to suppliers and employees	(18,428)	(17,480)
7.3	Dividends received from associates	0	0
7.4	Other dividends received	0	0
7.5	Interest and other items of similar nature received	325	327
7.6	Interest and other costs of finance paid	(492)	(409)
7.7	Income taxes paid	(102)	(113)
7.8	Other (provide details if material)	0	0
7.9	Net operating cash flows	921	3,448
	Cash flows related to investing activities		
7.10	Payment for purchases of property, plant and equipment	(1,313)	(5,142)
7.11	Proceeds from sale of property, plant and equipment	0	164
7.12	Payment for purchases of equity investments	0	0
7.13	Proceeds from sale of equity investments	0	0
7.14	Loans from/(to) other entities	0	0
7.15	Loans repaid by other entities	0	241
7.16	Other (provide details if material)		
	- Cash from deconsolidation of subsidiary	(805)	0
	- Foreign exchange (loss) gain realised	(55)	(437)
	- Receipt for purchase of investment	0	277
7.17	Net investing cash flows	(2,173)	(4,897)
	Cash flows related to financing activities		
7.18	Proceeds from issues of securities (shares, options, etc.)	0	0
7.19	Proceeds from borrowings	(3,270)	3,266
7.20	Repayment of borrowings	0	0
7.21	Dividends paid	0	0
7.22	Other (provide details if material)	0	0
	- Proceeds from sale of shares	0	0
7.23	Net financing cash flows	(3,270)	3,266
7.24	Net increase (decrease) in cash held	(4,522)	1,817
7.25	Cash at beginning of period (see Reconciliation of cash)	15,382	13,939
7.26	Exchange rate adjustments to item 7.25.	726	(374)
7.27	Cash at end of period (see Reconciliation of cash)	11,586	15,382

*: See item 19.5

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.*)

NIL

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows.	Current period - March 31, 2006 A\$'000	Previous corresponding period - March 31, 2005 A\$'000 (Restated*)
8.1 Cash on hand and at bank	9,936	7,579
8.2 Deposits at call	1,650	7,803
8.3 Bank overdraft	0	0
8.4 Other (provide details)	0	0
8.5 Total cash at end of period (item 7.27)	11,586	15,382

Other notes to the condensed financial statements

Ratios	Current period - 12 months ended March 31, 2006	Previous corresponding period - 12 months ended March 31, 2005 (Restated*)
Profit before tax / revenue		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	1.53%	(36.82%)
Profit after tax / equity interests		
9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	1.29%	(54.37%)

*: See item 19.5

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with IAS 33: *Earnings Per Share* are as follows.

<p>Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit for the year attributable to ordinary shareholders by the weighted number of ordinary shares outstanding during the year.</p> <p>Diluted (loss)/earnings per share is calculated by dividing the net (loss)/profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year after incorporating the effect of dilutive options.</p>		
	Current period - 12 months ended March 31, 2006	Previous corresponding period - 12 months ended March 31, 2005 (Restated*)
Basic EPS (Australian cents/share)	0.07	(2.85)
Diluted EPS (Australian cents/share)	0.07	(2.85)
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	249,895,227	249,895,227
Effect of dilutive options	0	265,906
Adjusted weighted average number of ordinary shares used in the calculation of the diluted earnings per share	249,895,227	250,161,133

NTA backing	Current period - March 31, 2006	Previous corresponding period - March 31, 2005 (Restated*)
11.1 Net tangible asset backing per ordinary security (Australian cents/share)	5.76	3.99

*: See item 19.5

12 Segment reporting

-See Appendix 1a & 1b.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	N/A
	A\$'000
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
13.3 Date from which such profit has been calculated	N/A
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	Computer Power Group Pty Ltd
	A\$'000
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	(1,770)
14.3 Date to which the profit (loss) in item 14.2 has been calculated	30 January 2006
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	(3,804)
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	10,981

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 proper instruments of transfer 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? (Preliminary final report only)	N/A

Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	NIL	NIL	NIL
15.5	Previous year	NIL	NIL	NIL
15.6	<i>(Preliminary final reports)</i> Interim dividend: Current year	NIL	NIL	NIL
15.7	Previous year	NIL	NIL	NIL

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

(Preliminary final report only)

	Current year	Previous year
15.8 Ordinary securities	NIL	NIL
15.9 Preference securities	NIL	NIL

Preliminary final report - final dividend (distribution) on all securities

	Current period A\$'000	Previous corresponding period – A\$'000
15.10 Ordinary securities <i>(each class separately)</i>	NIL	NIL
15.11 Preference securities <i>(each class separately)</i>	NIL	NIL
15.12 Other equity instruments <i>(each class separately)</i>	NIL	NIL
15.13 Total	NIL	NIL

The dividend or distribution plans shown below are in operation.

NIL

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

N/A

Any other disclosures in relation to dividends (distributions).

N/A

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

Group's share of associates' and joint venture entities':	Current period - 12 months ended March 31, 2006 A\$'000	Previous corresponding period - 12 months ended March 31, 2005 A\$'000
16.1 Profit (loss) from ordinary activities before tax	0	0
16.2 Income tax on ordinary activities	0	0
16.3 Profit (loss) from ordinary activities after tax	0	0
16.4 Extraordinary items net of tax	0	0
16.5 Net profit (loss)	0	0
16.6 Adjustments	0	0
16.7 Share of net profit (loss) of associates and joint venture entities	0	0

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
17.1 Equity accounted associates and joint venture entities	Current period - March 31, 2006	Previous corresponding period - March 31, 2005	Current period - March 31, 2006 A\$'000	Previous corresponding period - March 31, 2005 A\$'000
17.2 Other material interests				
• Lenso Paging Co Ltd	49.00%	49.00%	0	0
• Lenso Kawasaki Energytec Co. Ltd	30.00%	30.00%	0	0
17.3 Total			0	0

Issued and quoted securities at end of current period

(Description must include 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 (cents)	Amount paid up per security (cents)
18.1	Preference securities (description)	NIL	NIL	N/A	N/A
18.2	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	NIL NIL	NIL NIL	N/A N/A	N/A N/A
18.3	Ordinary securities	249,895,227	249,895,227	N/A	N/A
18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	NIL NIL	NIL NIL	NIL NIL	NIL NIL
18.5	Convertible debt securities (description and conversion factor)	NIL	NIL	NIL	NIL
18.6	Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	NIL NIL	NIL NIL	NIL NIL	NIL NIL
18.7	Options (description and conversion factor)			Exercise Price (cents)	Expiry date (if any)
18.8	Issued during current period - Employee Share Option - Director Share Option	3,000,000 NIL	NIL NIL	0.07 NIL	November'10 NIL
18.9	Exercised during current period	NIL	NIL	NIL	NIL
18.10	Expired/ Lapsed during current period - Employee Share Option - Director Share Option	50,000 6,500,000	NIL NIL	0.12 0.084	November'05 July '07

18.11	Debentures <i>(description)</i>				
18.12	Changes during current period				
	(a) Increases through issues	NIL	NIL	NIL	NIL
	(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL
18.13	Unsecured notes <i>(description)</i>				
18.14	Changes during current period				
	(a) Increases through issues	NIL	NIL	NIL	NIL
	(b) Decreases through securities matured, converted	NIL	NIL	NIL	NIL

Basis of financial report preparation

19.1 It should be read in conjunction with the last annual report and any announcements to the market made by the Company during the period. The financial statements in this report are “condensed financial statements”. This report does not include all the notes of the type normally included in an annual financial report.

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Please see attached media release providing a review of operations and the key factors affecting revenues and expenses in the current period.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

NIL

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

NIL

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

Investment in Computer Power Group Pty Ltd

The Company had previously announced that following its acquisition of Computer Power Group (“CPG”) in June 2004, it found that the actual financial performance of CPG fell short of the sales and operating profit projections provided by the vendors.

The Company later commenced legal proceedings in the Federal Court of Australia against Spherion Group Limited and that entity's former American parent to recover the losses that it had suffered. For the financial year ended 31 March 2005, the Company felt it appropriate to treat CPG as a short-term investment with a view to disposal within the next 12 months, pending the outcome of the legal proceedings and in view of the uncertain commercial viability of CPG. As at 31 March 2005, the carrying amount of investment in CPG was classified as short-term investments in the balance sheet, based on IAS 27, *Consolidated and Separate Financial Statements*, which was applicable for the financial year ended 31 March 2005.

For the financial year ended 31 March 2006, the Company adopted IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations* and the consequential amendment to IAS 27, both of which are effective for financial periods beginning on or after January 1, 2005. IFRS 5 indicates that if an entity acquires a non-current asset exclusively with a view to its subsequent disposal, it shall classify the non-current assets as held for sale at the acquisition date only if the investment can be disposed within 12 months from the date of acquisition. Since the Company has not disposed of CPG within 12 months from the date of acquisition (i.e. by 30 May 2005), in accordance with the requirement of IFRS 5 and IAS 27 the comparative figures in the consolidated financial statements for year ended 31 March 2006 have been restated to include CPG in the consolidated financial statements for the year ended 31 March 2005.

The consolidated financial statements for the financial year ended 31 March 2005 were prepared based on the consolidated balance sheet of CPG as at 31 March 2005 and the related statements of income and reporting package for the 10 months from 1 June 2004 (date of acquisition) to 31 March 2005, audited by PKF, Chartered Accountants, in accordance with International Standards on Auditing.

The following matters that had an impact on the consolidated financial statements were highlighted in the qualified auditors’ report on the reporting package of CPG:

- (a) CPG has written off goodwill, tax assets and restructuring costs amounting to approximately A\$3.5 million against opening retained earnings on the basis that these were pre-purchase adjustments. Accordingly, they are unable to confirm that the write-offs should be completed in the pre-acquisition balance sheet of CPG or be treated as current period transactions as they have not been provided with any purchase agreements and/or amendments to purchase agreements.
- (b) They have been unable to properly assess the opening balances. This has impacted upon their ability to assess the retained earning balances, the foreign currency exchange reserve and the movements for the year. In addition, CPG does not have access to financial records for a full financial year. The record subject to audit relate only to a 10 month reporting period (i.e. from June 1, 2004 to March 31, 2005).
- (c) The balances due to and from certain third parties pertaining to recharges of premises and related expenses could not be confirmed directly by third parties or by reference to clear documentation such as invoices, contracts etc. The net balance of these accounts amounted to a liability of approximately A\$55,000.

- (d) CPG maintains one ledger for the company and its subsidiary with the default currency being Australian dollars. The opening balances posted reflect the consolidated balances as at 31 May 2004 in Australian dollars and therefore do not provide an accurate reflection of the New Zealand company balances, omitting share capital and including foreign currency translation reserves. Transactions between CPG and its subsidiary were often incorrectly processed in Australian dollars leaving the New Zealand ledger not fully reflective of all transactions in New Zealand base currency.

	Group	
	31 March 2005 A\$'000 (Restated)	31 March 2005 A\$'000 (Previously stated)
<u>Consolidated balance sheet</u>		
Current assets	17,203	18,270
Non-current assets	20,797	20,165
Current liabilities	(16,911)	(8,245)
Non-current liabilities	(7,993)	(7,861)
Net assets	<u>13,096</u>	<u>22,329</u>
<u>Consolidated income statement</u>		
Revenue	19,060	7,833
Cost of services sold	(5,431)	(1,427)
Expenses	(20,647)	(4,213)
Loss before income tax	(7,018)	2,193
Income tax	(102)	(102)
Loss after income tax	<u>(7,120)</u>	<u>2,091</u>

In January 2006, CPG was placed under voluntary liquidation and hence it has been excluded from the consolidated financial statements for the financial year ended 31 March 2006. Management accounts of CPG have not been available since 1 December 2005. The gain on deconsolidation of CPG amounted to A\$11 million and the loss after income tax of CPG included in the consolidated profit and loss statement for the financial year ended 31 March 2006 amounted to A\$1.8 million. Had the management accounts and or audited financial statements of CPG for the current financial year been available, and included in the consolidated financial statements, further adjustments, if any, to the consolidated profit and loss statement for the current financial year ended 31 March 2006 might have been necessary.

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

N/A

- 19.7 Changes in contingent liabilities or assets. For the reports, changes in contingent liabilities and contingent assets since the last annual report.

N/A

Additional disclosure for trusts

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

N/A

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

Identify:

- initial service charges
- management fees
- other fees

N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

To be advised

Date

To be advised

Time

To be advised

Approximate date the annual report will be available

30 July 2006

Compliance statement

1 This report has been prepared in accordance with requirements in relation to a foreign entity listed on ASX.

Identify other standards used

International Financial Reporting Standards

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3 This report is in the process of being audited and the audit report by the auditor is not attached, details of any quantifications will follow immediately when they are available. Please also refer to item 19.5.

4 The entity has a formally constituted audit committee.

Sign here:
Assistant Company Secretary

Date: 30 May 2006

Print name: Elaine Ho

SEGMENTED RESULTS

(a) Industry Segments	Education Operations (i)	Other Investments (ii)	Eliminations	Consolidated
Operating Revenue	\$'000	\$'000	\$'000	\$'000
Sales to Customers	19,040	-	-	19,040
Investment Income	-	29	-	29
Inter-segment Income	-	952	(952)	-
Unallocated Revenue				325
Total Revenue	19,040	981	(952)	19,394
Segment Results	3,766	(3,303)		463
Unallocated Revenue				325
Unallocated Expenses				(492)
Profit before tax				296
Tax expense				(110)
Profit after taxation				186
Less : outside equity interest				-
Net profit				186
Segment Assets	19,633	411	-	20,044
Unallocated Assets				11,584
Total Assets	19,633	411	-	31,628
Segment Liabilities	8,761	1,473	-	10,234
Unallocated Liabilities				7,001
Total Liabilities	8,761	1,473	-	17,235
Other segment information :				
Capital expenditure	1,327	4		1,331
Depreciation & Amortisation	1,207	444		1,651
(b) Geographical Segments	Asia	Australia	Eliminations	Consolidated
Operating Revenue	\$'000	\$'000	\$'000	\$'000
Sales to Customers	10,477	8,563	-	19,040
Investment Income	21	8	-	29
Unallocated Revenue				325
Total Revenue	10,824	8,570	-	19,394
Other Geographical information :				
Segment Assets	20,020	24	-	20,044
Capital Expenditure	1,331	-	-	1,331

(i) Education operations relate to operating controlled entities providing education operations and education-related activities.

(ii) Other investments relate to interest earnings deposits and other non-telecommunications and educational investments.

SEGMENTED RESULTS				
(a) Industry Segments	Education Operations (i)	Other Investments (ii)	Eliminations	Consolidated
Operating Revenue	\$'000	\$'000	\$'000	\$'000
Sales to Customers	18,657	-	-	18,657
Investment Income	-	76	-	76
Inter-segment Income	-	697	(697)	-
Unallocated Revenue				327
Total Revenue	18,657	773	(697)	19,060
Segment Results	(67)	(6,869)		(6,936)
Unallocated Revenue				327
Unallocated Expenses				(409)
Profit before tax				(7,018)
Tax expense				(102)
Profit after taxation				(7,120)
Less : outside equity interest				-
Net profit				(7,120)
Segment Assets	18,590	4,054	-	22,644
Unallocated Assets			-	15,356
Total Assets	18,590	4,054	-	38,000
Segment Liabilities	14,754	740	-	15,494
Unallocated Liabilities				9,410
Total Liabilities	14,754	740	-	24,904
Other segment information :				
Capital expenditure	1,099	11		1,110
Depreciation & Amortisation	1,301	442		1,743
(b) Geographical Segments	Asia	Australia	Eliminations	Consolidated
Operating Revenue	\$'000	\$'000	\$'000	\$'000
Sales to Customers	7,475	11,182	-	18,657
Investment Income	52	24	-	76
Unallocated Revenue				327
Total Revenue	7,527	11,206	-	19,060
Other Geographical information :				
Segment Assets	21,278	1,366	-	22,644
Capital Expenditure	575	536	-	1,110

(i) Education operations relate to operating controlled entities providing education operations and education-related activities.

(ii) Other investments relate to interest earnings deposits and other non-educational investments.