COMPANY PARTICULARS

DIRECTORS
Paul Geoffrey Brazenor
Vanda Russell Gould
John Scott Leaver
John Douglas Read

SECRETARIES
Christine Joyce Dyet
Harriet Elizabeth Oakeshott

MANAGEMENT TEAM
CVC Investment Managers Pty Limited

PRINCIPAL AND REGISTERED OFFICE
Level 40
50 Bridge Street
SYDNEY NSW 2000
AUSTRALIA
Telephone: (02) 9223 8800
Facsimile: (02) 9223 9808

SHARE REGISTRY
Gould Ralph Services Pty Limited
Share Registry Division
Level 40
50 Bridge Street
SYDNEY NSW 2000
AUSTRALIA
Telephone: (02) 9231 0500
Facsimile: (02) 9231 0501

AUDITORS
Geersen & Drinkwater
Chartered Accountants

BANKERS
National Australia Bank Limited
Suncorp-Metway Limited
Westpac Banking Corporation

HOME STOCK EXCHANGE
Sydney

"In the Company's sixth consecutive year of profitability, net operating profit after tax exceeded $4 million"

Vanda Gould
1998 Chairman's Report

Contents

CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am pleased to present the 1998 Annual Report and Financial Statements.

In a year characterised by volatile financial markets net operating profit after tax grew by more than $3 million to $4.0 million.

Introduction

The year ended 30 June 1998 was the Company's sixth consecutive year of profitability. Major contributions to the profit for the period were, the completion of the Legends Hotel, the realisation of earnings from the Phoenician Health and Spa residential unit development, and the profitable sale of shares in listed equities. The 1998/99 fiscal year will see the completion of further projects with positive contributions to profitability.

The directors have declared a fully franked final dividend of 0.75 cents per share.

The Investment Cycle

The Company has adopted a defensive strategy in anticipation of increased financial market volatility in the year ahead. I am of the view that economic growth within Australia will contract significantly over the forthcoming twelve months.

In the new fiscal year, investments in excess of $9.5 million will mature. This liquid capital will be an important adjunct to the cash of $6.8 million on hand as at 30 June 1998.

The focus in the forthcoming year will be to locate quality investments whose fundamental values are not affected by fluctuations in the equity markets. Funds will be progressively invested as the investment cycle begins to rebound. A high degree of liquidity will be maintained.

The Year to 30 June 1998

The year was characterised by the profitable realisation of non core investments. This trend will continue in 1998/99.
A schedule of the Company's investments as at 30 June 1998 is contained in the Review of Operations appearing on pages xxx to xxx of this Report. I commend to you the Review of Operations.

During the year the net tangible asset backing per share, after providing for the final dividend, grew from 30.8 cents to 34.6 cents. The market value of the Company's listed investments is substantially higher than reflected in the net tangible asset backing of 34.6 cents. The schedule on page xx of this Report setsforth the cost, market and asset value of all equity investments greater than $500,000. As at 30 June 1998 the market value of this class of investment exceeded their book value by $9 million. In conformity with conservative accounting conventions, this equity class is recorded at cost in the Company's financial statements.

With respect to our venture/development capital portfolio, all entities realised profits except Pacific Communications Holdings Limited which is the subject of a conditional takeover offer by a third party. Subsequent to year end, the Company has accepted the offer for its shares in Pacific Communications Holdings Limited and anticipates realising a profit from this sale.

Dividends

In conformity with their objective of maintaining a fully franked final dividend, the Directors have declared a final fully franked dividend of 0.75 cents per share payable on 23 October 1998. This dividend utilises a majority of the franking credits available at balance date. The "record" or "books closing" date for determination of entitlements is 9 October 1998. The 1998 final dividend represents an increase of 50% over the previous corresponding period.

The Year Ahead

Since 30 June 1998 we have realised our loan and interest from our investment in Sun City Resort. Our profit share will be realised progressively from settlements of the balance of the residential units in this project.

The profit from Sun City Resort plus further scheduled realisations will underpin the profit for 1998/99. As at the date of this Report, the Company had cash reserves in excess of $12.4 million and no external debt.

I look forward to 1998/99 being a year of further profitability and thank our shareholders for their continued support.

VANDA GOULD
CHAIRMAN

24 September 1998

Schedule of Equity Investments of $500,000 or greater as at 30 June 1998

Listed on the Australian Stock Exchange Limited

Investment	Equity	Historic Cost	Market Value	Net Tangible Asset Value
	%	$'000	$'000	$'000
Finemore Holdings Limited	0.83	818	681	679
Palm Springs Limited	8.92 *	437	536	322
Macarthur National Limited	31.12	335	950	1,235
Australasian Technology Corporation Limited (formerly Pacific Communictions Holdings Limited)	20.71	882	1,117	1,108
Precious Metals Limited	6.52	2,409	3,527	499
Sunland Group Limited	34.06	7,847	15,441	12,266
		$12,728	$22,252	$16,109

Unlisted Investments

	Historic Cost	Market Value	Net Tangible Asset Value
	$'000	$'000	$'000
Tetley Medical Limited	$920	$N / A	$1,252

*As at 16 September 1998 all equities had been sold.

REVIEW OF OPERATIONS

As foreshadowed in the 1997 Annual Report, the Company's balanced portfolio of equities, interest bearing securities and real property provided sound returns in uncertain times.

The Company continues to invest in three distinct segments:

- Property Developments
- Listed Equity Investments
- Development and Venture Capital

PROPERTY DEVELOPMENTS

The Company invests in a broad range of residential property developments located primarily in Sydney and on the Gold Coast.

During the year the Phoenician and Mosman projects both successfully concluded.

Wherever possible CVC's funding is conditional on the attainment of a predetermined pre sales threshold, fixed price building contract, and a forecast annualised internal rate of return in excess of 25 percent.

The Company has an interest in the following developments:

The Legends Hotel

Construction of the 403 room *Legends Hotel* situated in central Surfers Paradise was completed below budget in August 1997. The Hotel officially opened on 26 September 1997.

The *Legends Hotel* adjoins the Gold Coast Highway and is in easy walking distance of the central retail district and beaches.

Euro-Asia has been appointed manager of the Hotel. A loss was sustained in the first nine months of operations reflecting a decline in the number of inbound Asian tourists, establishment costs and intense competion in the Gold Coast market from both hotel and serviced apartment operators. The Agreement with the Manager, however, provides for a fixed annual management fee which at this time, is sufficient to meet the interest costs of the debt component of the Hotel.

Since operations commenced CVC has earnt interest on its loan paid monthly. In addition, CVC is entitled to an effective 25 percent equitable interest in the Hotel.

Sun City Resort

This prestigious 40 storey, 266 unit residential development in central Surfers Paradise was completed in August 1998, ahead of schedule and below budget.

Sun City Resort employs a Southern American theme, enjoys extensive landscaping and water themed amenities. The development has proven popular with both purchasers and local residents.

By mid September 1998, CVC's entire loan and interest thereon of $5.2 million had been repaid. The Company is entitled to one eighth of the profits of the development which will be progressively realised as individual residential units settle.

The Phoenician

The Phoenician, a health and spa resort themed residential and retail development is located in the heart of Broadbeach, Gold Coast.

During the year Stage 2 of the development comprising 144 units was completed.

CVC has recovered its entire principal and a majority of its interest on the capital provided to this development. The balance of the Company's return will be realised in the 1998/99 year.

The Marrakesh

Located mid way between Surfers Paradise and Broadbeach, the *Marrakesh* is a ten storey, 144 residential unit development. The *Marrakesh* is scheduled for completion in November 1998.

The development comprises predominantly one bedroom serviced apartments for interstate visitors.

CVC's loan and interest is secured by a second mortagee. The Company anticipates realising its principal and interest in February 1999.

Mosman Development Trust

During the year all three residential units at 1 Warringah Road, Mosman were sold.

The Company realised an annualised rate of return in excess of 25% from the project.

CVC was entitled to interest on funds lent to the development and a share of the profits realised.

On Broadway

On Broadway is a 243 unit residential high rise development adjoining the University of Technology, Sydney. The development has been designed to meet the high demand for student accommodation from the Unviersity of Technology and the neighbouring University of Sydney

During the year, CVC reduced its exposure to *On Broadway* by retiring 60 percent of its financial accommodation. The Company is actively negotiating an exit for the balance of its investment.

Bristol on Sinclair

Bristol on Sinclair is a 68 residential unit development at Sinclair Street, Woolstonecraft. Constuction is scheduled for completion in February 1999.

CVC has provided second mortgage finance of $800,000. The Company anticipates the loan plus interest being repaid at completion.

Cape Cabarita

Cape Cabarita is a four stage 235 residential dwelling development on the shores of Concord, inner western Sydney. The site enjoys water aspects on its eastern, northern and western boundaries and is built between the Sydney CBD and the Olympic site at Homebush.

CVC has invested $3 million for a 30% interest in the development. CVC is entitled to interest on the funds invested and a share of the profits. Construction of Stage 1 has commenced. Sales in Stage 1 exceed $35 million. Marketing of Stage 2 has recently commenced. Completion of construction of the first stage is expected by April 1999.

It is anticipated that this development will be a major source of future profits.

STRATEGIC LISTED EQUITY INVESTMENTS

Sunland Group Limited

The Company holds 34.06% of the issued capital of Sunland Group Limited (Sunland).

In the year to 30 June 1998, Sunland realised a net operating profit of $8.75 million on total revenues of $88.1 million. The profit represents an increase of 20% over the prior year.

Sunland is a Gold Coast residential property development company. Sunland undertakes a broad range of property development activities in South East Queensland, including land sub-division, hotel ownership, residential high rise and townhouse development.

The highlight for the year was the completion of the 266 unit highrise resort development *Sun City Resort* two months ahead of schedule and well below budget.

Sunland has also announced an agreement with the internationally renowned Versace organisation, whereby Sunland will develop the first Versace Hotel in the world. The development will comprise a luxurious 263 room hotel and 72 condominiums.

Sunland's after tax return on shareholders' equity equates to 24% (1997: 23%) amongst the highest in its industry.

Australasian Technology Corporation Limited (ATC) (formerly Pacific Communications Holdings Limited)

CVC holds 22.13% of the issued capital of ATC. ATC, a listed public company, was a provider of closed circuit security television (CCTV) systems. In 1997/98 ATC undertook an extensive restructuring program to halt operating losses. An offer to acquire the CCTV assets of ATC was made by Hills Industries Limited in April 1998 and approved in General Meeting by shareholders of ATC on 29 May 1998.

Hills Industries Limited acquired the CCTV assets for cash. As a result ATC reduced its operations and began returning its assets to its shareholders. In June 1998 ATC paid a special fully franked dividend of 5 cents per share. In August 1998 ATC returned capital of 25 cents per share to all shareholders.

ATC had net worth of approximately 75 cents per share.

On 31 July 1998 a conditional Part A Offer was issued for all the shares in ATC. The Part A Offer was on the basis of 45 cents cash per share.

Subsequent to balance date, CVC has accepted the Part A Offer. Subject to the Offer completing, CVC will derive a return of 75 cents per ATC share sourced from the special dividend, capital return and takeover.

Macarthur National Limited

The Company holds 31.12% of the issued capital of Macarthur National Limited (Macarthur), a listed public company actively engaged in investment and property development.

Macarthur's development at 1 Warringah Road, Mosman in association with CVC was completed during 1997/98. Macarthur realised an annualised rate of return in excess of 25% from this development. Macarthur's co-invstment with CVC and Raptis Group Limited in the Phoenician project at Broadbeach was completed during the year, acheiving a similar rate of return.

In the year to 30 June 1998, Macarthur realised an after tax profit of $784,827. This profit was principally derived from its investment in the Mosman Development Trust and the Phoenician.

DIVERSIFIED LISTED EQUITY TRADING INVESTMENTS

The Company has a diversified trading portfolio of equities listed primarily on the Australian Stock Exchange Limited. The portfolio represents by cost, approximately 5% of the total assets of the Group. Income is sourced from the sale of options, receipt of dividends and by the realisation of investments.

The portfolio provides a blend of companies targeted for their growth potential. The portfolio provides a source of liquidity, franking credits and superior returns to fixed interest.

The portfolio's current investments include mining, transport, construction materials, and property development.

Significant profits were acheived during the year from the Company's underwriting of a secondary issue by U.K. listed SkyePharma plc. SkyePharma is a developer of novel drug delivery systems. The Company's $2.1 million investment generated a profit of $1.4 million in less than 12 months.

Precious Metals Australia Limited is developing one of the world's largest high-grade vanadium ore deposits, an alloy used to strengthen metals. The Company anticipates future profits from its investments in Precious Metals Australia Limited As at 30 June 1998 the Company had an unrealised profit of $1.1 million representing a rate of return in excess of 30% on its investment in Precious Metals Australia Limited.

DEVELOPMENT AND VENTURE CAPITAL

Tetley Medical Limited

Tetley Medical had another strong year with profit before tax of $760,836 and sales revenue of $5.2 million. Profit decreased slightly from the prior year, due to adverse foreign exchange rate movements.

Sales revenue decreased by 9%, largely due to protracted negotiations with Tetley's European distributor. These negotiations have continued, subsequent to year end, and it is believed a favourable outcome will be achieved.

Tetley's profitability continues to be buoyed by the contribution from its role as Australian distributor of Du Pont's range of radio pharmaceuticals. Tetley hopes to expand on the Du Pont range during the current financial year by obtaining regulatory approval for a number of other Du Pont diagnostic agents.

Tetley has attained encouraging preliminary results from its ongoing research and development program. During the year Tetley successfully conducted limited human trials using an injected agent to target fibrin. Fibrin is the initial fibrous matter laid down by cells in the formation of a blood clot.

If fibrin can be successfully targetted, significant commercial potential exists for a wide range of diagnostic tests including the diagnosis of deep vein thrombosis, pulmonary embollism and formation of tumours.

Research and development will continue during the year to refine the technique, characterise the results of the human trials and develop a commercialisation strategy. Research and development funding will be provided by an R & D Start Grant.

CVC continues to seek better perfomance from its investment in Tetley Medical Limited. This is expected to be achieved through a combination of increased dividends, listing on a recognised stock exchange or by trade sales or mergers.

Laserex Group

As foreshadowed in the 1997 Annual Report, Laserex Technologies Pty Limited traded on a restricted basis during the year with all efforts focused to returning cash to CVC. The resultant profit of approximately $30,000 reflects this approach.

Laserex is in advanced negotiations to crystalise a profit from new products developed specifically for a major customer. Once these negotiations have been successfully concluded, it is CVC's intention to realise its investment in Laserex Technologies.

DIRECTORS' REPORT

Your Directors present the Financial Statements of Continental Venture Capital Limited (CVC) and the consolidated financial Statements of the Economic Entity being the Company and its controlled entities, for the year ended June 30, 1998 together with the Auditors' Report thereon.

DIRECTORS

The names of Directors in office at the date of this report are Vanda Russell Gould (Chairman), John Scott Leaver, John Douglas Read and Paul Geoffrey Brazenor.

DIRECTORS MEETINGS

The number of Directors' Meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

	Directors' Meetings		Audit Committee Meetings	
	No of Meetings attended	**No of Meetings held**	**No of Meetings attended**	**No of Meetings held***
Mr V R Gould	7	7	-	-
Mr J S Leaver	7	7	-	-
Mr J D Read	7	7	1	1
Mr P G Brazenor	6	7	1	1

PRINCIPAL ACTIVITIES

CVC was incorporated on January 11, 1984 to apply for a licence under the Management and Investment Companies Act, 1983, and was granted a licence, effective from March 1, 1985. The MIC program concluded on June 30, 1991. The Company's principal activity has been to operate as a management and investment company and now continues as the provider of investment capital.

There has been a broadening in the scope of activities undertaken by the Economic Entity since the conclusion of the MIC program to include a wider range of investments.

The principal activities of the corporations in the Economic Entity during the year were the manufacture, distribution and sale of laser devices, microprocessors, health and medical equipment and hotel operations, as well as property development and funds management.

There were no significant changes in the nature of the activities of the Economic Entity during the year, except for the chief entities interest in the joint venture, the Legends Hotel, that owns and operates the Legends Hotel on the Gold Coast, in Queensland.

CONSOLIDATED RESULT

The consolidated profit for the year attributable to the members of CVC was:

	1998 $	**1997 $**
Operating profit after income tax	4,265,731	1,014,255
Outside equity interests	(257,227)	(8,027)
Operating profit and extraordinary items after income tax attributable to members	$4,008,504	$1,006,228

DIVIDENDS

As proposed and provided for in last years report a final ordinary dividend of 0.5 cents per share amounting to $600,873 in respect of the year ended 30 June 1997 was paid on 20 October 1997.

The Directors have declared a final dividend in respect of the year ended 30 June 1998. The dividend is 0.75 cents per share, fully franked with class C (36%) franking credits, to be paid on 23 October 1998. Total dividends provided for in respect of the year ended 30 June 1998 is $852,270.

REVIEW OF OPERATIONS

The Chairman's Report, Review of Operations and the annexures to the Financial Report contain details of the Economic Entity's operations during the year.

STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the Economic Entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated accounts.

LIKELY DEVELOPMENTS

The likely developments in the operations of the Economic Entity will involve an increase in the range of investment activities undertaken with the emphasis on obtaining higher yields on liquid capital. The profitability or otherwise of those investments cannot be meaningfully predicted at the date of this Report.

EVENTS SUBSEQUENT TO BALANCE DATE

The Company made certain investments and loans in support of its existing investee businesses, acquired various short term interests in listed equities and realised a portion of its short term investments as part of its ordinary course of business subsequent to balance date.

Other than the matters discussed above, and in note 33 of the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Economic Entity, the results of those operations, or the state of affairs of the Economic Entity, in subsequent financial years.

INFORMATION ON DIRECTORS

Vanda Russell Gould (Chairman)
B.Comm (Uni. of NSW); M.Comm (Uni of NSW)
Fellow of the Institute of Chartered Accountants in Australia.
Chairman of Macarthur National Limited and CVC Investment Managers Pty Limited and a director of numerous private and public companies including educational establishments.

John Scott Leaver (Non Executive Director)
B.Ec. (Uni. of Sydney)
Licensed Securities Dealer
Board member since 1984. Chairman of Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited), Finemore Holdings Limited and Sunland Group Limited. Director of C.V.C. Investment Managers Pty Limited.

John Douglas Read (Non Executive Director)
B.Sc. (Hons.) (Cant.), M.B.A. (A.G.S.M.)
Fellow of the Australian Institute of Company Directors.
Board Member since 1989. Director of Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited), Macarthur National Limited and CVC Investment Managers Pty Limited.

Paul Brazenor (Non Executive Director)
B.Econ. (Hons.), M.B.A., F.C.P.A., C.F.P.
Board Member since 1992. Consultant to Davey Financial Management, Director of Brazenor Financial Consulting Pty Limited, Australian Eucalypts Limited and Australian Plantation Timber Limited.

SHARE OPTIONS

No director has received, been granted or exercised any options during the year.

No shares have been issued by virtue of the exercise of an option during the year or to the date of this report. Accordingly, there are no unissued shares for which options are outstanding at the date of this report.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

	Ordinary Shares
Mr V.R. Gould	14,227,974
Mr J.S. Leaver	14,198,358
Mr J.D. Read	13,761,720
Mr P.G. Brazenor	-

At the date of this report no Director held an interest in the share capital of any controlled entities.

Directors benefits are set out in Notes 7 and 25.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

INDEMNIFICATION

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying such persons against a liability, including costs and expenses in successfully defending legal proceedings.

INSURANCE PREMIUMS

The Company has not, during the year or since the end of the financial year, in respect of any person who is or has been an auditor of the Company or a related body corporate paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses of defending legal proceedings.

Continental Venture Capital Limited has paid insurance premiums in respect of directors and officers liability and legal expense insurance for directors and officers of the Company, its controlled entities and certain other directorships of associated companies.

In accordance with subsection 309A(3)(d) of the Corporations Law further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

Signed in accordance with a resolution of the Board of Directors.

Dated at Sydney this 24th day of September, 1998.

VANDA RUSSELL GOULD
Director

JOHN DOUGLAS READ
Director

FINANCIAL STATEMENTS

For the year ended June 30, 1998

BALANCE SHEETS AS AT
30 JUNE 1998

	Notes	Consolidated		The Company	
		1998	1997	1998	1997
		$	$	$	$
CURRENT ASSETS					
Cash		6,827,458	9,755,410	4,730,879	3,180,812
Receivables	10	10,747,187	4,763,620	6,594,249	3,933,680
Inventories	11	1,159,686	3,629,580	-	-
Investments	12	3,951,504	2,625,425	2,174,509	2,423,467
Other	14	309,229	238,502	17,753	-
Total Current Assets		22,995,064	21,012,537	13,517,390	9,537,959
NON-CURRENT ASSETS					
Receivables	10	5,053,867	8,758,258	4,019,841	7,753,814
Inventories	11	13,196,968	12,428,915	13,196,968	12,428,915
Investments	12	12,132,074	7,821,817	6,436,799	6,281,445
Property, Plant and Equipment	13	335,507	369,257	-	-
Other	14	56,168	65,651	-	-
Total Non Current Assets		30,774,584	29,443,898	23,653,608	26,464,174
TOTAL ASSETS		53,769,648	50,456,435	37,170,998	36,002,133
CURRENT LIABILITIES					
Accounts Payable	16	1,259,340	1,060,354	459,854	40,450
Borrowings	17	1,767,366	2,840,280	1,231,828	2,105,789
Provisions	18	1,426,857	1,172,784	955,910	600,873
Total Current Liabilities		4,453,563	5,073,418	2,647,592	2,747,112
NON-CURRENT LIABILITIES					
Accounts Payable	16	-	1,019,933	-	1,019,933
Borrowings	17	9,735,609	6,776,943	14,922,950	12,683,431
Provisions	18	102,495	96,219	-	-
Total Non-Current Liabilities		9,838,104	7,893,095	14,922,950	13,703,364
TOTAL LIABILITIES		14,291,667	12,966,513	17,570,542	16,450,476
NET ASSETS		$39,477,981	$37,489,922	$19,600,456	$19,551,657
SHAREHOLDERS' EQUITY					
Share Capital	19	22,809,018	24,034,950	22,809,018	24,034,950
Reserves	20	6,131,174	6,170,678	5,324,992	5,461,121
Retained Profits or (Accumulated Losses)		10,015,225	6,858,991	(8,533,554)	(9,944,414)
Shareholders' Equity attributable to Members of the Holding Company		38,955,417	37,064,619	19,600,456	19,551,657
Outside equity interests in controlled entities	21	522,564	425,303	-	-
TOTAL SHAREHOLDERS' EQUITY		$39,477,981	$37,489,922	$19,600,456	$19,551,657

The accompanying notes form part of these financial statements.

PROFIT & LOSS ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1998

	Notes	Consolidated		The Company	
		1998	1997	1998	1997
		$	$	$	$
Operating Profit before abnormal items and income tax		415,086	1,425,869	980,903	842,214
Abnormal Items	5	4,135,076	-	(1,282,227)	-
Operating Profit before Income Tax	3	4,550,162	1,425,869	2,263,130	842,214
Income Tax attributable to Operating Profit	4	(284,431)	(411,614)	-	-
Operating Profit after Income Tax		4,265,731	1,014,255	2,263,130	842,214
Outside equity interests in Operating Profit after Income Tax		(257,227)	(8,027)	-	-
Operating Profit after Income Tax attributable to Members of the Holding Company		4,008,504	1,006,228	2,263,130	842,214
Retained Profits (Accumulated Losses) at the beginning of the financial year		6,858,991	6,365,457	(9,944,414)	(10,185,755)
Deconsolidation adjustment		-	88,179	-	-
Total available for appropriation		10,867,495	7,459,864	(7,681,284)	(9,343,541)
Dividends provided for or paid		(852,270)	(600,873)	(852,270)	(600,873)
RETAINED PROFITS OR (ACCUMULATED LOSSES) AT THE END OF THE FINANCIAL YEAR		$10,015,225	$6,858,991	$(8,533,554)	$(9,944,414)

The accompanying notes form part of these financial statements.

STATEMENTS OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 1998

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
CASH FLOWS RELATED TO OPERATING ACTIVITIES				
Cash Receipts in the course of operations	13,868,850	7,989,347	3,506,364	-
Cash Payments in the course of operations	(12,932,572)	(18,779,979)	(4,415,784)	(10,320,624)
Interest Received	3,574,509	1,815,007	3,414,094	1,227,162
Dividends Received	748,519	569,187	635,963	1,079,073
Interest Paid	(724,523)	(36,480)	(697,529)	-
Income Taxes Paid	(396,194)	-	-	-
Other	311,612	555,014	28,454	10
Net Operating Cash Flows (Note 24.2)	4,450,201	(7,887,904)	2,471,562	(8,014,379)
CASH FLOWS RELATED TO INVESTING ACTIVITIES				
Payments for Purchases of Property, Plant and Equipment	(561,508)	(68,194)	(519,496)	-
Proceeds from Sale of Property, Plant and Equipment	24,000	554,037	-	-
Payments for Purchase of Equity Investments	(10,930,168)	(7,599,806)	(1,250,600)	(5,078,709)
Proceeds from Sale of Equity Investments	6,257,105	7,334,288	1,275,910	6,636,849
Loans Provided	(4,632,568)	(7,777,632)	(3,007,041)	(6,800,300)
Loans Repaid	5,238,257	499,609	3,425,168	1,314,044
Net Investing Cash Flows	(4,604,882)	(7,057,698)	(76,059)	(3,928,116)
CASH FLOWS RELATED TO FINANCING ACTIVITIES				
Borrowings	2,765,142	7,413,525	3,842,527	6,400,325
Repayment of Borrowings	(3,465,522)	(15,560)	(2,710,167)	-
Share Buyback	(1,382,148)	(1,151,428)	(1,382,148)	(1,151,428)
Dividends Paid	(690,743)	(766,237)	(595,648)	(625,184)
Redemption of Preference Shares	-	(205,499)	-	(205,499
Net Financing Cashflows	(2,773,271)	5,274,801	(845,436)	4,418,214
RECONCILIATION OF CASH				
Net Increase/(Decrease) in Cash Held	(2,927,952)	(9,670,801)	1,550,067	(7,524,281)
Cash at Beginning of Year	9,755,410	19,426,211	3,180,812	10,705,093
CASH AT END OF YEAR (Note 24.1)	$6,827,458	$9,755,410	$4,730,879	$3,180,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1998

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NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these Financial Statements are:

1.1 Basis of Preparation

The Financial Statements are a general purpose financial report which has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, and the Corporations Law. It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

The accounting policies have been consistently applied by the entities in the Economic Entity, except where there is a note of a change in accounting policy.

1.2 Principles of Consolidation

The consolidated accounts of the Economic Entity include the accounts of the Company, being the chief entity, and its controlled entities.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated accounts have been eliminated.

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated accounts.

1.3 Investments - Note 12

Controlled Entities:
Investments in controlled entities are carried in the Company's accounts at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the profit and loss account when they are proposed by the controlled entities.

Associated Companies:
An associated company is one in which:

- the Economic Entity exercises significant influence; and
- the investment is long-term.

Investments in associated companies are carried at the lower of cost and recoverable amount. In the case of interim dividends, dividends are brought to account in the profit and loss account as they are received, or in the case of final dividends after they have been declared by the associated company in general meeting.

Information prepared on an equity accounting basis is set out in Note 23.

Other Companies:
Investments in other companies are carried at the lower of cost, or recoverable amount, being a directors' valuation based on market values at the time of the valuation. Dividends are brought to account as they are received.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

Note 1: Statement of Significant Accounting Policies (Cont'd)

1.4 Income Tax - Note 4

The Economic Entity adopts the liability method of tax effect accounting.

Income tax expense is calculated on operating profit, adjusted for any permanent differences between taxable and accounting income.

The tax effect of timing differences which arise from items being brought to account in different accounting periods for income tax and accounting purposes is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

1.5 Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments, readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

1.6 Inventories - Note 11

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

Manufacturing Activities:
Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

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

1.7 Account Payable - Note 16

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company or economic entity. Trade accounts payable are normally settled within 30 days.

1.8 Accounts Receivable - Note 10

Trade Debtors:
Trade Debtors to be settled within 30 days are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

Term Debtors:
Term debtors are carried at amounts due and settled on completion of projects. A market rate of interest is charged on outstanding amounts and debtors are required to provide collateral. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts.

1.9 Property, Plant and Equipment - Note 13

Acquisition:
Items of property, plant and equipment are recorded at cost and depreciated as outlined below.

The cost of property, plant and equipment constructed by controlled entities includes the cost of materials and direct labour and an appropriate proportion of fixed and variable overheads.

Note 1: Statement of Significant Accounting Policies (Cont'd)

Depreciation and Amortisation:
Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated / amortised over their estimated useful lives.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Leased Plant and Equipment:
Leases of plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the Economic Entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the profit and loss account.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.10 Provisions - Note 18

Employee Entitlements:
The provision for employee entitlements in relation to wages, sick leave and annual leave represents the amount which the Economic Entity has a present obligation to pay resulting from employee's services provided up to balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on - costs.

Long Service Leave:
The liability for employee entitlements in relation to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the Economic Entity's experience with staff departures. Related on-costs have also been included in the liability.

Doubtful Debts:
The collectability of debts is assessed at year end and specific provision is made for any doubtful accounts.

Warranties:
Provision is made for the Economic Entity's estimated liability on all products still under warranty and includes claims already received. The estimate is based on the Economic Entity's warranty costs experience over previous years.

1.11 Land Held for Sale

Valuation:
Development properties are carried at the lower of cost and net realisable value. Cost includes the costs of acquisition, development, and holding costs such as interest, rates and taxes. Interest and other holding costs incurred after completion of development are expensed as incurred.

Recognition of Income:
Income from sales is recognised when unconditional contracts are exchanged and at least ten per cent of the contract sale price is received.

Note 1: Statement of Significant Accounting Policies (Cont'd)

1.12 Revenue and Revenue Recognition

Sales Revenue:
Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products or services to entities outside the Economic Entity. Sales revenue is recognised when the goods are provided, or when the fee in respect of services provided is receivable.

Interest Income:
Interest income is recognised as it accrues unless collectability is in doubt.

Asset Sales:
The gross proceeds of asset sales received or receivable are included as revenue of the entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

Other Revenue:
Revenue recognition policies for investments and land held for resale are described in Note 1.3 and 1.11.

1.13 Foreign Currency

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

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

Hedges:
Where hedge transactions are designed to hedge the purchase or sale of goods or services, exchange differences arising up to the date of purchase or sale, together with any costs or gains arising at the time of entering into the hedge, are deferred and included in the measurement of the purchase or sale. Any exchange differences on the hedge transaction after that date are included in the profit and loss account.

Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur, the deferred gains and losses that arose on the foreign currency hedge prior to its termination continue to be deferred and are included in the measurement of the purchase or sale when it occurs. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur, deferred gains and losses that arose on the foreign currency hedge prior to its termination are included in the profit and loss account for the period.

Translation of Controlled Foreign Entities:
The balance sheets of the controlled entities incorporated overseas (being self-sustaining foreign operations) are translated at the rates of exchange ruling at balance date. The profit and loss accounts are translated at a weighted average rate for the year. Exchange differences arising on translation are taken directly to the foreign currency translation reserve.

1.14 Non Current Assets

The carrying amounts of all non current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

Note 1: Statement of Significant Accounting Policies (Cont'd)

1.15 Research and Development Costs

Research and development expenditure is expensed as incurred except to the extent that its recoverability is assured beyond any reasonable doubt, in which case it is deferred and amortised over the shorter of the period in which the related benefits are expected to be realised or five years.

All deferred research and development expenditure is reviewed in accordance with this policy.

1.16 Joint Venture

The Economic Entity's interest in an unincorporated joint venture is brought to account by including its interest in the following amounts in the appropriate categories in the balance sheet and profit and loss account:

- each of the individual assets employed in the joint venture;
- liabilities incurred by the economic entity in relation to the joint venture and the liabilities for which it is jointly and / or severally liable; and
- expenses incurred in relation to the joint venture.

1.17 Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$

NOTE 2: OPERATING REVENUE

2.1 Sales Revenue

Sale of Goods & Services	11,193,229	14,678,692	-	-
Hotel Revenue	2,042,939	-	2,042,939	-
Proceeds from Share Sales	6,257,105	-	1,275,910	5,736,399
	19,493,273	14,678,692	3,318,849	5,736,399
Other Operating Revenue:				
Interest Received or Receivable from:				
Wholly Owned Controlled Entities	-	-	-	5,082
Partly Owned Controlled Entites	-	-	202,554	238,767
Other Corporations	4,863,840	2,872,534	4,596,588	1,890,455
Dividends Received or Receivable from:				
Wholly Owned Controlled Entities	-	-	-	10,801
Partly Controlled Entities	-	-	-	501,120
Other Corporations	748,520	569,189	635,964	567,154
Proceeds on Sale of Plant and Equipment	1,119,954	4,037	1,104,228	-
Loan Recoveries	1,678,467	-	1,678,467	135,832
Investment Writeback	-	-	-	420,000
Royalties	9,494	8,762	-	-
Grants and Subsidies	382,039	156,115	-	-
Sundry Revenue	220,677	140,624	-	-
Exchange Rate Gains	40,993	88,082	-	-
Other	28,463	-	28,463	-
	$28,585,720	$18,518,035	$11,565,113	$9,505,610

2.2 Sale of assets

Profit on Sale of Property, Plant and Equipment	16,132	313	406	-
Profit on Sale of Investments	1,869,293	738,689	216,912	650,768

Consolidated **The Company**

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

	1998 $	1997 $	1998 $	1997 $
NOTE 3: OPERATING PROFIT				
Operating profit before abnormal items and income tax is arrived at after charging / (crediting the following items:				
Charging as Expenses				
Interest Paid or Payable to:				
Partly Owned Controlled Entities	-	-	775,258	892,698
Other Corporations	4,302	917	-	-
Finance charges on Finance Leases	9,234	9,485	-	-
Depreciation of Property, Plant and Equipment	1,841,264	165,977	1,756,542	-
Writedown of Property, Plant and Equipment	-	233,617	-	-
Rental Expense on Operating Leases	121,245	195,535	-	-
Loss on Sale of Investments	718,833	854,817	657,093	849,003
Loans Written off	-	124,812	-	4,222
Writedown of Investments	-	1,428	-	-
Profit Share	-	-	1,500,468	-
Unrealised (Profit) Loss on Short Term Investments	(320,828)	(250,625)	(853,442)	(419,122)
Foreign Rate Losses	82,783	20,246	-	-
Bad Debts Written Off	1,285	79,634	-	-
Trust Distribution	613,068	140,719	-	-
Research and Development	287,576	-	-	
Amortisation of:				
Capitalised Leased Assets	28,651	24,233	-	-
Deferred Expenses	39,317	-	39,317	-
Borrowing Costs	-	10,524	-	-
Transfers to (from) Provisions:				
Provision for Loans	2,547,474	1,189,970	1,026,328	1,315,368
Doubtful Trade Debtors	-	(11,740)	-	-
Warranties	-	(5,000)	-	-
Employee Entitlements	2,560	39,239	2,560	-
Obsolescence	-	(51,082)	-	-

NOTE 4: INCOME TAX

4.1 Income Tax Expense:

	1998 $	1997 $	1998 $	1997 $
Prima Facie Tax on Operating Profit before Income Tax at 36%	1,638,058	513,313	814,727	303,197
Add (Less) the Tax Effect of permanent differences:				
Write Down of Listed Shares	(115,498)	(89,322)	(307,239)	(150,884)
Provision Movements	488,949	138,032	(139,963)	380,656
Dividend Rebate	(446,931)	(204,909)	(228,947)	(388,467)
Sundry Items	(321,188)	183,342	(148,072)	(420)
Deferred Expenditure	(126,937)	-	(126,937)	-
Capital Loss	(397,522)	-	(397,522)	-
Div 43 Allowance	(80,407)	-	(80,407)	-

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

Note 4: Income Tax (Cont'd)

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
Tax losses not brought to account	661	-	-	-
Tax Losses Transferred from Related Company	-	-		(144,082)
Recovery of Tax Losses Previously not brought to Account	(361,036)	(128,842)	614,360	-
Prior year over provision	6,282	-	-	-
	$284,431	$411,614	$Nil	$Nil
Income Tax expense attributable to operating profit is made up of:				
Current income tax provision	276,304	-	-	-
Deferred income tax provision	(3,251)	-	-	-
Future income tax benefit	5,096	-	-	-
Over provision in prior year	6,282	-	-	-
	$284,431	$Nil	$Nil	$Nil

4.2 Future Income Tax Benefits not taken to Account

Tax Losses carried forward	$4,625,769	$4,986,805	$Nil	$Nil

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

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

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

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

NOTE 5: ABNORMAL ITEMS

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
Profit on sale of investment	1,352,381	-	-	-
Profit distribution	-	-	(1,500,468)	-
Reversal of prior year loan provision	1,678,467	-	1,678,467	-
Profit on sale of land in Joint Venture	1,104,228	-	1,104,228	-
	$4,135,076	$Nil	$1,282,227	$Nil

NOTE 6: DIVIDENDS

	Consolidated 1998 $	Consolidated 1997 $	The Company 1998 $	The Company 1997 $
Dividends provided for or paid by the Company:				
Final ordinary dividend declared of 0.75 cents per share, franked to 100% with class C (36%) franking credits (1997: 0.5 cents per share, franked to 100%with Class C (36%) franking credits):	$852,270	$600,873	$852,270	$600,873
Estimated amount of unappropriated profits and reserves which could be distributed as franked dividends out of existing franking credits or out of franking credits arising from the payment of income tax in respect of the current year's profits and after deducting franking credits to be used in payment of the above dividend:				
Class C (36%) franking credits	$1,151,208	$802,227	$179,501	$390,613

NOTE 7: REMUNERATION OF DIRECTORS AND EXECUTIVES

7.1 Directors' Remuneration

	Consolidated 1998 $	Consolidated 1997 $	The Company 1998 $	The Company 1997 $
The number of Directors of the Company whose income from the Company or related bodies corporate falls within the following bands:	Number	Number	Number	Number
$0 - $ 9,999	-	-	3	3
$20,000 - $29,999	-	-	1	1
$100,000 - $109,999	-	1	-	-
$110,000 - $119,999	1	1	-	-
$140,000 - $149,999	1	-	-	-
Total Income paid or payable, directly or indirectly to all Directors of the Company from the Company or any related parties. This amount includes the value of insurance premiums paid for the benefit of directors.			$31,260	$31,596
Total Income paid or payable, directly or indirectly to all Directors of each entity in the Economic Entity from the Company, or any related parties or controlled entities.	$291,564	$258,312		

Management Fees were paid to CVC Investment Managers Pty Limited as disclosed in Note 25.

7.2 Executive Officers' Remuneration

No amounts were paid or payable, directly or indirectly to executive officers of the Company whose income from the Company or any related parties exceeded $100,000.

The number of executive officers of the Economic Entity whose income from controlled entities within the Economic Entity exceeded $100,000 falls within the following bands:

	Number	Number
$100,000 - $109,999	-	1
$110,000 - $119,999	1	1
$140,000 - $149,999	1	-
Total Income paid or payable, directly or indirectly to executive officers of the Economic Entity from the Company, Economic Entity or any related party in connection with the management of the affairs of the Economic Entity whose incomes exceed $100,000.	$260,304	$226,716

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
NOTE 8: AUDITORS' REMUNERATION				
Amounts received or due and receivable for audit services by:				
Auditors of the Company	39,000	40,000	14,000	17,500
Other Auditors	-	2,000	-	-
	$39,000	$42,000	$14,000	$17,500
Amounts received or due and receivable for other services by the Auditors of the Company	$7,500	$4,500	$4,500	$4,500

The Auditors received no other benefits.

	Consolidated	
	1998	1997
	$	$
NOTE 9: EARNINGS PER SHARE		
Basic Earnings per Share (dollars per share)	0.0345	0.0082
Diluted Earnings per Share (dollars per share)	0.0345	0.0082
Reconciliation of earnings used in the calculation of earnings per share:		
Operating profit after income tax	4,265,731	1,014,255
Less: Outside equity interests	(257,227)	(8,027)
Earnings used in the calculation of basic earnings per share and diluted earnings per share	$4,008,504	$1,006,228

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

	Number of Shares	
	1998	**1997**
Weighted average number of ordinary shares used in the calculation of basic earnings per share	116,120,924	123,632,067
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	116,120,924	123,632,067

	Consolidated		**The Company**	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
NOTE 10: RECEIVABLES				
Current				
Trade Debtors	2,889,646	1,348,572	717,837	58,933
Provision for Doubtful Debts	(8,000)	(32,315)	-	-
	2,881,646	1,316,257	717,837	58,933
Other Debtors	415,331	111,743	-	70,000
Loans to Other Corporations (a)	5,050,378	3,020,472	1,951,329	3,020,472
Loans to Partly Owned Controlled Entities	-	-	1,304,329	2,109,969
Loans to Associated Entities	5,143,372	315,148	5,097,580	-
Provision for Loans to Associated Entities	(897,579)	-	(897,579)	-
Provision for Loans to Related Corporations	-	-	(1,304,329)	(1,325,694)
Provision for Loans to other Corporations	(1,845,961)	-	(274,918)	-
Total Current Receivables	$10,747,187	$4,763,620	$6,594,249	$3,933,680
Non-Current				
Bank Security Deposit	-	50,547	-	50,547
Loans to Other Corporations (b)	1,170,764	10,323,670	-	9,319,226
Loans to Joint Venture	4,019,841	-	4,019,841	-
Provision for Interest not Received on Loans to Other Corporations	(136,738)	(1,615,959)	-	(1,615,959)
Total Non-Current Receivables	$5,053,867	$8,758,258	$4,019,841	$7,753,814

Further details of loans from related entities are set out in Note 25.

Term Debtors
The weighted average effective interest rate on term debtors, is current 15.23%, and non current 11.46%, at 30 June 1998.

Collateral is obtained for all loans and includes:

a) First ranking fixed and floating charge over a company ($798,000). Second registered mortgage over land and improvements ($1,300,006). Ssecond registered mortgage over land and improvements ($1,951,329). Second ranking charge over development company ($1,001,043).

b) Right to register a second mortgage over the real property subject of the development projects ($1,170,764).

Other Debtors
Other Debtors represent interest, dividend, trust distribution and property settlement receivables.

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
NOTE 11: INVENTORIES				
Current				
Land for Development - at cost	-	1,307,042	-	-
Development Costs capitalised	-	1,162,175	-	-
	-	2,469,217	-	-
Raw Materials - at cost	897,667	791,379	-	-
Less Provision for Obsolescence	(340,603)	(340,293)	-	-
	557,064	451,086	-	-
Work in Progress - at cost	153,147	105,417	-	-
Finished Goods - at cost	506,475	635,694	-	-
Less Provision for Obsolescence	(57,000)	(31,834)	-	-
	449,475	603,860	-	-
Total Current Inventories	$1,159,686	$3,629,580	$ Nil	$Nil
Non Current				
Land for Development - cost	1,688,430	1,688,430	1,688,430	1,688,430
Development Costs capitalised	11,508,538	10,740,485	11,508,538	10,740,485
Total Non-Current Inventories	$13,196,968	$12,428,915	$13,196,968	$12,428,915

Development Costs include holding costs, rates, interest, taxes and other amounts are capitalised.

Land and development costs capitalised held is considered by the directors to have a value of $16,250,000 as at 30 June 1998. This is based on an independent valuation. The valuation which has not been recognised in the financial statements, was based on the estimated fair value of the land in an open market.

NOTE 12: INVESTMENTS				
Current				
Shares in Quoted Corporations				
- at cost	2,173,037	640,413	2,173,037	608,455
- at market value	1,471,954	1,985,012	1,472	1,815,012
Unlisted Debenture				
- at cost (c)	306,513	-	-	-
	$3,951,504	$2,625,425	$2,174,509	$2,423,467
Market Value of Shares in Quoted Corporations	$4,775,545	$2,714,908	$3,307,064	$2,505,789

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
Non-Current				
Investments comprise shares in:				
Controlled Entities (refer Note 21)				
Unlisted - at cost	-	-	53,456	5,088
Shares in Other Quoted Corporations				
- at cost	-	5,322,022	-	5,322,022
- at market value	-	1,409,400	-	-
Shares in Associated Companies				
- at cost (b)	9,132,074	1,090,395	6,383,343	954,335
Unlisted Units in Unit Trust - Associated				
- at cost (a)	3,000,000	-	-	-
Total Non-Current Investments	$12,132,074	$7,821,817	$6,436,799	$6,281,445
Market Value of Shares in Quoted Corporations:				
Other Corporations	-	14,791,305	-	13,381,905
Associated Companies	16,963,036	2,079,414	14,221,505	1,298,819
	$16,963,036	$16,870,719	$14,221,505	$14,680,724

The directors have valued shares in quoted corporations at the lower of cost and market value as at 30 June 1998. The net fair value is represented as the market value.

a) The cost of the unlisted units in a unit trust equates to the net fair value, being the relevant share of underlying net assets. The valuation was not made in accordance with a policy of regular revaluation.

b) Shares in Sunland Group Limited were classified as Other Quoted Corporations in 1997 and as an Associated Company in 1998. The cost of Sunland Group Limited shares at 30 June is $7,847,107 (1997: $6,883,442). The market value of these shares at 30 June 1998 was $15,879,328 (1997: $14,791,305).

c) Convertible note secured by a second charge over assets of the Company and its controlled entity.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
Plant and Equipment				
At cost	3,490,696	2,833,119	-	-
Less: Accumulated Depreciation	(3,231,937)	(2,558,065)	-	-
	258,759	275,054	-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
NOTE 13: PROPERTY, PLANT AND EQUIPMENT (cont'd)				
Leasehold Improvements				
At cost	43,149	45,622	-	-
Less: Accumulated Amortisation	(31,875)	(31,875)	-	-
	11,274	13,747	-	-
Leased Plant and Equipment				
At Capitalised Cost	95,099	110,081	-	-
Less: Accumulated Amortisation	(29,625)	(29,625)	-	-
	65,474	80,456	-	-
Total Property, Plant & Equipment	$335,507	$369,257	$Nil	$Nil

NOTE 14: OTHER ASSETS

Current				
Prepayments and Deposits	$309,229	$238,502	$17,753	$Nil
Non-Current				
Future Income Tax Benefits				
- attributable to timing differences	$56,168	$65,651	$Nil	$Nil

NOTE 15: FINANCING ARRANGEMENTS

The Economic Entity has access to the following lines of credit:

Total facilities available:				
Bank Overdraft	2,100,000	100,000	2,000,000	-
Commercial Bills	-	1,900,000	-	-
Joint Venture - Finance Loans	4,019,840	3,988,416	-	-
- Bank Loans	10,000,000	10,000,000	-	-
Bank Finance	50,000	50,000	-	-
Other	-	-	2,000,000	2,000,000
	$16,169,840	$16,038,416	$4,000,000	$2,000,000
Facilities utilised at balance date:				
Bank Overdraft	-	-	-	-
Commercial Bills	-	1,000,000	-	-
Joint Venture - Finance Loans	4,019,840	3,988,416	-	-
- Bank Loans	9,500,000	6,533,451	-	-
Bank Finance	49,000	48,800	-	-
Other	-	-	-	-
	$13,568,840	$11,570,667	$Nil	$Nil

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

Facilities not utilised at balance date:				
Bank Overdraft	2,100,000	100,000	2,000,000	-
Commercial Bills	-	900,000	-	-
Joint Venture - Finance Loans	-	-	-	-
- Bank Loans	500,000	3,466,549	-	-
Bank Finance	1,000	1,200	-	-
Other	-	-	2,000,000	2,000,000
	$2,601,000	$4,467,749	$4,000,000	$2,000,000

Bank Overdraft

The bank overdraft to the entered of $2,000,000 is secured by a registered mortgage over the assets of CVC. The overdraft of the controlled entities Tetley Medical Limited is secured by EFIC Insurance. The facility and security is subject to annual review. Interest on bank overdrafts is charged at prevailing market rates.

Bank Finance

The bank finance funds are guaranteed against certain trade debtors and EFIC insurance of Tetley Medical Limited.

Joint Venture Bank Loans

The bank loan is secured by registered mortgage over a development property, fixed and floating charges over assets and undertakings and guarantees by various companies and directors of the joint venturers and related parties exluding the Company and its controlled entities..

Joint Venture Finance Loans

Sub-ordinated fixed and floating charges over the assets and undertakings of two controlled entities of Sunland Group Limited and a first registered charge over 3,940,000 shares in Sunland Group Limited held by Sunland Group Limited a director controlled entity.

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
NOTE 16: ACCOUNTS PAYABLE				
Current				
Trade Creditors	889,956	780,077	260,674	-
Sundry Creditors and Accruals	326,259	237,867	199,180	40,450
Unearned Income	43,125	42,410	-	-
Total Current Accounts Payable	$1,259,340	$1,060,354	$459,854	$40,450
Non-Current				
Unearned Income	$Nil	$1,019,933	$Nil	$1,019,933

NOTE 17: BORROWINGS

Current				
Commercial Bills (Note 15)	-	1,000,000	-	-
Bank Finance Facility (Note 15)	49,000	48,800	-	-
Lease Liability (Note 27)	25,754	19,986	-	-
Loans from Other Persons	1,692,612	1,771,494	75,000	947,219
Loans from Wholly Owned Controlled Entities	-		1,156,828	1,158,570
Total Current Borrowings	$1,767,366	$2,840,280	$1,231,828	$2,105,789
Non-Current				
Bank Loans (Note 15)	9,500,000	6,533,451	9,500,000	6,533,451
Lease Liability (Note 27)	60,992	68,875	-	-
Loans from Other Persons	174,617	174,617	1,500,468	-
Loans from Partly Owned Controlled Entities	-	-	3,922,482	6,149,980
Total Non-Current Borrowings	$9,735,609	$6,776,943	$14,922,950	$12,683,431

NOTE 18: PROVISIONS

Current				
Warranties	12,443	12,500	-	-
Employee Entitlements	231,250	155,924	103,640	-
Dividends	1,102,270	600,873	852,270	600,873
Taxation	80,894	403,487	-	-
Total Current Provisions	$1,426,857	$1,172,784	$955,910	$600,873
Non-Current				
Employee Entitlements	25,466	22,442	-	-
Deferred Income Tax - attributable to timing differences	77,029	73,777	-	-
Total Non-Current Provisions	$102,495	$96,219	$Nil	$Nil

NOTE 19: SHARE CAPITAL

19.1 Authorised Capital

250,000,000 Ordinary Shares	50,000,000	50,000,000	50,000,000	50,000,000
2,000,000,000 Convertible Redeemable Preference Shares	2,000,000	2,000,000	2,000,000	2,000,000
	$52,000,000	$52,000,000	$52,000,000	$52,000,000

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
19.2 Issued Capital				
114,045,088 fully paid Ordinary Shares fully paid (1997: 120,174,750)	$22,809,018	$24,034,950	$22,809,018	$24,034,950

On 21 February 1996 the Company commenced an on-market share buyback scheme. The initial scheme ended on 21 August 1996. A new scheme commenced on 12 December 1996 and ended on 12 June 1997. A further scheme commenced on 13 June 1997 and ended on 14 December 1997. A further scheme commenced on 15 December 1997 and ended on 15 June 1998. Another scheme commenced on 16 June 1998 and has yet to be completed.

Total consideration paid for the shares during the year was $1,382,148 (1997: $1,151,428) at prices varying from 19¢ to 23¢ (1997: 22c to 25c) per share.

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
NOTE 20: RESERVES				
Share Premium Reserve	5,315,900	5,472,116	5,304,905	5,461,121
Capital Profits Reserve	370,087	350,000	20,087	-
Foreign Currency Translation Reserve	445,187	348,562	-	-
	$6,131,174	$6,170,678	$5,324,992	$5,461,121
Movements in Reserves:				
Share Premium Reserve				
Balance at the beginning of the year	5,472,116	5,633,395	5,461,121	5,622,400
Less premium on share buy back	(156,216)	(161,279)	(156,216)	(161,279)
Balance at the end of the year	$5,315,900	$5,472,116	$5,304,905	$5,461,121
Foreign Currency Translation Reserve				
Balance at the beginning of the year	348,562	338,347	-	-
Increment upon translation of subsidiaries' accounts denominated in foreign currencies	39,625	10,215	-	-
Balance at the end of the year	$388,187	$348,562	$Nil	$Nil

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

NOTE 21: CONTROLLED ENTITIES

21.1 Particulars in Relation to Controlled Entities

The consolidated financial statements at 30 June 1998 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

During the year dividends of $304,920 (1996: $501,120) from Tetley Medical Limited were paid to a controlled entity, CVC Communication & Technology Pty Limited. $188,050 was receivable at 30 June 1998.

All companies are incorporated in Australia except as follows;

Laserex Inc and Solatrol Inc - United States of America.
Geneva Truehand Plc - Ireland.

	Note	Interest Held 1998 %	1997 %
Continental Venture Capital Limited			
Controlled Entities:			
Biomedical Systems Pty Limited	(i)	100	100
CVC Australia Pty Limited (formerly Continental Venture Enterprises Limited)	(i)	100	100
Head to Heart Pty Limited (formerly CVC Investments Pty Limited)	(i)	100	100
CVC Waste Management Pty Limited	(i)	100	100
Kingarrow Pty Limited	(i)	100	100
Kingrose Developments Pty Limited	(i)	51	51
Kingrose Development Trust		51	51
Geneva Truehand Plc		51	51
Campburn Pty Limited	(i)	100	100
Mosman Development Trust		50	50
CVC Capital Partners Pty Limited	(i)	100	100
CVC Pay TV Trust		100	100
Laserex Limited		98.89	98.67
CVC Communication and Technology Pty Ltd		98.89	98.67
Tetley Medical Limited		76.23	75.22
Tetley Research Pty Limited	(i)	76.23	75.22
Tetley Marketing Pty Limited	(i)	76.23	75.22
Tork Pty Limited	(i)	76.23	75.22
Broadway Development Pty Limited	(i)	50	50
Laserex Inc		75	75
Laserex Technologies Pty Limited		75	75
Solatrol Australasia Pty Limited	(i)	100	100
Solatrol Inc		82	82

Notes

(i) Are Australian controlled entities and small proprietary companies as defined by the Corporations Law and are not required to be audited for statutory purposes.

Note 21: Controlled Entities (Cont'd)

21.2 Outside Equity Interests in Controlled Entities comprise:

	Consolidated 1998 $	Consolidated 1997 $
Interest in retained profits at the beginning of the financial year	(7,902,832)	(7,759,310)
Interest in operating profit and extraordinary items after income tax	(257,227)	(8,027)
Interest in dividends provided or paid	(492,955)	(152,212)
Share of retained profits (losses) in controlled entities acquired / disposed of during the year.	1,885,993	16,717
Interest in retained profits (losses) at end of the financial year	(6,767,021)	(7,902,832)
Interest in share capital	6,970,025	8,048,888
Interest in reserves	319,560	279,247
Total outside equity interests	$522,564	$425,303

NOTE 22: OPERATIONS BY SEGMENTS

22.1 Geographical Segments

The Economic Enitity operates predominantly in Australia

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

Note 22: Operations By Segments (Cont'd)

22.2 Industrial Segments

	Medical	Hotel	Investment and Venture Capital	Electronics	Property Development	Eliminations	Consolidated
	$	$	$	$	$	$	$
1998:							
Revenue from Customers outside the Group	5,531,506	3,147,165	6,992,179	1,561,676	6,813,121	-	24,045,647
Intersegment Revenue	-	-	4,863,855	169,188	-	(492,970)	4,540,073
Total Revenue	$5,531,506	$3,147,165	$11,856,034	$1,730,864	$6,813,121	$(492,970)	$28,585,720
Segment Result	$484,251	$1,014,590	$2,730,115	$23,983	$1,979,365	$Nil	$6,232,304
Unallocated Expense	-	-	-	-	-	-	(1,966,573)
							$4,265,731
Segment Assets	$2,699,943	$13,674,593	$11,481,068	$830,846	$25,083,198	$Nil	$53,769,648
1997:							
Revenue from Customers Outside the Group	5,686,723	-	6,814,274	2,177,695	-	-	14,678,692
Intersegment Revenue	328,404	-	1,817,209	122,594	2,083,057	(511,921)	3,839,343
Total Revenue	$6,015,127	$Nil	$8,631,483	$2,300,289	$2,083,057	$(511,921)	$18,518,035
Segment Result	$844,535	$Nil	$1,139,299	$(569,661)	$866,918	$Nil	2,281,091
Unallocated Expenses	-	-	-	-	-	-	(1,266,836)
							$1,014,255
Segment Assets	$3,357,133	$Nil	$12,803,392	$787,613	$33,508,297	$ Nil	$50,456,435

Inter - segment pricing is determined on an arms length basis

The Economic Entity operates predominantly in five industries as disclosed above. Medical operations comprise a) the manufacturing and sale of nuclear medical equipment; b) distribution of radio pharmaceuticals; and c) royalties on biological cell lines. Property development comprises the provision of loans made to property development entities and investments in property development companies. Investment and Venture Capital involves a range of activities including investments in short and long term listed entities, interest bearing loans to various entities, and dividends received. Electronics operations comprise the manufacture and sale of laser products. Hotel operations comprise a share of the ownership and operations of the Legends Hotel.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

NOTE 23: INVESTMENTS IN ASSOCIATED COMPANIES

Associated Companies
Details of material interests in associated companies are as follows:

			Ownership Interest			
			Consolidated		The Company	
Name	Principal Activities	Class of Share	1998 %	1997 %	1998 %	1997 %
Macarthur National Limited	Investment	Ord	31.12	27.02	9.42	7.42
Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited)	Electronic & Security	Ord	22.13	20.71	18.86	18.86
Sunland Group Limited	Property Development	Ord	34.06	31.48	28.52	28.44
Regatta Point Unit Trust	Property Development	Units	30.00	-	-	-

The balance date of the associated companies is 30 June and all were incorporated in Australia.

	Investment Carrying Amount				Dividends Received/Receivable			
	Consolidated		The Company		Consolidated		The Company	
Name	1998 $	1997 $	1998 $	1997 $	1998 $	1997 $	1998 $	1997 $
Macarthur National Limited	335,097	206,801	234,421	169,406	Nil	Nil	Nil	Nil
Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited)	949,870	881,594	784,929	784,929	87,314	47,025	74,428	47,025
Sunland Group Limited	7,847,107	Nil	5,363,993	Nil	653,402	Nil	553,734	Nil
Regatta Point Unit Trust	3,000,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Sunland Group Limited was not classified as an associated entity in the prior year, although there was an ownership interest.

CVC Communication & Technology Pty Limited acquired a 30% interest in the Regatta Point Unit Trust. The trust has a balance date of 30 June and was settled in Australia. The carrying amount is the cost, $3,000,000, which equates to the net fair value, being the relevant share of underlying net assets. The Regatta Point Unit Trust did not derive an operating profit or loss during the year. No distributions were made during the year.

Note 23: Investment in Associated Companies (Cont'd)

	Consolidated 1998 $	Consolidated 1997 $
Equity Information		
Investments in associated companies are accounted for on a cost basis in the Company accounts and the consolidated accounts. Information about the investments under the equity accounting method is set out below.		
Share of associated company's operating profit and extraordinary items after income tax.	2,726,270	2,256,147
Aggregate dividend revenue	(740,716)	(508,470)
	1,985,554	1,747,677
Aggregate share of retained profits at the beginning of the year	4,326,645	2,578,968
Aggregate share of retained profits not reflected in the investment carrying accounts	6,312,199	4,326,645
Aggregate carrying amount of investments in associated companies	9,132,074	7,819,817
Aggregate amount of investments in associated companies, as determined under the equity method of accounting	$15,444,273	$12,146,462

The comparative figures have been adjusted to include Sunland Group Limited.

	Consolidated 1998 $	Consolidated 1997 $	The Company 1998 $	The Company 1997 $
NOTE 24: STATEMENT OF CASH FLOWS				
24.1 Reconciliation of Cash				
Cash Balance Comprises				
Cash on Hand	2,890,202	2,182,398	793,623	659,553
Cash on Deposit	3,937,256	7,573,012	3,937,256	2,521,259
	$6,827,458	$9,755,410	$4,730,879	$3,180,812

Note 24: Statement of Cash Flows (Cont'd)

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
24.2 Reconciliation of the Operating Profit After Tax to the Net Cash Flows from Operations				
Operating Profit After Tax	4,265,731	1,014,255	2,263,130	842,214
Adjustments for non-cash income and expense items				
Depreciation and Amortisation of Property Plant and Equipment	1,841,264	190,190	1,756,542	-
Amortisation - Other	73,385	10,524	39,317	-
Loss on Sale / Writedown of Property, Plant & Equipment	-	233,617	-	-
Profit of Sale of Property, Plant & Equipment	(16,132)	(313)	(406)	-
Unrealised Profit on Short Term Investments	(320,828)	(250,625)	(853,442)	(419,111)
Write Down / Writeback of Investments	-	1,428	-	(420,000)
Profit Distribution	-	-	1,500,464	-
Profit on Disposal Short Term Investments	(1,869,293)	(738,689)	(216,912)	(650,768)
Loss on Disposal Short Term Investments	718,834	854,795	657,094	849,002
Unrealised Exchange Losses	167,339	(20,246)	-	-
Bad and Doubtful Debts	-	79,634	-	-
Loan Provisions	1,255,006	1,189,970	(474,140)	1,179,545
Loan Writeoffs	-	124,812	-	4,222
Interest Expense not Paid	186,964	-	775,258	-
Interest Income not Received	(1,289,331)	(1,098,423)	(1,056,033)	(526,530)
Movement in Income Tax Provision	(322,593)	403,487	-	-
Movement in Deferred Tax	(3,251)	8,126	-	-
Other	-	17,220	-	-
Changes in Assets and Liabilities:				
Trade Receivables	(675,430)	81,874	496,022	(27,816)
Inventories	1,128,365	(10,571,608)	(1,393,151)	(9,248,085)
Trade Creditors	408,422	572,030	(2,250)	402,948
Unearned Income	(1,019,931)	-	(1,019,931)	-
Provisions	(25,348)	34,240	-	-
Prepayments	(52,972)	(24,202)	-	-
Net Cash Flows from Operating Activities	$4,450,201	$(7,887,904)	$2,471,562	$(8,014,379)

24.3 Financing Facilities - Refer Note 15.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

NOTE 25: RELATED PARTY INFORMATION

Directors

The names of persons who held the position of Director of the Company at any time during the year ended June 30, 1998 were:

Vanda Russell Gould
John Scott Leaver
John Douglas Read
Paul Geoffrey Brazenor

Details of directors' remuneration, superannuation and retirement payments are set out in Note 7.

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

Directors Loans

There were no loans to directors during the year or existing at the end of the financial year.

Other Transactions

CVC Investment Managers Pty Limited, of which Messrs Gould, Read and Leaver were Directors during the relevant period, is entitled to a management fee of 4% of the funds under management of Continental Venture Capital Limited for providing fund raising, accounting, secretarial and management services. CVC Investment Managers Pty Limited is also entitled to a further payment (Incentive Fee) assessed at 20 percent of the increment in the net asset value of the Company during the year. No Incenitve Fee has been paid for the year to 30 June 1998. CVC Investment Managers Pty Limited is responsible for the remuneration of several Directors and Executive Officers of Continental Venture Capital Limited together with the provision of administration and management services.

Management fees of $1,179,842 (1997: $1,155,899) were paid to CVC Investment Managers Pty Limited by Continental Venture Capital Limited during the year.

CVC Investment Managers Pty Limited received management fees from the controlled entities and associated companies of Continental Venture Capital Limited for the provision of services directly to those companies totalling $968,945 (1997: $784,853).

Royalties totaling $7,940 (1997: $7,960) were paid by Tetley Medical Limited to Co-Tech Management Pty Limited, of whom a director, Mr William Burch, is a director and shareholder of Tetley Medical Limited. Royalties are based on 1% of receipted sales of Technegas generators.

During prior years Continental Venture Capital Limited ("CVC") lent $6,740,806 to The Legends Hotel Joint Venture of which it has a 50% interest. The balance of the loan at 30 June 1998 was $8,039,681 including capitalised interest. The balance of the interests in the Legends Hotel Joint Venture are held by Sunland Group Limited ("Sunland"). Mr Leaver is a director of Continental Venture Capital Limited and Sunland. Mr Read is a director of Continental Venture Capital Limited and secretary of Sunland.

Continental Venture Capital Limited has lent funds to Sunland Southbank Pty Limited for the development of "Sun City Resort". The loan is guaranteed by Sunland. Mr Leaver is a director of Continental Ventue Capital Limited and Sunland. Mr Read is a director of Continental Venture Capital Limited and secretary of Sunland. Interest is payable at 11% per annum and capitalised 6 monthly. A provision of $897,579 has been made against interest income earned but not received and due on completion of the project. At 30 June 1998 the balance of this loan was $5,097,579 before interest provisions. The loan and interest was fully repaid in September 1998.

CVC Communication & Technology Pty Limited loaned $6,000,000 to its ultimate parent entity, Continental Venture Capital Limited in previous years at 9% interest. At year end the loan totalled $3,922,481 including capitalised interest and facility fees of $775,258 (1997: $892,698). A further loan facility of $2,000,000 has not been utilised at year end.

Note 25: Related Party Information (Cont'd)

CVC Communication & Technology Pty Limited in the prior year loaned $300,000 to Australasian Technology Corporation (Australia) Pty Limited (formerly Pacific Communications Pty Limited) at an annualised interest rate of 15%-17% interest. Australasian Technology Corporation (Australia) Pty Limited is a controlled entity of Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited) an associate of CVC. The loan balance at year end totalled $25,792 including capitalsed interest. Mr Read is a director of CVC Communication & Technology Pty Limited, Continental Venture Capital Limited and Australasian Technology Corporation (Australia) Pty Limited, and Australasian Technology Corporation Limited. Mr Beard is a director of CVC Communication & Technology Pty Limited and Australasian Technology Corporation (Australia) Pty Limited. The loan was repaid in July 1998.

During the year advances totalling $2,001,043 were made by CVC Communication & Technology Pty Limited to the Broadway Development Unit Trust for a residential property development. Repayments of $1,500,000 were received during the year. Broadway Development Pty Limited, a controlled entity of CVC Communication & Technology Pty Limited, is the trustee of the Broadway Development Unit Trust. At 30 June 1998 the balance of the advance was $1,001,043. Mr Read is a director of Continental Venture Capital Limited and Broadway Development Pty Limited. Mrs Dyet and Ms Oakeshott are Company Secretaries of both companies. The loan accrues interest at 25% p.a.

Continental Venture Capital Limited and CVC Communication & Technology Pty Limited purchased shares in Sunland Group Limited, Macarthur National Limited and Australasian Technology Corproation Limited (formerly Pacific Communications Holdings Limited) during the year. All purchases were made at market prices on the Australian Stock Exchange Limited. The directors of Continental Venture Capital Limited and CVC Communication & Technology Pty Limited are director/secretaries of the above mentioned companies and all companies are related/ associates of Continental Venture Capital Limited.

During the year, all purchases were made at market prices on the Australian Stock Exchange Limited, CVC Communication & Technology Pty Limited purchased shares in Finemore Holdings Limited. Mr Leaver is Chairman of Finemore Holdings Limited and a director of Continental Venture Capital Limited.

During the year advances of $529,582 were made by CVC Communication & Technology Pty Limited to Raptis Group Limited for a residential property development in which Macarthur National Limited is a co-investor. The loan balance at year end was $1,170,764 including capitalised interest provided of $136,738. Mr Read, Mr Beard and Mr Gould are directors of CVC Communication & Technology Pty Limited and of Macarthur National Limited.

During the year advances of $925,535 were made by Continental Venture Capital Limited to Raptis Group Limited for a residential property development in which Macarthur National Limited is a co-investor. The loan balance at year end was $1,676,411 including capitalised interest provided of $274,917. Mr Read and Mr Gould are directors of Continental Venture Capital Limited and of Macarthur National Limited.

During the year, Continental Venture Capital Limited received $4,510,635 as loan repayments and interest for advances made to residential property developments in which Macarthur National Limited was co-investor. The balance at year end was $243,764 which comprised the remainder of the profit share on the project. Mr Read and Mr Gould are directors of Continental Venture Capital Limited and of Macarthur National Limited.

CVC Communication & Technology Pty Limited received $1,500,468 from Continental Venture Capital as a percentage of profits derived from the Legends Hotel.

During the year CVC Communication & Technology Pty Limited purchased a 30% interest in the Regatta Point Unit Trust for an investment of $3,000,000. The trustee of the Unit Trust is Regatta Point Pty Limited. Mr Read is a Director of the above companies. Ms Oakeshott is Company Secretary of the above companies.

Transactions with Related Parties in the Wholly Owned Group

Laserex Inc purchased electronic products from Laserex Technologies Pty Limited during the year.

These transactions are in the normal course of business and on normal terms and conditions.

Partly-owned Controlled Entities

Balances with Entities within Partly Owned Group

The aggregate amounts receivable from, and payable to partly-owned controlled entities by the Company at balance date:

		The Company	
		1998	**1997**
		$	**$**
Receivables	- Current (net of provisions)	$483,849	$784,275
Borrowings	- Non - current	$5,422,949	$6,149,980

Interest revenue brought to account by the Company in relation to partly owned controlled entities was $202,554 (1997: $228,767).

Interest capitalised by the Company, but not paid, in relation to partly controlled entities was $775,258 (1997 - $892,698).

Dividends

Dividends of $304,920 (1997: $501,120) were received by CVC Communication & Technology Pty Limited from Tetley Medical Limited, a partly owned controlled entity. $188,050 was receivable at 30 June 1998.

Wholly owned Controlled Entities

Balances with Entities within the Wholly-Owned Group

Loans between group entities are on commercial terms and conditions except as follows;

* Loans to Solatrol and Laserex economic entities, which due to uncertainties regarding recovery, have been written off or fully provided for.
* Loans to Biomedical Systems Pty Limited are at nil rate of interest.
* Loans from Kingarrow Pty Limited are at nil rate of interest.

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

	The Company	
	1998	**1997**
	$	**$**
Receivables - Current	$Nil	$Nil
Borrowings - Current	$1,156,828	$1,158,570

Interest revenue brought to account by the Company in relation to loans to wholly owned controlled entities during the year was $Nil (1997: $15,082).

Ownership Interests

The ownership interests in related parties are set out in Note 21 (controlled entities), Note 23 (associated entities) and Note 30 (joint ventures).

Transactions with Associated Entities

Dividends of $74,428 were received by the Chief Entity from Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited), an associated company of CVC. Dividends of $553,734 were received by the Chief Entity from Sunland Group Limited, an associated company of CVC.

Dividends of $12,886 were received by CVC Communication & Technology Pty Limited from Australasian Technology Corporation Limited (formerly Pacific Communications Holdings Limited) an associated company of CVC. Dividends of $99,668 were received by CVC Communication & Technology Pty Limited from Sunland Group Limited, an associated company of CVC.

Directors' Shareholding

The relevant interests of directors of the reporting entities and their director-related entities in shares of the entities within the economic entity at year end were as follows:

	Consolidated Number Held			
	1998 No.	**1997 No.**	**Net Increase (Decrease)**	
Continental Venture Capital Limited				
Beneficially Held Ordinary Shares	354,616	354,616	-	
Non-Beneficially Held Ordinary Shares	14,198,358	14,573,358	(375,000)	+
Total Ordinary Shares	14,552,974	14,927,974	(375,000)	

There are no outstanding share options in the Company.

\+ Director resigned from ‘director-related’ entity

NOTE 26: FOREIGN CURRENCY BALANCES

The unhedged amounts payable and receivable in United States Dollars, are as follows:

	Consolidated		The Company	
	1998 $	**1997 $**	**1998 $**	**1997 $**
Denominated in United States Dollars:				
Current Receivables	$Nil	$86,351	$Nil	$Nil
Current Accounts Payable	$505,746	$373,758	$Nil	$Nil

	Consolidated		The Company	
	1998	1997	1998	1997
	$	$	$	$
NOTE 27: COMMITMENTS				
Capital Expenditure Commitments				
Contracted but not provided for and payable:				
not later than one year	$702,716	$3,105,125	$556,716	$932,781
Finance Lease Commitments				
Finance lease rentals are payable as follows:				
not later than one year	30,400	28,182	-	-
later than one year but not later than two years	31,855	27,996	-	-
later than two years but not later than five years	53,401	50,233	-	-
	$115,656	$106,411	$Nil	$Nil
Lease Liabilities				
Current (Note 17)	25,754	19,986	-	-
Non-Current (Note 17)	60,992	68,875	-	-
Total Lease Liabilities	$86,746	$88,861	$Nil	$Nil
Finance Lease Expenditure Not Provided in the Accounts	$100,083	$17,550	$Nil	$Nil
Operating Lease Commitments				
Future operating lease rentals not provided for in the financial statements and payable:				
not later than one year.	5,239	5,728	-	-
	-			
	$5,239	$5,728	$Nil	$Nil

NOTE 28: SUPERANNUATION COMMITMENTS

Neither the Company, nor any entity within the Economic Entity, has established or sponsored a superannuation or retirement benefit plan.

All entities contribute superannuation payments to Third Party Funds in relation to the requirements of the Superannuation Guarantee Levy.

NOTE 29: CONTINGENT LIABILITIES

The Company, has a 50% interest in the "Legends Hotel Joint Venture" as disclosed in Note 30. The Company is severably liable for its share of the liabilities incurred by the Joint Venture. As at 30 June 1998 the assets of the Joint Venture were sufficient to meet such liabilities.

The controlled entity Tetley Medical Limited (Tetley or the Company) has been advised by its North American distributor, Syncor International Corporation (Syncor), that it has ceased to act as the Company's distributor.

NOTE 29: CONTINGENT LIABILITIES (cont'd)

Syncor has sought to recover from Tetley in excess of $US1.4 million allegedly spent by Syncor on market development and regulatory management of Tetley's products. Tetley denies any liability whatsoever to Syncor in respect of the alleged expenditure and has obtained independent legal advice confirming that the Company is not legally obligated to reimburse Syncor for the alleged expenditure.

Continental Venture Capital Limited, Solatrol Inc. and Solatrol (Australia) Pty Limited are defendants in an action brought in the Superior Court of the State of California, United States of America. The plaintiff is the former landlord of Solatrol Inc. and is seeking damages of approximately USD$500,000 relating to the lease term remaining on the building at the cessation of Solatrol's bussiness. The Company will strongly defend the action and denies any responsibility for the damages claimed.

The Company owns a parcel of 720,000 shares in Sunland Group Limited. These shares are subject to an agreement with Mr Soheil Abedian, Managing Director of Sunland Group Limited, or his nominee, whereby any profit ultimately realised from the sale of these shares less interest, plus dividends, is divided equally between the Company and Mr Soheil Abedian or his nominee.

The Company is a defendant in an action brought in the Supreme Court of New South Wales by the liquidator of Amann Aviation Pty Limited (in liquidation). The liquidator alleges, that certain group companies were involved in an alleged failure to pay tax on damages awarded to Amann as a result of proceedings brought by Continental Venture Capital Limited against the Commonwealth in 1987. The liquidator alleges in the statement of claim that Continental Venture Capital Limited repay to him amounts paid to Continental Venture Capital as a result of the 1987 proceedings, together with damages, interest and the costs of these proceedings.

NOTE 30: INTEREST IN JOINT VENTURE

The Company holds an interest of 50% (1997 : 50%) in a joint venture, The Legends Hotel Joint Venture, whose principal activity is the ownership and operation of a 403 room hotel on the Gold Coast , Queensland. For the year ended 30 June 1998 the Joint Venture incurred an operating loss of $465,878.

Included in the assets and liabilities of the Company and the Economic Entity are the following items which represent the Company's and the Economic Entity's interest in the assets and liabilities employed in the Joint Venture, recorded in accordance with the accounting policies described in Note 1:

	Consolidated		The Company	
	1998 $	1997 $	1998 $	1997 $
CURRENT ASSETS				
Cash	225,886	9,557	225,886	9,557
Receivables	233,987	-	233,987	-
Other	17,752	-	17,752	-
Total current assets	477,625	9,557	477,625	9,557
NON-CURRENT ASSETS				
Inventories	13,196,968	12,428,915	13,196,968	12,428,915
Receivables	-	50,547	-	50,547
Total non-current assets	13,196,968	12,479,462	13,196,968	12,479,462
Total Assets	$13,674,593	$12,489,019	$13,674,593	$12,489,019

	Consolidated		The Company	
	1998	**1997**	**1998**	**1997**
	$	**$**	**$**	**$**
CURRENT LIABILITIES				
Accounts payable	421,903	-	421,903	-
Borrowings	75,000	947,219	75,000	947,219
Provisions	103,640	-	103,640	-
Total current liabilities	600,543	947,219	600,543	947,219
NON CURRENT LIABILITIES				
Accounts payable	-	1,019,933	-	1,019,933
Borrowings	13,519,841	10,521,867	13,519,841	10,521,867
Total non-current liabilities	13,519,841	11,541,800	13,519,841	11,541,800
Total Liabilities	$14,120,384	$12,489,019	$14,120,384	$12,489,019

Refer Notes 27 and 29 for details of commitments and contingent liabilities.

NOTE 31: ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

a) Interest rate risk

The economic entity is exposed to interest rate risk through primary financial assets and liabilities. The following table summarises interest rate risk for the economic entity together with effective interest rates as at balance date.

			Fixed Interest Rate Maturing in:			
		Floating Interest Rate	**1 year or less**	**Over 1 to 5 years**	**Non-interest bearing**	**Total**
1998	**Note**	**$**	**$**	**$**	**$**	**$**
Financial Assets						
Cash	24	6,827,458	-	-	-	6,827,458
Investments	12	-	-	-	13,083,578	13,083,578
Receivables	10	-	(7,450,210 (i)	5,053,867	3,296,977	15,801,054
Weighted average interest rate		4.31%	15.23%	11.46%	-	
Financial Liabilities						
Bank overdraft and loans	17	49,000	-	9,500,000	1,867,229	11,416,229
Accounts Payable	16	-	-	-	1,259,340	1,259,340
Lease Liabilities	27	-	25,754	60,992	-	86,746
Dividends Payable	6	-	-	-	1,102,270	1,102,270
Weighted average interest rate		8.7%	8%	11%	-	

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

(i) Includes interest rates on loans which are interest bearing but where interest has not been recognised in the accounts due to uncertainty of receipts.

(b) Foreign Exchange Risk

The economic entity enters into forward foreign exchange contracts to hedge certain anticipated purchase commitments denominated in foreign currencies (principally US dollars). The terms of these commitments are rarely more than three months. The amount of anticipated future purchases are forecast in light of current conditions in foreign markets, commitments from customers and experience. At 30 June 1998 there were no contracts in place.

As these contracts are hedging anticipated purchases, any unrealised gains and losses on the contracts, together with the cost of the contracts, will be recognised in the financial statements at the time the underlying transaction occurs. Where the underlying transaction has occurred, the effect of the hedge has been recognised in the financial statement.

At 30 June 1998 accounts payable included $505,746 (1997: $373,758) of purchase liabilities payable in foreign currencies of which $Nil had been hedged with foreign currency exchange contracts.

(c) Credit Risk Exposure

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

The credit risk on financial assets, excluding investments, of the economic entity which have been recognised on the balance sheet, is the carrying amount, net of any provisions.

Collateral is obtained. Refer Note 10.

30% of total assets relate to loans to the property industry (net of provisions) of which 18% is concentrated in Sydney and 82% on the Gold Coast. Loans are made to a two companies on the Gold Coast and two companies in Sydney.

24% of the long term investments are in companies/trusts in the property development industry in Sydney and the Gold Coast.

Tetley Medical Limited supply technegas generators and associated consumables to numerous hospitals and medical centres within Australia and to a single distributor in Europe. 20% of total sales were to the European distributor. Tetley Medical Limited is currently renegotiating the distribution agreement with its European distributor.

(d) Net Fair Value of Financial Assets and Liabilities

Financial assets and liabilities held are stated in the balance sheet at the carrying amounts which equate to estimated net fair values.

The net fair value of a financial asset or a financial liability is the amount at which the asset could be exchanged, or liability settled in a current transaction between willing parties after allowing for transaction costs.

Listed shares included in “Investments”, are traded in an organised financial market. The net fair value of listed shares are determined by valuing them at the current quoted market bid price for an asset.

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. The carrying amounts of bank term deposits, accounts receivable, loans receivable accounts payable and dividends payable approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets of the respective corporations.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 1998

NOTE 32: ADJUSTMENT TO PRELIMINARY FINAL STATEMENT:

The consolidated results of the Economic Entity for the year ended 30 June 1998 differ from those announced in the Unaudited Preliminary Final Statement made to the Australian Stock Exchange Limited as follows:

		Consolidated Financial Statement $'000	Preliminar y Final Statement $'000
a)	Operating Profit before abnormal items and tax (i)	415	1,568
	Abnormal items before tax (i)	4,135	2,782
	Operating Profit before tax (iii)	4,550	4,350
	Less Tax	284	284
	Operating Profit after Tax	4,266	4,066
	Less Outside Equity Interests (ii)	(258)	(38)
	Operating Profit after Tax attributable to members	4,008	4,028
b)	Sales Revenue (iv)	19,493	16,164

The changes in the above results arose due to:

(i) a reclassification of a normal revenue item to an abnormal item due to size.
(ii) a reclassification between profit and minority intersts
(iii) relates to the above minority interest movement and other minor adjustments
(iv) the element of share trading in revenue was shown in the preliminary final statement only as profit and not included in proceeds.

NOTE 33: EVENTS SUBSEQUENT TO BALANCE DATE

Since 30 June 1998, the group has deregistered and registered various smaller controlled and partly controlled entities.

On 20 July 1998, settlement occured on the final residential unit in the Mosman Development Trust. The financial effects of the above transaction have been recognised in the accounts for the year ended 30 June 1998.

In September 1998, the loan to Sunland Southbank Pty Limited for the development of the "Sun City Resort" was completely repaid including all interest.

Since 1 July 1998, the Company has bought back 697,089 shares under the Company's on market share buy-back scheme.

The Economic Entity is a shareholder of Australasian Technology Corporation Limited (ATC). On 26 August 1998 ATC distributed to all shareholders a capital return of 25 cents per share. The Company received an amount of $436,574.

On 28 July 1998 Leong Yew Cheon and Loh Boon Kee and Hemlock Capital Pte Limited (YAH) lodged a conditional Part A Offer to acquire all of the shares of ATC, for a cash consideration of 45 cents per share. If the Part A Offer proceeds to completion the company will receive consideration of $785,883.

STATEMENT BY DIRECTORS

1. In the opinion of the directors of Continental Venture Capital Limited:

   a) the financial statements set out on pages 5 to 40 are drawn up so as to give a true and fair view of the results and cash flows for the financial year ended 30 June 1998, and the state of affairs at 30 June 1998, of the Company and the Economic Entity;

   b) the consolidated accounts have been made out in accordance with Divisions, 4A and 4B of Part 3.6 of the Corporations Law; and

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

2. The financial statements have been made out in accordance with applicable Accounting Standards and Urgent Issues Group Consensus Views.

Dated at Sydney this 24th day of September, 1998.

Signed in accordance with a resolution of the directors:

VANDA RUSSELL GOULD	**JOHN DOUGLAS READ**
Director	**Director**

AUDITORS' REPORT TO THE MEMBERS
OF CONTINENTAL VENTURE CAPITAL LIMITED

Scope

We have audited the financial statements of Continental Venture Capital Limited for the year ended June 30, 1998 consisting of the profit and loss accounts, balance sheets, statements of cash flows, accompanying notes, and the statement by directors as set out on pages 5 to 41. The financial statements comprise the accounts of Continental Venture Capital Limited, and the consolidated accounts of the economic entity comprising Continental Venture Capital Limited and the entities it controlled from time to time during the financial year and at year end. The Company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements and the information they contain in order to express an opinion on them to the members of the Company.

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

The names of the controlled entities of which we have not acted as auditors are set out in Note 21. We have received sufficient information and explanations concerning these controlled entities to enable us to form an opinion on the consolidated accounts.

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

Audit Opinion

In our opinion the financial statements of Continental Venture Capital Limited are properly drawn up:

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

  i) the state of affairs of the Company and of the economic entity as at June 30, 1998 and of the results and cash flows of the Company and of the economic entity for the year ended on that date; and

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

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

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

Dated at Sydney this 24th day of September , 1998.

GEERSEN & DRINKWATER
CHARTERED ACCOUNTANTS

RICHARD P. GEERSEN, F.C.A.
Partner

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated.

BOARD OF DIRECTORS AND ITS COMMITTEES

The Board is responsible for the overall Corporate Governance of the economic entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Composition of the Board

The names of the directors of the Company in office at the date of this statement are set out in the Directors Report of this financial report.

The Company has no employees. The Company is managed by CVC Investment Managers Pty Limited, pursuant to a Management Agreement dated 30 December 1986. Three directors of the Company are also directors of CVC Investment Managers Pty Limited.

The Board is comprised using the following principals:

* the Board should comprise of not less than three nor more than ten directors.

* the Board should comprise directors with a broad range of expertise both nationally and internationally.

* the Board should comprise of at least two employees / directors of the management company.

* the Board should comprise of at least one other non- executive director not related to the management company. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

* at least one third of the directors shall retire from office and be eligible for re-election at every annual general meeting. No director shall retain office for more than three years without submitting to re-election unless they are the managing director who can be appointed for a fixed term not exceeding five years or a period without limitation.

The composition of the Board is reviewed annually. When a vacancy exists, through whatever cause, the directors review the appropriateness of appointing a new director. If a new director is to be appointed, via a vacancy or where it is considered that the Board would benefit from the service of a new director with particular skills, the Board identifies, reviews and appoints the most suitable candidate who must then stand for election at the next general meeting of shareholders.

Role of the Board

The Board of Directors is responsible for setting the strategic direction and establishing the policies of the Company. It is responsible for overseeing the financial position, and for monitoring the business and affairs of the Company on behalf of the shareholders, by whom the directors are elected and to whom they are accountable. It also addresses issues relating to internal controls and approaches to risk management.

At all directors meetings held throughout the financial year directors discuss any major risks affecting the economic entity. If a risk is identified one or more directors are nominated to develop strategies to mitigate these risks and take corrective action. The Board is informed of actions taken.

Independent Professional Advice

Each director has the right to seek independent professional advice at the economic entity’s expense. However, prior approval of the chairman is required, which is not to be unreasonably withheld.

Corporate Governance Statement (Cont'd)

Remuneration

The employees/directors of CVC Investment Managers Pty Limited who are appointed to the Board are not directly remunerated by the Company.

Non - executive directors which are not related to the management company are remunerated by the Company. The current remuneration for non executive directors in aggregate must not exceed $50,000 per annum to be divided amongst the non-executive directors as they see fit. This level of remuneration was approved at the 1995 Annual General Meeting.

Further details of director's remuneration are set out in Note 7 of the financial statements.

Audit Committee

The directors review the performance of the external auditor on an annual basis and one or more directors meet with the auditor during the year in connection with the following;

- review of audit plan, fees, scope and effectiveness;
- review of accounting policies adopted or proposed changes thereto;
- review of financial information and financial statements.

ETHICAL STANDARDS

All directors are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the economic entity.

THE ROLE OF SHAREHOLDERS

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

- the annual report;
- the half-yearly report;
- proposed major changes in the economic entity which may impact on share ownership rights are submitted to a vote of shareholders; and
- announcements to the Australian Stock Exchange Limited.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the economic entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Dated at Sydney the 24th day of September 1998

ADDITIONAL INFORMATION

1. Distribution of Shareholders as at 24 September 1998:

Category (Size of Holding)	Number of Ordinary Shareholders
1 - 1,000	18
1,001 - 5,000	120
5,001 - 10,000	115
10,001 - 100,000	239
100,001 and over	87
	579

As at 24 September 1998, 59 shareholders held less than a marketable parcel.

2. The names of the substantial shareholders at 24 September, 1998 as advised to the Australian Stock Exchange Limited.

Shareholder	Number of Ordinary Shares in Which Interest Held
Penalton Limited	15,575,978
John Scott Leaver	14,198,358
Vanda Russell Gould	14,227,974
John Douglas Read	13,761,720
CVC Investment Managers Pty Limited	13,498,358
Joseph David Ross	11,439,044
Derin Brothers Properties Limited	10,523,200
Abasus Investments Limited	6,256,000

3. 20 Largest Shareholders - Ordinary Capital:

Shareholder	Number of Ordinary Shares Held	% of Issued Capital Held
Penalton Limited	15,575,978	13.66
CVC Investment Managers Pty Limited	13,498,358	11.84
Derin Brothers Properties Limited	10,523,200	9.23
Abasus Investments Limited	6,256,000	5.49
Southgate Investment Funds Limited	5,500,000	4.82
LJK Investments Pty Limited	4,896,363	4.29
Bank of Industry & Commerce Limited	4,731,704	4.15
Southsea (Aust.) Limited	4,600,000	4.03
Huang Xio Sheung Limited	4,000,000	3.51
Tifu Pty Limited	3,071,908	2.69
Hua Wang Bank Berhard	3,000,000	2.63
LJK Nominees Pty Limited	2,242,681	1.97
Indo-Suez Investments Pty Ltd	1,528,362	1.34
Kirman Traders Pty Ltd	1,500,000	1.32
Pacific Securities Inc	1,200,000	1.05
Dr Joseph David Ross	1,200,000	1.05
Josa Investments Pty Limited	1,145,454	1.00
Mr Brian Sherman	1,073,860	0.94
Mr Nigel Stokes	1,006,363	0.88
Wenola Pty Limited Pension Fund	700,000	0.61
	87,250,231	76.50%

The 20 largest shareholders held 76.5% of the shares of the Company.

4. Voting Rights

Continental Venture Capital Limited's Articles of Association detail the voting rights of members. Article 71 states that every member, present in person or by proxy, shall have one vote for every ordinary share registered in his or her name.

5. Directors' Interests in Equity

The interests of each Director in the share capital of Continental Venture Capital Limited as at 24th September 1998 is as follows:

Director	Personally Held Interests in Ordinary Shares	Non-Beneficially Held Interests in Ordinary Shares
Vanda R Gould	354,616	13,873,358
John S. Leaver	-	14,198,358
John D. Read	-	13,761,720
Paul G. Brazenor	-	-

CONTINENTAL VENTURE CAPITAL LIMITED

A.C.N. 002 700 361

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of Continental Venture Capital Limited will be held in the Board Room of the Company at Level 40, AMP Centre, 50 Bridge Street, Sydney on Tuesday 24th November 1998 at 4:00 pm.

BUSINESS

1. To receive, consider and adopt the Financial Report of the Company and of the Economic Entity for the year ended June 30, 1998 and the Reports by Directors and Auditors thereon.

2. To elect Directors for the forthcoming year ending June 30, 1999:

   Vanda Russell Gould who retires in accordance with the Company's Articles of Association, and, being eligible, offers himself for re-election.

3. That the entry by the Company into a Deed of Amendment with Sunland Group Limited, Keriland Pty Limited, Havannah Pty Limited, Sunland Southbank Pty Limited and Sunland Constructions Pty Limited, a copy of which is initialised by the chairman of the meeting for indentification purposes, be and is approved.

4. General Business: To transact any other business which may be brought forward in accordance with the Articles of Association of the Company.

By Order of the Board

HARRIET ELIZABETH OAKESHOTT
Company Secretary

Sydney this 24th day of September, 1998.

NOTES

An explanatory statement accompanies this Notice in respect of Resolution 3.

A separate proxy form is enclosed.

Nominations for the office of Director close fifteen working days before the Meeting and must be lodged at the registered office of the Company by that date.

Copies of the Company's Memorandum and Articles of Association are available for inspection at the registered office of the Company.

PROXIES

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights and the proportion stated on each proxy form. A proxy need not be a member.

The instrument appointing a proxy must be in writing under the hand of the appointor or the appointor's attorney or if such appointor is a corporation under its common seal or the hand of its attorney or secretary.

To be effective, the instrument appointing a proxy (and the power of attorney, if any, under which it is signed) must be received by either of the following:

a) mailed to the office of the Company, Level 40, AMP Centre, 50 Bridge Street, Sydney 2000; or

b) sent by facsimile on (02) 9223 9808

not less than forty eight hours before the time for holding the meeting.

Incorporated in New South Wales
Registered Office: Level 40, AMP Centre, 50 Bridge Street, Sydney, 2000.

PROXY FORM

I...

FULL NAME - BLOCK LETTERS

of...

being a shareholder of Continental Venture Capital Limited

SECTION A HEREBY APPOINT..

of...

or, failing him, the Chairman of the Meeting, as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Tuesday, 24 November 1998 at four o'clock in the afternoon, or at any adjournment thereof. The proxy so appointed shall represent all my voting rights except those (if any) specified in B below.

SECTION B and I further appoint..

DO NOT complete unless you wish to appoint two proxies

of...

as my proxy to vote for me and on my behalf at the said meeting or at any adjournment thereof.
The proxy, appointed by this Section B shall represent my voting rights in respect of .... shares.

My proxy is instructed to vote as indicated below. If no specific direction to vote is given the proxy holder may vote as he or she thinks fit or abstain from voting.

	First or Sole Proxy		Second Proxy	
	For	Against	For	Against
Resolution 1 Accounts	☐	☐	☐	☐
Resolution 2 Director	☐	☐	☐	☐
Resolution 3 Deed of Amendment	☐	☐	☐	☐

Signed this .... day of ...., 1998

……………………………………….
Signature of Shareholder

……………………………………….
Signature of Witness