

**GLOBE SECURITIES LIMITED
AND CONTROLLED ENTITY
ACN 009 218 955**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

**GLOBE SECURITIES LIMITED
AND CONTROLLED ENTITY
ACN 009 218 955**

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CORPORATE DIRECTORY

Directors

YUAN Yongkang	Chairman
RYDER Wayne	Non-executive Director
LIANG Yunyi Ms	Non-executive Director
WEI Genghuan	Non-executive Director
ZHENG Jianwei	Non-executive Director
WU Gang	Non-executive Director
DILLON Nicholas	Non-executive Director

Company Secretary

Jay Stephenson

Principal Registered Office

Wolfstar Group
Unit 6, 34 York Street
NORTH PERTH WA 6006
Telephone (08) 9228 0703
Fax (08) 9228 0704

Auditor

Bentleys MRI Perth Partnership
Level 1
10 Kings Park Road
WEST PERTH WA 6005

Share Registry

Securities Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6953

Australian Securities Stock Exchange

ASX Code - GTI

CORPORATE GOVERNANCE STATEMENT

The Directors are responsible for the corporate governance practices of the Company.

Corporate governance practices are not yet fully developed, their further development is being progressively considered and implemented, having regard to suitable procedures applicable to the company, which is Australian based but Chinese controlled, and its China based operating system.

The essential corporate governance principles are:

- 1 Lay solid foundations for management and oversight;
- 2 Structure the Board to add value;
- 3 Promote ethical and responsible decision-making;
- 4 Safeguard integrity in financial reporting;
- 5 Make timely and balanced disclosure;
- 6 Respect the rights of shareholders;
- 7 Recognise and manage risk;
- 8 Encourage enhanced performance;
- 9 Remunerate fairly and responsibly;
- 10 Recognise the legitimate interests of stakeholders.

The main governance practices either in operation or targeted for implementation implantation are set out below.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: Formalise and disclose the functions reserved to the Board and those delegates to management.

Roles and Responsibilities:

The roles and responsibilities of the Board are to:

- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions, and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

2. Structure the Board to add value.

Recommendation 2.1: A majority of the Board should be independent Directors

Recommendation 2.2: The Chairperson should be an independent Director.

Recommendation 2.3: The roles of the Chairperson and Chief Executive should not be exercised by the same individual.

Membership

The Board's membership and structure is to be comprised of at least six directors and so as to reflect appropriate representation of Chinese based and Australian based personnel.

The Board is made up of a majority of non-executive directors.

Chairman and Managing Director

The roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, and facilitating effective discussions at Board level. The Managing Director is responsible for the efficient and effective operation of the Company.

The Chairman is an independent non-executive.

Nomination Committee

The Company is currently considering adopting a formal charter for the Nomination Committee, however, no Committee has been appointed to date. The Board as a whole deals with areas that would normally fall under the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance.

Skills

The Directors bring a range of skills and backgrounds to the Board appropriate to the group's operations;

Experience

The Directors have considerable experience in business at both operational and corporate levels.

Meetings

The Board endeavour to meet on a regular basis, but having regard to the international composition of the board.

The Board maintains constant on-going communication of activities between directors in Australia and China so that all directors are fully informed of the group's business and so as to be possessed of all the necessary information required to make decisions by resolutions of the board.

Independent professional advice

Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent) and any other key executives as to:

3.1.1 The practices necessary to maintain confidence in the Company's integrity;

3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: Disclose the policy concerning trading in Company securities by Directors, officers, and employees.

Standards

The Company is committed to its Directors and employees maintaining high standards of integrity and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. The board is looking to develop policy and procedure manuals to distribute to each staff at the beginning of their employment with the Company.

4. Safeguard integrity in financial reporting.

Recommendation 4.1: Require the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Recommendation 4.2: The Board should establish an audit committee. – Refer general comment below.

Recommendation 4.3: Structure the audit committee so that it consists of:

- *Only non-executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

Recommendation 4.4: The Audit Committee should have a formal charter.

Integrity of Company's Financial Condition

The Company's Financial Controller and Company Secretary report in writing to the Board that the consolidated financial statements of the Company and its controlled entities for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards.

Audit Committee

The Company is currently considering introducing a formal charter for an Audit committee, however no Committee has been appointed to date. All members of the Board currently provide an active role in the following activities:

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external audit;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

5. Make timely and balanced disclosure.

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing rules disclosure requirements and to ensure accountability at a senior management level for that compliance.

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules which the Board believes would have a material effect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All shareholders will receive a copy of the Company's annual report.

6. Respect the rights of shareholders.

Recommendation 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

Recommendation 6.2: Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company is now committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, Bentley's MRI Accountants, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: The board or appropriate board committee should establish policies on risk oversight and management.

Recommendation 7.2: The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that:

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board on a daily basis. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to.

8. Encourage enhanced performance

Recommendation 8.1: Disclose the process for performance evaluation of the Board, its committees and individual Directors, and key executives.

Given the specific nature of the Company's activities, performance evaluation is an on-going process. Achievement of goals and business development and compliance issues is evaluated regularly on an informal basis.

9. Remunerate fairly and responsibly

Recommendation 9.1: Provide disclosure in relation to the Company's remuneration policies to enable investors to understand:

- (i) the costs and benefits of the policies; and*
- (ii) the link between remuneration paid to Directors and key executives, and corporate performance.*

Recommendation 9.2: The Board should establish a Remuneration Committee.

Recommendation 9.3: Clearly distinguish the structure of non-executive Directors' remuneration from that of executives.

Recommendation 9.4: Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

Principles used to determine the nature and amount of remuneration

Currently the board set remuneration policies, however policies are proposed that will look at remuneration that adopts the following factors:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

Remuneration Committee

Currently the Board set remuneration policies, however the induction of a remuneration committee is being considered for establishment.

Directors' Remuneration

Further information on Directors' and executives' remuneration is set out in the Directors' Report.

10. Recognise the legitimate interests of stakeholders.

Recommendation 10.1: Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

Besides its accountability to its shareholders, the Company has expectations from a diverse group of stakeholders. The Company's proposed Policies and Procedures Manual will outline expectations of Directors and employees in dealing with the Company's obligations to these interested parties. It outlines responsibilities with regard to areas such as the law, the Company, the Market, Clients, ASX Listing Rules and ASX Market Rules.

Departure from Best Practice Recommendations

From 1 July 2005 to 30 June 2006, the Company did not comply with each of the Ten Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council. The Company is currently reviewing its Corporate Governance practices with a view to adopt a number of the ASX recommendations. Details of departures are outlined above.

General comment: The Company is not included in the ASX/S&P All Ordinaries Index and, as such, is excepted/accepted from certain of the recommendations regarding non-executive Directors being on the Board and Committees. Furthermore, given the small size of the Company, the criteria for inclusion of non-executive Directors makes it difficult to attract suitable candidates – criteria such as not being a Director on another company's board and low remuneration by way of Director fees. However, the Board of Directors continues to review these matters.

DIRECTORS' REPORT

Your Directors present their report on the Company and its controlled entity for the financial year ended 30 June 2006.

Directors

The names of Directors in office at any time during or since the end of the year are:

YUAN Yongkang	Chairman
LUO Dingqiang	Non-executive Director – resigned 15 July 2006
HUANG Jianju	Non-executive Director – resigned 15 July 2006
CHIU Stephen	Non-executive Director – resigned 15 July 2006
RYDER Wayne	Non-executive Director
LIANG Yunyi Ms	Non-executive Director
WEI Genghuan	Non-executive Director
ZHENG Jianwei	Non-executive Director
WU Gang	Non-executive Director – appointed 15 July 2006
DILLON Nicholas	Non-executive Director – appointed 25 January 2007

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Mr Wayne Ryder — Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors. Practicing Chartered Accountant since 1971 and management consultant to several corporations listed on the Australian Stock Exchange. Resigned 5 April 2007. Mr Jay Stephenson was appointed on 5 April 2007.

Principal Activities

During the half year – the Company's 90% controlled entity in Zhongshan China and Grand Engineering Glass continued operation as a manufacturer of insulated, coated and tempered glass.

Operating Results

The consolidated profit in 2006 of the economic entity after providing for income tax amounted to \$111,378 compared to a loss in 2005 of \$230,996.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year ended 30 June 2006.

Adoption of Australian Equivalents to IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the company's financial report has been prepared in accordance with those Standards. A reconciliation of adjustments arising on the transition to AIFRS is included in Note 2 to this report.

After Balance Date Events

There were no after balance date events.

DIRECTORS' REPORT

Information on Directors

- Mr YUAN Yongkang** — Chairman (Non-Executive).
— A representative of the controlling Shareholder of Globe, Galfield Enterprises Ltd
- Interest in Shares — Nil
- Special Responsibilities — None
- Directorships held in other listed entities — No other Directorships in the past three years.
- LUO Dingqiang** — Director (Non-Executive) – resigned 15 July 2006
— A qualified accountant who previously worked in the banking industry for over 30 years. He is Chairman and General Manager of Song Liun (the controller of Globe's controlling Shareholder, Galfield Enterprises Limited) and Chairman of Galfield
- Interest in Shares — Nil
- Special Responsibilities — None
- Directorships held in other listed entities — No other Directorships in the past three years.
- HUANG Jianju** — Director (Non-Executive) – resigned 15 July 2006
— A well qualified accountant, he is a Director of Globe's subsidiary Grand Engineering Glass, and is also the Deputy General Manager of Globe's controller, Galfield Enterprises Limited
- Interest in Shares — Nil
- Special Responsibilities — None
- Directorships held in other listed entities — No other Directorships in the past three years.
- Stephen CHUI** — Director (Non-Executive). – resigned 156 JulyMarch 2006
— A Solicitor practicing as Principal of Ratner Chiu and Co Solicitors. He has represented local and overseas clients over a wide range of areas, including commercial matters, finance, conveyancing, taxation and litigation. His clients include many Chinese corporations and Government agencies, and he has acted as a Director of a number of Chinese companies in Australia and participated in joint ventures in China
- Interest in Shares — Nil
- Special Responsibilities — None
- Directorships held in other listed entities — No other Directorships in the past three years.
- Wayne RYDER** — Director (Non-Executive).
— Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors. Practicing Chartered Accountant since 1971 and management consultant to several corporations listed on the Australian Stock Exchange.
- Interest in Shares — 2,220,000

Special Responsibilities — None

Directorships held in other listed entities — No other Directorships in the past three years.

LIANG Yuni — Director (Non-Executive).

— A representative of the controlling Shareholder of Globe, Galfield Enterprises Limited.

Interest in Shares — Nil

Special Responsibilities — None

Directorships held in other listed entities — No other Directorships in the past three years.

WEI Genchuan — Director (Non-Executive).

— An Engineer, he is the General Manager and Director of Globe's subsidiary, Grand Engineering Glass.

Interest in Shares — Nil

Special Responsibilities — None

Directorships held in other listed entities — No other Directorships in the past three years.

ZHENG Jianwei — Director (Non-Executive).

— With over 15 years experience working in Chinese local government, he is an executive of the controlling shareholder of Globe, Galfield Enterprises Limited.

Interest in Shares — Nil

Special Responsibilities — None

Directorships held in other listed entities — No other Directorships in the past three years.

DIRECTORS' REPORT

REMUNERATION REPORT (un - audited)

This report details the nature and amount of remuneration for each Director of Globe Securities Limited and for the executives receiving the highest remuneration.

A. Remuneration Policy

The Board determines the remuneration policies and practices generally, and makes specific decision on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. No director fees were paid for the financial year.

B. Details of Remuneration for Year Ended 30 June 2006

Details of the remuneration of the Directors and Key Management Personnel (as defined in AASB 124 Related Party Disclosures) of Globe Securities Limited are set out in the following tables:

The management personnel of Globe Securities Limited include the Directors as per page 9 & 10. There are no other key management personnel as at 30 June 2006.

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

Any directors that are not included in the following tables received no remuneration during the financial year.

Directors of the Parent

2006	Short-term benefits			Post-employment	Share-based	Total
	Cash salary and fees	Cash from other activities	Non-cash Benefits	Super-annuation	Options	
Name	\$	\$	\$	\$	\$	\$
<i>Directors</i>						
Wayne Ryder	50,400	-	-	-	-	50,400
YUANG Yongkang						
WEI Ganchuan						
	50,400	-	-	-	-	50,400

2005	Short-term benefits			Post-employment	Share-based	Total
	Cash salary and fees	Cash from other activities	Non-cash Benefits	Super-annuation	Options	
Name	\$	\$	\$	\$	\$	\$
<i>Directors</i>						
Wayne Ryder	48,000	-	-	-	-	48,000
YUANG Yongkang	46,143	-	-	-	-	46,143
WEI Ganchuan	40,000	-	-	-	-	40,000
	134,143	-	-	-	-	134,143

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

B. Details of Remuneration for Year Ended 30 June 2006 (audited) (continued)

Directors of the Group

The key management personnel of the Group are the same as the Parent.

C. Service Agreements (un-audited)

There are no service agreements for the consolidated entity.

D. Share-based compensation (un-audited)

There is no Share-based compensation for the consolidated entity.

E. Additional Information (un-audited)

There were no cash bonuses or options granted during the year.

There were no loans to directors during the year.

Meetings of Directors

During the financial year, 1 meeting of Directors (including committees of Directors) was held.

Attendances by each Director during the year were as follows:

Name	Number eligible to attend	Number Attended
YUAN Yongkang	1	1
LUO Dingqiang	1	0
HUANG Jianju	1	1
CHIU Stephen – resigned 15 July 2006	1	0
RYDER Wayne	1	1
LIANG Yunyi Ms	1	1
WEI Genghuan	1	1
ZHENG Jianwei	1	1
DILLON Nicholas – appointed 25 January 2007	0	0

DIRECTORS' REPORT

Non-audit Services

There were non-audit services provided by the auditors during the financial year. The board would normally satisfy themselves prior to any non-audit services being provided that:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2006 has been received and can be found on Page 15.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.



Nicholas Dillon

Dated at Perth this 9th day of May 2007

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1 The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes as found on pages 15 – 42 are in accordance with the *Corporations Act 2001* and:
 - (a) Comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) Give a true and fair view of the financial position as at 30 June 2006, and of the performance for the year ended on that date of the Company and consolidated entity.
- 2 In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3 The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Director

Dated this 7th day of May 2007

**AUDITOR'S INDEPENDENCE DECLARATION
GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- i no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii no contraventions of any applicable code of professional conduct in relation to the audit.

BENTLEYS MRI PERTH PARTNERSHIP



**MICHAEL J HILLGROVE
PARTNER**

Dated at Perth this 11th day of May 2007

Chartered Accountants

A member of Bentleys MRI, an association of independent accounting firms throughout Australia, and a member of Moores Rowland International, an association of independent accounting firms throughout the world. The firms practising as Bentleys MRI and Moores Rowland are independent. The member firms of these associations are affiliated only and not in partnership.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
INCOME STATEMENT
AS AT 30 JUNE 2006

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenue	3	14,015,619	15,969,037	-	-
Other income		-	-	-	-
Changes in inventories of finished goods and work in progress		309,164	(69,500)	-	-
Raw materials and consumables used		(6,701,383)	(7,987,639)	-	-
Employee benefits expense		(1,802,698)	(1,975,149)	-	-
Amortisation of land use right and buildings	3	(209,980)	(294,718)	-	-
Depreciation expense	3	(1,715,393)	(1,727,925)	-	-
Provision for doubtful debts		(10,788)	(235,759)	-	-
Other expenses from ordinary activities		(3,610,674)	(3,323,683)	(119,586)	(117,353)
		<u>273,867</u>	<u>354,664</u>	<u>(119,586)</u>	<u>(117,353)</u>
Profit/(loss) before income tax	3	273,867	354,664	(119,586)	(117,353)
Income tax expense	4	(136,826)	(84,963)	-	-
		<u>137,041</u>	<u>269,701</u>	<u>(119,586)</u>	<u>(117,353)</u>
Profit/(loss) after tax		137,041	269,701	(119,586)	(117,353)
Less : Outside equity interests in net profit/(loss) after income tax		(25,663)	(38,705)	-	-
		<u>111,378</u>	<u>230,996</u>	<u>(119,586)</u>	<u>(117,353)</u>
Net profit/(loss) after income tax attributable to members of the parent entity		<u>111,378</u>	<u>230,996</u>	<u>(119,586)</u>	<u>(117,353)</u>
Earning per share					
- Basic (cents per share)	17	0.002	0.002		
- Diluted (cents per share)	17	N/A	N/A		

The accompanying notes form part of these financial statements.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
BALANCE SHEET
AS AT 30 JUNE 2006

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		2006	2005	2006	2005
			\$		\$
CURRENT ASSETS					
Cash and Cash Equivalents		899,005	521,036	8	40
Trade and Other Receivables	5	6,109,109	5,473,801	-	-
Inventories	6	1,033,919	774,430	-	-
Other		9,762	21,208	-	-
TOTAL CURRENT ASSETS		8,051,795	6,790,475	8	40
NON-CURRENT ASSETS					
Financial Assets	7	-	-	14,384,575	14,384,575
Property, Plant and Equipment	8	14,682,184	14,763,470	-	-
Intangibles	9	527,420	527,420	-	-
Deferred Tax Asset	13	374,105	227,003	-	-
TOTAL NON-CURRENT ASSETS		15,583,709	15,517,893	14,384,575	14,384,575
TOTAL ASSETS		23,635,504	22,308,368	14,384,583	14,384,615
CURRENT LIABILITIES					
Trade and Other Payables	10	3,737,709	3,365,620	812,752	135,888
Interest Bearing Liabilities	12	-	-	-	-
Provisions	11	10,647	141,387	-	-
TOTAL CURRENT LIABILITIES		3,748,356	3,507,007	812,752	135,888
NON-CURRENT LIABILITIES					
Trade and Other Payables	10	-	557,310	-	557,310
Deferred Tax Liabilities	13	139,515	129,033	-	-
TOTAL NON-CURRENT LIABILITIES		139,515	686,343	-	557,310
TOTAL LIABILITIES		3,887,871	4,193,350	812,752	693,198
NET ASSETS		19,747,633	18,115,018	13,571,831	13,691,417
EQUITY					
Issued Capital	14	16,833,020	16,833,020	16,833,020	16,833,020
Reserves	15	2,710,499	1,311,499	-	-
Retained Earnings	16	(1,789,019)	(1,857,572)	(3,261,189)	(3,141,603)
Parent Interest		17,754,500	16,286,947	13,751,831	13,691,417
Minority Equity Interest	23	1,993,133	1,828,071	-	-
TOTAL EQUITY		19,747,633	18,115,018	13,571,831	13,691,417

The accompanying notes form part of these financial statements.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Share Capital	Retained Earnings	Foreign Exchange	Other Reserve	Minority Interest	Total Equity
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2004	16,833,020	(2,024,382)	1,453,673	1,348,907	1,962,173	19,573,391
Profit/(Loss) for the year	-	230,996	-	-	38,705	269,701
Foreign Currency Change	-	-	(1,555,267)	-	(172,807)	(1,728,074)
Transfer to Reserve	-	(64,186)	-	64,186	-	-
Balance at 30 June 2005	16,833,020	(1,857,572)	(101,594)	1,413,093	1,828,071	18,115,018
Consolidated						
Balance at 1 July 2005	16,833,020	(1,857,572)	(101,594)	1,413,093	1,828,071	18,115,018
Profit/(Loss) for the year	-	111,378	-	-	25,663	137,041
Foreign Currency Change	-	-	1,356,175	-	139,399	1,495,574
Transfer to Reserve	-	(42,825)	-	42,825	-	-
Balance at 30 June 2006	16,833,020	(1,789,019)	1,254,581	1,455,918	1,993,133	19,747,633
Parent Entity						
Balance at 1 July 2004	16,833,020	(3,024,250)	-	-	-	13,808,770
Profit/(Loss) for the year	-	(117,353)	-	-	-	(117,353)
Foreign Currency Change	-	-	-	-	-	-
Transfer to Reserve	-	-	-	-	-	-
Balance at 30 June 2005	16,833,020	(3,141,603)	-	-	-	13,691,417
Parent Entity						
Balance at 1 July 2005	16,833,020	(3,141,603)	-	-	-	13,691,417
Profit/(Loss) for the year	-	(119,586)	-	-	-	(119,586)
Foreign Currency Change	-	-	-	-	-	-
Transfer to Reserve	-	-	-	-	-	-
Balance at 30 June 2006	16,833,020	(3,261,189)	-	-	-	13,571,831

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	ECONOMIC ENTITY		PARENT ENTITY	
		INFLOWS (OUTFLOWS)		INFLOWS (OUTFLOWS)	
		2006 \$	2005 \$	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		13,843,020	14,353,796	-	-
Payments to suppliers and employees		(12,554,951)	(11,183,535)	(78,556)	(110,047)
Interest and bill discounts received		9,283	8,309	-	-
Interest and other costs of finance paid		-	-	-	-
Income tax paid		(358,656)	(300,385)	-	-
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	26(c)	<u>938,696</u>	<u>2,878,185</u>	<u>(78,556)</u>	<u>(110,047)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(722,899)	(3,308,919)	-	-
Proceeds from disposal of machinery		-	6,625	-	-
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES		<u>(722,899)</u>	<u>(3,302,294)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		-	-	-	-
Advance to controlled entity		-	-	-	-
Advances from shareholders		-	-	-	-
Proceeds from borrowings		78,524	110,000	78,524	110,000
Repayment of borrowings		-	-	-	-
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		<u>78,524</u>	<u>110,000</u>	<u>78,524</u>	<u>110,000</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>294,321</u>	<u>(314,109)</u>	<u>(32)</u>	<u>(47)</u>
Cash at 1 July 2005		521,036	1,057,990	40	87
Effect of exchange rates on cash holdings in foreign currency		83,648	(222,845)	-	-
Cash at 30 June 2006	26(a)	<u>899,005</u>	<u>521,036</u>	<u>8</u>	<u>40</u>

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report covers the economic entity of Globe Securities Limited and controlled entities, and Globe Securities Limited as an individual parent entity. Globe Securities Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

BASIS OF PREPARATION

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Globe Securities Limited and controlled entity, and Globe Securities Limited as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Globe Securities Limited to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The parent and consolidated entities have however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer to Note 27 for further details on changes in accounting policy.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

(a) Principles of Consolidation

A controlled entity is any entity controlled by Globe Securities Limited. Control exists where Globe Securities Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Globe Securities Limited to achieve the objectives of Globe Securities Limited. A list of controlled entities is contained in Note 22 to the financial statements.

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

(b) Going Concern

The financial statements have been prepared on a going concern basis. The parent entity is a public listed company without any business operations in Australia. Therefore its ability to continue as a going concern is dependent on it receiving adequate funding from its overseas controlled entity to meet its commitments and ongoing business activities.

(c) Income Tax

The controlled entity, Grand Engineering Glass (Zhongshan) Company Limited, is governed by the Income Tax Law of the People's Republic of China concerning Foreign Investment Enterprises and Foreign Enterprises and various local income tax laws (the "Income Tax Laws") and Tax Regulations Applicable to Hi-tech Development Zones (the "Tax Regulations"). Pursuant to the Tax Regulations, Sino-foreign equity joint venture enterprises and foreign wholly owned enterprises in Hi-tech Development Zones generally are subject to an income tax at an effective rate of 18% on income as reported in their statutory financial statements.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

Depreciation and amortisation is provided on a straight-line basis on all property plant and equipment except machinery and construction-in-process, at rates calculated to allocate the cost or valuation, less estimated residual value, over the estimated useful lives of the assets. The principle annual rates used for this purpose are as follows:

Land use right	2%
Buildings	3.166%
Electronic Equipment	31.6%
Motor vehicles, transport facilities and other equipment	19%

(f) Investments

Investments in controlled entities are brought to account at cost less amounts written off for permanent diminution in the value of the investments. The carrying amount is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the underlying net assets in that particular entity. The expected net cash flows have not been discounted to their present value in determining the recoverable accounts.

(g) 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. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(h) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(i) Deferred Expenditure

Deferred expenses comprise expenses in relation to the acquisition of or entering into new business ventures. These expenses are written-off over a period of five years or such shorter period over which the benefits are expected to be realised.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the subsidiary, Grand Engineering Glass (Zhongshan) Company Limited to employ social insurance scheme and are charged as expenses when incurred.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

(l) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(n) Impairment of Assets

The carrying amounts of the consolidated entity's assets, other than stocks, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss in respect of buildings carried at revalued amount is recognized in the same way as a revaluation decrease, in which case it will be charged to equity under the heading asset revaluation reserve. All other impairment losses are recognized in the profit and loss account.

The recoverable amount is the higher of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(p) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.
Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

(q) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(r) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(s) Significant accounting judgements, estimates and assumptions

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill and intangibles with indefinite useful lives

The group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumption used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 9.

(T) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to change in presentation for the current financial year.

2: FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Reconciliation of profit after tax under AGAAP to that under AIFRS.

	Economic Entity	
	Year Ended 30 June 2006	Year Ended 30 June 2005
Net profit reported under AGAAP	92,471	225,131
Write back of amortisation of goodwill (A)	44,570	44,570
Net Profit under AIFRS	<u>137,041</u>	<u>269,701</u>

(A) Goodwill is not amortised under AASB 3 'Business Combinations' but was amortised under AGAAP.

Reconciliation of total equity as presented under AGAAP to that under AIFRS.

	Economic Entity 30 June 2006	Economic Entity 30 June 2005	Economic Entity 1st July 2004
Total equity under AGAAP (A)	19,703,063	18,070,448	19,573,391
- Write back of amortisation of goodwill (B)	44,570	44,570	-
Total Equity under AIFRS	<u>19,747,633</u>	<u>18,115,018</u>	<u>19,573,391</u>

(A) The total equity shown above is inclusive of minority interests.

(B) Goodwill is not amortised under AASB 3 'Business Combinations' but was amortised under AGAAP.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
	\$	\$	\$	\$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES				
The profit/(loss) from ordinary activities before income tax includes the following items of revenue and expenses:				
REVENUE				
Sales revenue	13,574,865	15,818,429	-	-
Other operating revenue:				
Interest received – other persons	9,283	8,309	-	-
Other items	431,471	142,299	-	-
	440,754	150,608	-	-
Total Operating Revenue	14,015,619	15,969,037	-	-
EXPENSES				
Borrowing costs:				
Interest - related parties	-	-	-	-
Interest - other persons	-	-	-	-
Depreciation of non-current assets:				
Land use right & buildings	209,980	294,718	-	-
Plant and Equipment	1,715,393	1,727,925	-	-
Total depreciation	1,925,373	2,022,643	-	-
Transfers to provisions:				
Employee entitlements	62,056	43,418	-	-
Doubtful debts - other persons	10,788	235,759	-	-
Rents – operating leases	2,473	1,905	-	-
4. INCOME TAX EXPENSE				
a) The components of tax expense comprise:				
Current Tax	271,044	308,261	-	-
Deferred Tax	(128,660)	(227,003)	-	-
Exchange Differences	(5,558)	3,705	-	-
Tax expense	136,826	84,963	-	-

INCOME TAX EXPENSE (CONT'D)

b) Reconciliation of income tax expense charged in the profit and loss accounts with income tax on the operating profit

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
	\$	\$	\$	\$
Prima facie income tax expense/ (benefit) calculated on operating profit at 30% (2005 – 30%)	82,160	93,028	(35,876)	(35,206)
Permanent differences on tax exemptions	-	13,371	-	-
Under provision of prior year's Tax	-	-	-	-
Timing differences derived from provision for:				
- doubtful receivables	3,236	70,728	-	-
- depreciation and amortisation	291,486	297,733	-	-
- overstatement of expenses	5,740	27,126	-	-
- sundry	15,608	-	-	-
Differential between Foreign tax rate and Australian tax rate	(173,642)	(214,877)	-	-
Losses not tax effected	35,876	35,206	35,876	35,206
Timing differences tax effected	(123,638)	(237,352)	-	-
	<u>136,826</u>	<u>84,963</u>	<u>-</u>	<u>-</u>
Income tax expense attributable to operating profit				
DEFERRED TAX ASSET				
Timing Differences	<u>374,105</u>	<u>227,003</u>	<u>-</u>	<u>-</u>

5. TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	6,632,848	5,742,318	-	-
Provision for doubtful debts	(1,684,012)	(1,536,217)	-	-
	<u>4,948,836</u>	<u>4,206,101</u>	<u>-</u>	<u>-</u>
Prepayments, deposits and other receivables	1,915,999	1,977,526	-	-
Provision for doubtful debts	(755,726)	(709,826)	-	-
	<u>1,160,273</u>	<u>1,267,700</u>	<u>-</u>	<u>-</u>
	<u>6,109,109</u>	<u>5,473,801</u>	<u>-</u>	<u>-</u>

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
	\$	\$	\$	\$
6. INVENTORIES				
At cost				
Finished goods	410,430	139,823	-	-
Work in progress	163,723	93,640	-	-
Raw materials and stores	704,754	767,547	-	-
	<u>1,278,907</u>	<u>1,001,010</u>	<u>-</u>	<u>-</u>
Provision for diminution in value	(244,988)	(226,580)	-	-
	<u>1,033,919</u>	<u>774,430</u>	<u>-</u>	<u>-</u>
7. NON-CURRENT INVESTMENTS				
(a) NON-QUOTED INVESTMENTS				
At cost				
Shares:				
Controlled entities - (Note: 22)	-	-	14,384,575	14,384,575
	<u>-</u>	<u>-</u>	<u>14,384,575</u>	<u>14,384,575</u>
8. PROPERTY, PLANT AND EQUIPMENT				
Land use right:				
At deemed cost	1,906,470	1,763,223	-	-
Accumulated depreciation	(133,453)	(88,161)	-	-
	<u>1,773,017</u>	<u>1,675,062</u>	<u>-</u>	<u>-</u>
Buildings				
At cost	3,810,147	3,298,433	-	-
Accumulated depreciation	(408,841)	(314,728)	-	-
	<u>3,401,306</u>	<u>2,983,705</u>	<u>-</u>	<u>-</u>
At deemed cost	5,786,356	5,351,587	-	-
Accumulated depreciation	(1,561,523)	(1,340,763)	-	-
	<u>4,224,833</u>	<u>4,010,824</u>	<u>-</u>	<u>-</u>
	<u>9,399,156</u>	<u>8,669,591</u>	<u>-</u>	<u>-</u>
Construction in progress	349,955	-	-	-
	<u>349,955</u>	<u>-</u>	<u>-</u>	<u>-</u>
Machinery:				
At cost	8,753,763	7,987,342	-	-
Accumulated depreciation	(6,726,499)	(5,357,896)	-	-
	<u>2,027,264</u>	<u>2,629,446</u>	<u>-</u>	<u>-</u>

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
	\$	\$	\$	\$
At deemed cost	7,059,397	6,528,976	-	-
Accumulated depreciation	(4,383,907)	(3,347,387)	-	-
	<u>2,675,490</u>	<u>3,181,589</u>	-	-
	<u>4,702,754</u>	<u>5,811,035</u>	-	-
Electronic equipment:				
At cost	191,931	167,784	-	-
Accumulated depreciation	(127,178)	(98,545)	-	-
	<u>64,753</u>	<u>69,239</u>	-	-
At deemed cost	74,700	74,700	-	-
Accumulated depreciation	(74,700)	(74,700)	-	-
	<u>-</u>	<u>-</u>	-	-
	<u>64,753</u>	<u>69,239</u>	-	-
Motor vehicles, transport facilities and other equipment:				
At cost	502,839	465,059	-	-
Accumulated depreciation	(337,273)	(251,454)	-	-
	<u>165,566</u>	<u>213,605</u>	-	-
At deemed cost	129,780	74,700	-	-
Accumulated depreciation	(129,780)	(74,700)	-	-
	<u>-</u>	<u>-</u>	-	-
	<u>165,566</u>	<u>213,605</u>	-	-
	<u>14,682,184</u>	<u>14,763,470</u>	-	-

- (a) The property, plant and equipment of the economic entity as at 30 April 1995 was restated to replacement costs as valued by Zhuhai City Certified Public Property & Appraisable, professional valour in the People's Republic of China. The revaluation was performed for the purpose of changes in the ownership of the subsidiary Grand Engineering Glass (Zhongshan) Company Limited formerly Zhongshan Grand Coating Glass Company Limited.

The property, plant and equipment has been stated at deemed cost at 30 June 2005.

As at 31 December 2002 and 23 April 2003, the land use rights and buildings have been re-valued respectively by Zhongshan Zhongxin CPA Co., Ltd. At the reporting date, an impairment in value of land use right and building amounting to \$469,936 and \$372,213 was included in the financial statements accordingly.

One set of buildings, "Zhu Dian Chang Fang", was leased to an external party during the year. At 30 June 2005, the net book value of it was \$550,984 (Cost \$566,570 – Accumulated depreciation \$15,586).

The land use right and buildings are pledged to a Peoples Republic of China bank to secure a bills payable facility granted to the controlled entity.

- (b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

ECONOMIC ENTITY	LAND AND BUILDINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at the beginning of the year	8,669,591	5,880,274	213,605	14,763,470
Additions	290,063	129,324	-	419,387
Disposals	-	(1,287)	-	(1,287)
Depreciation expense	(173,339)	(1,652,555)	(62,838)	(1,888,732)
Net foreign currency movements arising from self-sustaining foreign operation	963,396	411,751	14,799	1,389,346
Carrying amount at the end of the year	<u>9,749,111</u>	<u>4,767,507</u>	<u>165,566</u>	<u>14,682,184</u>

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
	\$	\$	\$	\$
9. INTANGIBLE ASSETS				
Goodwill – at cost	891,408	891,408	-	-
Accumulated amortisation	(363,988)	(363,988)	-	-
	<u>527,420</u>	<u>527,420</u>	<u>-</u>	<u>-</u>
10. TRADE AND OTHER PAYABLES				
CURRENT				
Unsecured				
Trade creditors	3,101,875	3,365,620	176,918	135,888
Other related party	635,834	-	635,834	-
	<u>3,737,709</u>	<u>3,365,620</u>	<u>812,752</u>	<u>135,888</u>
NON-CURRENT				
Unsecured				
Shareholders loan	-	557,310	-	557,310
Other related party	-	557,310	-	557,310
	<u>-</u>	<u>557,310</u>	<u>-</u>	<u>557,310</u>

The loans are unsecured, interest free and are not repayable within twelve months.

11. PROVISIONS

Employee entitlements	(57,090)	-	-	-
Sales tax	52,790	33,059	-	-
Income tax	14,947	108,328	-	-
	<u>10,647</u>	<u>141,387</u>	<u>-</u>	<u>-</u>
Number of employees at year end	<u>284</u>	<u>252</u>		

12. INTEREST-BEARING LIABILITIES

CURRENT				
Bills Payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

This facility is secured by the land use right and buildings of the controlled entity.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
ACN 009 218 955
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
		\$		\$
13. DEFERRED TAX LIABILITIES				
Deferred income tax liability	139,515	129,033	-	-

The deferred income tax liability was raised in respect of the asset revaluation.

14. ISSUED CAPITAL

Paid up Capital 90,950,500 (2005: 90,950,500)				
Fully paid ordinary shares	16,833,020	16,833,020	16,833,020	16,833,020

The company has authorised share capital amounting to 2,500,000,000 ordinary shares of no par value.

(a) MOVEMENT IN SHARE CAPITAL

At the beginning of the financial year 90,950,500 ordinary shares	16,833,020	16,833,020	16,833,020	16,833,020
At the end of the financial year 90,950,500 ordinary shares.	16,833,020	16,833,020	16,833,020	16,833,020

At the end of the financial year there are nil (2005: nil) un-issued shares in respect of which options are outstanding.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
		\$		\$
15. RESERVES				
General reserves	1,455,918	1,413,093	-	-
Foreign currency translation reserves	1,254,581	(101,594)	-	-
	<u>2,710,499</u>	<u>1,311,499</u>	<u>-</u>	<u>-</u>
Foreign currency translation reserve				
Movements during the year				
Balance at beginning of financial year	(101,594)	1,453,673	-	-
Surplus/(Deficit) from translation of financial statements of foreign operations	1,356,175	(1,555,267)	-	-
Balance at end of financial year	<u>1,254,581</u>	<u>(101,594)</u>	<u>-</u>	<u>-</u>
General Reserve				
Movements during the year				
Balance at beginning of financial year	1,413,093	1,348,907	-	-
Transfers from retained profits	42,825	64,186	-	-
Balance at end of financial year	<u>1,455,918</u>	<u>1,413,093</u>	<u>-</u>	<u>-</u>
Balance at end of financial year	<u>2,710,499</u>	<u>1,311,499</u>	<u>-</u>	<u>-</u>

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According to the relevant Chinese laws and regulations, the controlled entity should appropriate 10% of its profit after income tax as statutory reserves, and need not do so when the statutory reserves equate to 50% of the registered capital. The reserves can be transferred to share capital, subject to the remaining balance of the reserves being not less than 25% of the share capital.

According to the relevant Chinese laws and regulations, the company can appropriate 5-10% of their profits after income tax as staff benefit reserve. The reserve can be used to purchase/construct staff house and benefit facilities.

16. RETAINED EARNINGS

Retained profits/accumulated losses at the beginning of the financial year	(1,857,572)	(2,024,382)	(3,141,603)	(3,024,250)
Net profit/(loss) for the year	111,378	230,996	(119,586)	(117,353)
Transfer to reserve	(42,825)	(64,186)	-	-
	<u>(1,789,019)</u>	<u>(1,857,572)</u>	<u>(3,261,189)</u>	<u>(3,141,603)</u>
Retained profits/accumulated losses at the end of the financial year	(1,789,019)	(1,857,572)	(3,261,189)	(3,141,603)

17. EARNINGS PER SHARE

Basic earnings per share (cents per share)	0.002	0.002
Diluted earnings per share (cents per share)	N/A	N/A
	2006	2005
	No.	No.
(a) The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	90,950,500	90,950,500

As at 30 June 2006 the Company had no options on issue.

ECONOMIC ENTITY		PARENT ENTITY	
2006	2005	2006	2005
	\$		\$

18. COMMITMENTS FOR EXPENDITURE

Commitments under non-cancellable operating leases and hire expenditure contracted for				
Not later than 1 year	-	-	-	-
Later than 1 year not later than 2 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Commitment for contracted capital expenditure to purchase plant and equipment				
Not later than 1 year	-	165,897	-	-
Later than 1 year not later than 2 years	-	-	-	-
	<u>-</u>	<u>165,897</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>165,897</u>	<u>-</u>	<u>-</u>

19. SOCIAL INSURANCE SCHEME

The subsidiary Grand Engineering Glass (Zhongshan) Company Limited, entered into a social insurance scheme in accordance with Guangdong Province Staff Community Social Insurance Rules which require the Company and the employee to each contribute 10% - 15% and 6.5% - 8% respectively of the employee's salary to the Scheme.

20. REMUNERATION OF DIRECTORS

The directors of Globe Securities Limited during the year were:

	Salary	Fees		
YUANG Yongkang (Chairman, non-executive)	-	-		
LUO Dingqiang (non-executive)	-	-		
CHIU Stephen (non-executive) - resigned 15 July 2006	-	-		
HUANG Jianju (non-executive)	-	-		
RYDER Wayne (non-executive)	-	\$50,400		
LIANG Yunyi Ms (non-executive)	-	-		
WEI Ganchuan (non-executive)	-	-		
YUAN Rui Wen (non-executive)	-	-		
LIANG Wen Yi (non-executive)	-	-		
ZHENG Jianwei (non-executive)	-	-		
WU Gang (non executive) (appointed 15 July 2006)	-	-		
DILLON Nicholas (non executive) (appointed 25 January 2007)	-	-		
			ECONOMIC ENTITY	PARENT ENTITY
			2006	2005
			\$	\$

21. REMUNERATION OF AUDITORS

Amounts received, or due and receivable, by the auditor of the company from the company and any related body corporate, and by the auditor or auditors of an entity in the economic entity from entities in the economic or any related entity.

(a) Auditing the accounts:				
(i) Company auditors	14,750	10,525	14,750	10,525
(ii) Other auditors	38,611	23,307	-	-
(b) Other services:				
(i) Company auditors	11,250	11,100	11,250	11,100
(ii) Other auditors	-	-	-	-

22. CONTROLLED ENTITY

	Country of Incorporation	Percentage Owned (%)	
		2006	2005
Controlled Entity Consolidated			
Parent Entity			
Globe Securities Ltd	Australia	-	-
Subsidiary			
Grand Engineering Glass (Zhongshan) Company Ltd	Peoples Republic of China	90	90

Grand Engineering Glass (Zhongshan) Company Limited formerly Zhongshan Grand Coating Glass Company Ltd carries on business in the People's Republic of China and is audited by the Kangyuan Zeng & Co Certified Public Accountants Hong Kong.

	ECONOMIC ENTITY	
	2006	2005
	\$	\$
23. MINORITY EQUITY INTERESTS		
Minority equity interests in controlled entity comprises:		
Issued capital	1,417,606	1,417,606
Retained profits	376,979	351,316
Asset revaluation reserve	70,437	70,437
Foreign currency translation reserve	128,111	(11,288)
	<u>1,993,133</u>	<u>1,828,071</u>

24. FINANCIAL REPORTING BY SEGMENTS

The economic entity is engaged in the business of manufacturing, marketing and distribution of coating glass for sale to customers in the People's Republic of China.

25. RELATED PARTY DISCLOSURES

(a) OWNERSHIP INTERESTS IN RELATED PARTIES

Information in relation to ownership interests in (and certain transactions with) the following are provided in the notes indicated:

Controlled Entity	Note 21
-------------------	---------

(b) TRANSACTIONS WITH DIRECTORS AND DIRECTOR-RELATED ENTITIES

Remuneration and retirement benefits of directors
Details in relation to remuneration and retirement benefits of directors are disclosed in note 20 to the accounts.

Details of the directors' shareholdings at year end are set out below:

	FULLY PAID ORDINARY SHARES	
	HELD DIRECTLY	HELD INDIRECTLY
Wayne Ryder	1,220,000	1,000,000

There was no movement in directors' shareholdings during the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2006 \$	2005 \$
The controlled entity's transaction with related parties include:		
Administration service fee paid to Zhong Ju Gao Ji Shu Holding Ltd	7,413	13,713
Sales of goods to ZhongShan Grand Glass Sales Ltd	34,357	155,739

All the above companies are the former Chinese Partner or its controlled entities.

Other transactions

(i) The amount paid or owing to Phoenix Consulting (Aust) Pty Ltd a company in which W. Ryder has an interest for providing accounting services in relation to the financial year ended 30 June 2006 is \$152,396 (2005: \$48,000).

(ii) During the year the Parent Entity received advances amounting to \$78,524 (2005: \$110,000) from a shareholder. The advances amounting to \$635,834 (2005 - \$557,310) are unsecured, interest free and not repayable within twelve months.

(c) Controlling Entities

The parent entity in the economic entity is Globe Securities Limited.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006	2005	2006	2005
	\$	\$	\$	\$
26. CASHFLOW INFORMATION				
(a) RECONCILIATION OF CASH				
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related item in the balance sheet as follows:				
Cash	899,005	521,036	8	40
(b) NON-CASH FINANCING AND INVESTING ACTIVITIES				
During the financial year the company did not acquire any property, plant or equipment by means of finance leases or hire purchase contracts.				
(c) RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING PROFIT AFTER INCOME TAX				
Operating profit/(loss) after tax	137,041	269,701	(119,586)	(117,353)
Depreciation and amortisation of non-current assets	1,925,373	2,022,643	-	-
Loss on disposal of fixed assets	-	1,717	-	-
Impairment loss on machinery	-	-	-	-
Adjustment from fixed assets	-	-	-	-
Deferred income tax	(123,638)	(237,352)	-	-
(Increase)/Decrease in:				
Current receivables	(183,169)	700,222	-	-
Current inventories	(188,900)	217,466	-	-
Increase/(Decrease) in:				
Current trade/other creditors	(503,992)	(51,812)	41,030	7,306
Current provisions	(38,482)	(44,155)	-	-
Increase in deferred expenses	12,655	(22,175)	-	-
Increase in income taxes payable	(98,192)	21,930	-	-
	938,696	2,878,185	(78,556)	(110,047)

27. FINANCIAL INSTRUMENTS

(a) The economic entity's accounting policies including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date are as follows:

RECOGNISED FINANCIAL INSTRUMENTS	BALANCE SHEET NOTES	ACCOUNTING POLICIES	TERMS & CONDITIONS
(i) FINANCIAL ASSETS			
Receivables – trade debtors and other parties	5	Amounts receivable from other parties and trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit terms vary in accordance with the terms and conditions agreed upon with each party.
(ii) FINANCIAL LIABILITIES			
Payables	10	Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the economic entity.	Trade liabilities are normally settled in accordance with the terms of the relevant supplier.
Income Tax	11	The liability for taxation is accounted for in accordance with the Income Tax Law of the People's Republic of China concerning Foreign Investment Enterprises and Foreign Enterprises and various income tax laws.	The Income Tax liability is calculated using a tax rate of 18% (2004: 18%) on income as reported in the statutory financial statements.
Interest -Bearing Liabilities	12	Loans from related parties and other parties both secured and unsecured are carried at the principal amount. Interest is charged as it accrues.	The interest bearing portion of the related party loans bears interest at the rate of nil% (2004 – 8%). The interest bearing portion of other loans bears interest at the rate of nil% (2004 – 6%).
(iii) EQUITY			
Ordinary shares	14	Ordinary share capital is fully paid up.	Details of the shares issued and the terms and conditions of options outstanding at balance date are set out in note 13.

GLOBE SECURITIES LIMITED AND CONTROLLED ENTITY
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2006

(b) INTEREST RATE RISK

The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

FINANCIAL INSTRUMENTS	FIXED INTEREST RATE REPAYABLE				NON-INTEREST BEARING		TOTAL CARRYING AMOUNTS AS PER THE BALANCE SHEET		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	
	WITHIN 12 MONTHS		BEYOND 12 MONTHS		2006	2005	2006	2005	2006 %	2005 %
	2006	2005								
(i) Financial assets										
Cash & Cash Equivalents	899,005	521,036	-	-	-	-	899,005	521,036	1.5	1.5
Receivables	-	-	-	-	-	-	6,109,109	5,473,801	N/A	N/A
Total financial assets	<u>899,005</u>	<u>521,036</u>	<u>-</u>	<u>-</u>	<u>6,109,109</u>	<u>5,473,801</u>	<u>7,008,114</u>	<u>5,994,837</u>	-	-
(ii) Financial liabilities										
Trade creditors	-	-	-	-	3,101,875	3,365,620	3,101,875	3,365,620	N/A	N/A
Borrowings										
- secured	-	-	-	-	-	-	-	-	-	-
- unsecured	-	-	-	-	635,834	557,310	635,834	557,310	-	-
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,737,709</u>	<u>3,922,930</u>	<u>3,737,709</u>	<u>3,922,930</u>	-	-

(c) NET FAIR VALUES

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Recognised financial instruments

Cash, cash equivalents and short-term investments: The carrying amount approximates fair values because of their short-term to maturity.

Sundry receivables and payables: The carrying amount approximates fair value.

(d) CREDIT RISK EXPOSURES

The economic entity's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF GLOBE SECURITIES LIMITED
AND CONTROLLED ENTITY**

SCOPE

The financial report and directors' responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Globe Securities Limited ("the company") and the consolidated entity, for the year ended 30 June 2006. The consolidated entity comprises both the company and the entity it controlled during the year.

The Company has disclosed the information required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 *Related Party Disclosures* (remuneration disclosures), under the heading B. Details of Remuneration for Year Ended 30 June 2006 of the Directors' Report, as permitted by Corporations Regulation 2M.6.04.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The directors are also responsible for the remuneration disclosures contained in the Directors' Report.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and the remuneration disclosures comply with Accounting Standard AASB 124 *Related Party Disclosure*. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows, and whether the remuneration disclosures comply with Accounting Standard AASB 124 *Related Party Disclosures*.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and the remuneration disclosures; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 15 of the financial report has not changed as at the date of providing our audit opinion.

AUDIT OPINION

In our opinion,

1. the financial report of Globe Securities Limited is in accordance with:
 - a. the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
 - b. other mandatory professional reporting requirements in Australia.
2. the remuneration disclosures that are contained on page 11 of the Directors' Report comply with Accounting Standard AASB 124 *Related Party Disclosures*.

INHERENT UNCERTAINTY REGARDING THE ABILITY OF THE PARENT ENTITY TO OPERATE AS A GOING CONCERN

Without qualification to the statement made above, attention is drawn to the following matter:

The parent entity has no cash generating operations of its own. It is therefore, dependent on its subsidiary operating in China, for cash flows to meet its operating expenses. Its ability to continue as a going concern is dependent on it receiving adequate funding from its overseas subsidiary to meet its commitments and ongoing business activities.

BENTLEYS MRI PERTH PARTNERSHIP



MICHAEL J HILLGROVE
PARTNER

Dated at PERTH this 11th day of May 2007.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1 Shareholding as at 2 April 2007 is 496

(a) Distribution of Shareholders

Category (size of holding)	Number Ordinary
1 – 1,000	5
1,001 – 5,000	117
5,001 – 10,000	167
10,001 – 100,000	178
100,001 – and over	29
	496

(b) The number of shareholdings held in less than marketable parcels is nil.

(c) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

— Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(d) 20 Largest Shareholders — Ordinary Shares as at 26 April 2007.

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Galfield Enterprises Limited	66,945,000	73.61%
2. East Wagon Ltd	3,768,750	4.10%
3. HAY Trevor Neil	2,249,012	2.47%
4. Asia Empire INV Ltd	1,361,466	1.50%
5. Wings Glass Pty Ltd	1,144,194	1.26%
6. Lek Lun Development Company Ltd	1,001,385	1.10%
7. Fred Parrish Investments Pty Ltd	778,633	0.86%
8. Mac West Investments Pty Ltd	630,000	0.69%
9. QI Song	527,284	0.58%
10. Franco Austral Exploration Pty Ltd	497,500	0.55%
11. MOSS Rose Anne	450,000	0.49%
12. TREW Trevor Ian	380,000	0.42%
13. MUNGAVIN Tony Eamon	351,482	0.39%
14. TIDEY Jimmy Garry	337,450	0.37%
15. Dunstar Holdings Pty Ltd	300,000	0.33%
16. TURNBULL Gary James	300,000	0.33%
17. Woodglen Holdings Ltd	288,550	0.32%
18. WOVODICH Graeme Vincent	250,000	0.27%

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19.	SALAMA Ray	250,000	0.27%
20.	LIVERY Mark Lawrence	245,000	0.27%
		<hr/>	<hr/>
		82,055,706	90.22%

- 2 The name of the Company Secretary is Mr Jay Stephenson.
- 3 The address of the principal registered office in Australia is 8 Grove End Ridge MT CLAREMONT WA 6010.
- 4 **Registers of securities are held at the following addresses**
- Western Australia Securities Transfer Registrars Pty Ltd
 770 Canning Highway
 APPLECROSS WA 6953
- 5 **Stock Exchange Listing**
- Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.