



FAST SCOUT LIMITED
ACN 088 488 724

DIRECTORS' REPORT

for

**Half Year Ended
31 December 2001**

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	<p>BOARD Farooq Khan (Executive Chairman) Yaqoob Khan (Executive Director) Azhar Chaudhri (Executive Director) Victor Ho (Executive Director)</p> <p>COMPANY SECRETARY Victor Ho</p> <p>PRINCIPAL & REGISTERED OFFICE Level 14, The Forrest Centre 221 St Georges Terrace Perth Western Australia 6000</p> <p>Telephone: +61 8 9214 9700 Facsimile: +61 8 9322 1515</p> <p>Email: info@fastscout.com.au</p> <p>SHARE REGISTRY Advanced Share Registry Services Level 7, 200 Adelaide Terrace Perth Western Australia 6000</p> <p>Telephone: +61 8 9221 7288 Facsimile: +61 8 9221 7869</p> <p>STOCK EXCHANGE Australian Stock Exchange Perth, Western Australia</p> <p>ASX CODE FSL</p> <p>AUDITORS Deloitte Touche Tohmatsu Level 16, Central Park 152-158 St Georges Terrace Perth Western Australia 6000</p> <p>BANKERS National Australia Bank Level 13, 50 St Georges Terrace Perth Western Australia 6000</p>
<p>Register your email with us to receive latest Company announcements and releases</p> <p>EMAIL US NOW</p> <p>info@fastscout.com.au</p>	

DIRECTORS' REPORT

The Directors present their report on Fast Scout Limited ("Company") for the half year ended 31 December 2001 ("Balance Date").

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial half-year period were the development of an Internet search and navigation website portal and share investments.

OPERATING RESULTS

	31 December 2001	31 December 2000
	\$	\$
Net loss	(730,428)	(216,603)

EARNINGS PER SHARE

	31 December 2001	31 December 2000
Basic earnings per share (cents)	(0.9)	(0.3)
Weighted average number of ordinary shares outstanding during the half year used in the calculation of basic earnings per share	85,301,800	71,872,777

Diluted earnings per share is not materially different from basic earnings per share and therefore, has not been disclosed

NET TANGIBLE ASSET BACKING

	31 December 2001	31 December 2000
Net assets	\$15,239,860	\$16,172,855
Less intangible assets - portal technology:		
Prepaid classification works	(\$7,135,013)	(\$9,755,481)
Portal development works	(\$3,806,973)	(\$484,145)
Net tangible assets	\$4,297,874	\$5,933,229
Fully paid ordinary shares on issue at balance date	85,301,800	85,301,800
Net tangible asset backing per fully paid ordinary share as at balance date (cents)	5.04	6.96

SECURITIES IN THE COMPANY

At the date of this report, there were 85,301,800 listed fully paid ordinary shares in the Company on issue. There were no other securities in the Company on issue.

30,181,020 of such fully paid ordinary shares held by Data Base Systems Limited were released from Australian Stock Exchange ("ASX:") escrow on 7 March 2002 and an application for official quotation of such shares on the ASX was made on 11 March 2002. The Company is awaiting confirmation from the ASX of the grant of official quotation of such shares.

There were no securities issued or granted by the Company during or since the financial half year.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

The Company listed on the Australian Stock Exchange Limited ("ASX") on 7 March 2000 after raising \$7,000,000 from an initial public offering of 35,000,000 ordinary shares at a price of 20 cents each.

The Company's business model aims to address the issue of the lack of formal structure to the millions of web pages of the Internet, and the often encountered inability to find precise information amongst the clutter of a large number of unrelated websites by offering an Internet portal that proposes to act as a key entry point for business users of the world wide web. The Company is finalising the creation of a unique Portal Delivery System which incorporates a sophisticated search and navigation engine, which will have manually qualified websites indexed into the Company's search and navigation engine database. A key component of the Fast Scout portal will be the virtual web feature which is effectively a virtual private subset of the Internet which will allow companies to give Internet access to employees safe in the knowledge that employees will only be allowed to access business related websites manually qualified by the Company.

1. PORTAL TECHNOLOGY DEVELOPMENT

To further the business model of the Company, software development and other works have commenced since the listing of the Company on the Australian Stock Exchange on 7 March 2000. This includes the development of the Portal Delivery System, which will be the Internet web interface and search and navigation engine, and works to manually qualify and index business related Internet web sites into the Portal Delivery System.

1.1 Portal Delivery System

The current status of the Portal Delivery System is as follows:

- A final version of the Portal Delivery System has been completed and delivered to the Company for assessment and testing.
- The Company has deployed and configured significant hardware (including, routers, firewall servers, cache servers and web servers) required to establish a secure hosting platform of the Fast Scout Portal at the chosen hosting site;
- The Company's corporate head office, in Perth, Western Australia, has been chosen as the hosting facility for the Fast Scout Portal;
- The Portal Delivery System is currently undergoing final technical/functional and qualitative testing at the application level and other testing at the hosting/infrastructure and security level.

1.2 Classification Works

The current status of the classification works undertaken is as follows:

- The Company has received a total of 914,788 indexed business related website URL's ("Classification List") from Data Base Systems Ltd (of which Messrs Russell Grewe (former director), Azhar Chaudhri and Farooq Khan are directors) for works carried out between November 2000 and December 2001. This is in excess of the contractual target of website URL's over the same period of 667,338 website URL's (at a rate of 22,000 per fortnight or 47,667 per month).
- The Classification List is generated from the Company's unique and proprietary category structure, which comprise in excess of 16,000 business related categories;
- The Company is currently conducting quality assurance testing to ensure that the Classification List is in accordance with technical project specifications and has been successfully uploaded to the Portal Delivery System;
- The Classification List will continually expand as Data Base Systems completes and supplies further business-related website URL's and will be uploaded to the Portal Delivery System from time to time after its launch.

DIRECTORS' REPORT

1.3 Launch of Fast Scout Portal

As there have been 914,788 business-related website URL's indexed by Data Base Systems and delivered to the Company as at the date of this report, the Company believes that the Fast Scout Portal may now be launched pending:

- The completion of final technical/functional and qualitative testing of the Portal Delivery System;
- The completion of final testing of the infrastructure and security at the host facility;
- The completion of refinements to the Portal Delivery System as a result of feedback from the above assessment and testing processes;
- The Company signing-off on the Portal Delivery System.

The Company expects the commercial launch of the Fast Scout Portal to occur during the month of March 2002.

After the launch of the Fast Scout Portal, the Company will begin deploying its Virtual Web product on a trial basis to select corporate groups. Preliminary discussions have already commenced with potential corporate customers.

2. BIGSHOP.COM.AU LIMITED

The following is a summary of the matters in relation to:

- The Company's proportionate takeover offer for ASX listed e-tailer Bigshop.com.au Limited ("Bigshop");
- Proceedings before the Takeovers Panel (formerly Corporations & Securities Panel) in relation to matters arising from such takeover offer and Bigshop's proposed placement to Macquarie Bank Limited ("Macquarie Bank");
- The extraordinary general meeting convened by the Company to replace the Board of Bigshop;
- Various proceedings before the Supreme Court of Western Australia in relation to the above matters;

13 June 2001	Fast Scout Limited ("Fast Scout") announces proposed conditional 51% proportionate takeover bid for Bigshop.com.au Limited ("Bigshop") at 7.60 cents per ordinary share;
30 July 2001	Fast Scout announces bid will not proceed as ASX has refused to grant waiver under ASX Listing Rules to permit escrow shareholders to participate under the bid (which was a pre-condition of the proposed bid);
30 July 2001	Fast Scout announces new proposed conditional 51% proportionate takeover bid for Bigshop at 7.80 cents per ordinary share;
28 August 2001	Bigshop propose share placement to Macquarie Bank Limited of 10 million ordinary shares at 7.50 cents each to raise \$750,000 and issue of 2 million options exercisable at 15 cents each within 5 years of issue date and proposed expansion of the board by 3 members;
12 September 2001	Fast Scout convenes extraordinary general meeting ("EGM") on 26 October 2001 in Perth to consider resolutions seeking to replace Messrs Michael Brereton, Charles Morton and Gary Bergel with Messrs Farooq Khan, Brett McKeon, Brian Smith and Victor Ho as Bigshop directors ("Board Replacement EGM");
12 September 2001	Fast Scout announces waiver of a pre-condition to the proposed 30 July 2001 takeover bid (being ASX waiver of Listing Rules to permit escrow shareholders to participate under the bid);

DIRECTORS' REPORT

14 September 2001	Fast Scout applies to the Corporations & Securities Panel ("Panel") in relation to its proposed takeover bid for Bigshop seeking declaration of unacceptable circumstances in relation to proposed placement of 10 million ordinary shares and 2 million options by Bigshop to Macquarie Bank;
27 September 2001	Panel declines application by Fast Scout (Bigshop had undertaken to make placement to Macquarie Bank of only 6.67 million ordinary shares and 2 million options) - Fast Scout announces it would apply to the President of the Panel seeking consent to apply for a review of the Panel's decision;
4 October 2001	Bigshop proposed placement to Macquarie Bank is deferred pending the decision of the Panel's President on consent for Fast Scout Limited to seek review;
5 October 2001	Panel's President consents to and Fast Scout lodges application seeking a review of the Panel's decision of 27 September 2001;
9 October 2001	Bigshop convenes EGM on 2 November 2001 to approve Fast Scout's proportionate 51% takeover bid as required by Bigshop's constitution ("Takeover Approval EGM");
10 October 2001	Fast Scout despatches replacement Bidder's Statement to shareholders of Bigshop;
18 October 2001	Panel determines Fast Scout's review application - Board Replacement EGM ordered to be held after an EGM to approve Fast Scout's proportionate takeover bid as required by Bigshop's constitution;
24 October 2001	Bigshop postpones Board Replacement EGM from 26 October 2001 (in Perth) to 9 November 2001 in Melbourne;
30 October 2001	Bigshop despatches Target Statement in response to Fast Scout's Bidder's Statement in relation to takeover rejecting Fast Scout's bid;
2 November 2001	Takeover Approval EGM adjourned to 5 November 2001;
5 November 2001	Shareholders fail to pass resolution at Takeover Approval EGM;
5 November 2001	Fast Scout seeks interim injunction in Supreme Court of Western Australia against proposed placement to Macquarie Bank – now reinstated to 10 million ordinary shares and 2 million options;
6 November 2001	Fast Scout withdraws its 51% proportionate takeover bid;
6 November 2001	Supreme Court of Western Australia dismisses Fast Scout's application to restrain Bigshop from making a placement to Macquarie Bank Limited;
8 November 2001	Proposed placement to Macquarie Bank deferred pending determination of any appeal by Fast Scout in relation to Supreme Court decision;
8 November 2001	Bigshop and Macquarie Bank fails in application before the Supreme Court of Western Australia to postpone the Board Replacement EGM;
9 November 2001	Macquarie Bank advises proposed placement in Bigshop will not proceed;
9 November 2001	Board Replacement EGM at which the chairman rules invalid approximately 17 million proxy votes – outcome of meeting postponed pending determination of poll results;
9 November 2001	Bigshop announces \$750,000 convertible note issue to interests associated with shareholder, Mr Mario Salvo, convertible to 10,000,000 ordinary shares (at 7.50 cents each) within 60 days;
9 November 2001	Fast Scout applies to Supreme Court of Western Australia seeking inter alia, declaration on validity of proxy votes ruled invalid by the chairman at the 9 November 2001 Board Replacement EGM;
12 November 2001	Bigshop announces defeat of all resolutions at Board Replacement EGM - Messrs Michael Brereton, Charles Morton and Gary Bergel are retained as directors;

DIRECTORS' REPORT

26 November 2001

Supreme Court of Western Australia declares valid the proxy votes ruled invalid by the chairman at the 9 November 2001 Board Replacement EGM and the carriage of all resolutions replacing the former directors with the current directors effective 9 November 2001 - Messrs Michael Brereton, Charles Morton and Gary Bergel replaced by Messrs Farooq Khan, Brett McKeon, Brian Smith and Victor Ho as directors;

This summary is based on market announcements to the ASX lodged by the Company and Bigshop and media releases of the Takeovers Panel.

The Company's ASX market announcements may be viewed at www.asx.com.au.

Bigshop's ASX market announcements may be viewed at www.bigshop.com.au.

The Takeovers Panel's media releases may be viewed at www.takeovers.gov.au.

3. GENERAL INVESTMENT OPPORTUNITIES

In addition to the commercial exploitation of the Company's investment in the Fast Scout Portal Delivery System and related classification works, the Board is actively seeking to add value to the asset base and underlying share price of the Company through the pursuit of selective investment and other commercial opportunities. Such selective investment and commercial opportunities will be pursued with the dual objectives of creating a secure income stream for the Company and the acquisition of assets that provide for capital growth. Assets will be acquired either on the basis that they are currently undervalued or present the opportunity for superior capital growth. The intention is to increase the asset base of the Company to a level which the directors considers is a prudent capital base from which it will be able to take advantage of further commercial investment activities. The Board will also consider the expansion of the capital base of the Company through the issue of equity capital and/or the formation of strategic alliances or mergers with other companies.

4. CORPORATE

4.1. Adoption of New Constitution

At the Company's 2001 Annual General Meeting on 23 November 2001, shareholder approved a special resolution adopting a new constitution. Such constitution is consistent with changes to the law introduced by the *Corporate Law Economic Reform Program Act 1999* (Cth), the *Corporations Act 2001* (Cth) and the ASX Listing Rules. A copy of the Company's new constitution may be requested from the Company.

4.2. Unmarketable Parcels

As disclosed in the Company's 2001 Annual Report, the share register contains a large number of shareholders holding less than a marketable parcel of shares in the Company.

Under the ASX business rules, an unmarketable parcel is considered to be a shareholding valued at \$500 or less (Unmarketable Parcel). Unmarketable Parcels represent additional maintenance costs to the Company in relation to share registry fees, annual report and other mail-out printing costs, and associated postage. Furthermore, for shareholders, the costs of selling their Unmarketable Parcel of shares may result in a proportionally high transaction cost compared to the gross proceeds of sale.

Clause 31.1 of the Company's constitution provides a mechanism by which the Board may, with the agreement of the relevant shareholder, aggregate Unmarketable Parcels of shares and sell them on the shareholders' behalf thereby possibly achieving a higher price for the

DIRECTORS' REPORT

shares than would have been possible had they been sold as unmarketable parcels. Briefly, the sale of Unmarketable Parcels will operate as follows:

- (i) The Company must give relevant shareholders a notice, to which the shareholders must respond within the specified date of at least 6 weeks after the notice is given.
- (ii) Shareholders may respond by advising the Company that they do not wish their shares to be sold, in which case the shares will not be sold pursuant to that notice.
- (iii) If Shareholders do not respond, the Company, as agent, may sell shares held by such shareholders at a price and upon terms determined by the Board.
- (iv) If shares are sold on behalf of shareholders, the Company will forward the sale proceeds to each shareholder concerned in accordance with their written instructions. All costs in relation to the sale of the shares will be borne by the purchaser or the Company, but not the shareholders concerned.

To this end, on 4 January 2002, the Board gave notice to shareholders holding Unmarketable Parcels (being 17,857 or less shares based on the Company's then last sale share price on the ASX of \$0.028) of its intention to sell such shares. Affected shareholders had until 19 February 2002 to notify the Company of their intention to retain their Unmarketable Parcels.

The Company despatched notices to 1,014 shareholders holding an aggregate of 7,774,316 shares in the Company or 9.11% of its issued ordinary share capital.

At the expiry of the notice period on 19 February 2002, 487 shareholders had advised the Company of their intention to retain their Unmarketable Parcels. The Company, pursuant to Clause 31.1 of its constitution, is therefore authorised to sell, as agent, an aggregate of 3,902,756 shares on behalf of those shareholders who did not advise the Company of such intentions by 19 February 2002.

Given the launch of the Fast Scout Portal will be an important milestone in the development of the Company and given further that such launch is expected in the near future; the present intention of the Board is to wait until the launch of the Fast Scout Portal prior to instructing a share-broker to commence selling such Unmarketable Parcels.

4.3. On-Market Buy-Back Of Shares

As foreshadowed in the Company's 2001 Annual Report and in a letters to shareholders of Unmarketable Parcels as discussed above, the Company may undertake an on market buy-back of up to 8,530,180 fully paid ordinary shares (being up to 10% of its lowest issue ordinary share capital in the previous 12 months). This 10% buy-back procedure is permitted under the Corporations Act 2001.

Again, as with the sale of Unmarketable Parcels, the present intention of the Board is to defer consideration of such an on-market buy-back until the launch of the Fast Scout Portal.

Accordingly, the sale of the Unmarketable Parcels and on-market buy-back by the Company may occur contemporaneously.

PORTAL TECHNOLOGY DEVELOPMENT COSTS

Capitalised Portal Technology Costs	31 December 2001	31 December 2000
(1) Prepaid Classification Works	\$ 7,135,013	\$ 9,755,481
(2) Portal Development Works:		
(i) Categorisation works	24,355	24,355
(ii) Portal Delivery System development works	144,440	64,031
(iii) Classification works	3,638,178	395,759
Totals	<u>10,941,986</u>	<u>10,239,626</u>

DIRECTORS' REPORT

The classification of business related URL's into the Company's database has been contracted to Data Base Systems Ltd (of which Messrs Russell Grewe (former director of the Company and Azhar Chaudhri and Farooq Khan (being current directors of the Company)). Data Base Systems has advised the Company that it has assigned and allocated a range of highly qualified employees to conduct the tasks required.

It was originally contemplated that the commencement of the classification works by Data Base Systems would commence on completion of the Portal Delivery System by Logic Development Inc and its delivery up to the Company. However, as a consequence of the specification alterations to the Portal Delivery System previously initiated by the Company, it was possible for Data Base Systems to commence classification works prior to completion of the Portal Delivery System.

To this end, in November 2000, Data Base Systems commenced classification works required to compile the classification list of relevant business-related website URL's to be linked into the Portal Delivery System.

Pursuant to the Portal Classification Agreement with the Company, Data Base Systems is required to compile the classification list at a rate of 22,000 business-related website URL's per fortnight to attain a target of 286,000 in the first 6 months. Thereafter, Data Base Systems is required to continue at a classification rate of 22,000 business-related website URL's per fortnight for the next 5 years to attain a total of 2,860,000 sites.

The Company and Data Base Systems have reached agreement for Data Base Systems to accelerate its classification works from the originally contracted 22,000 website URL's per fortnight. These accelerated classification works will be conducted at no extra cost to the Company beyond that originally agreed for classification works on a per website URL basis and should assist the Company in its commercial operations.

Pursuant to the Portal Classification Agreement for Data Base Systems to classify a total of 3,146,000 Internet website URL's into the Portal Delivery System, the Company has prepaid a portion of such classification costs by the issue of 50,301,800 fully paid ordinary shares at an issue price of 20 cents per share (representing a notional \$10,060,340) and is required to pay a further cash component being \$272,700 for 286,000 websites to be classified during the first 6 months from commencement of classification works and thereafter, a total of \$2,002,000 for the balance of 2,860,000 websites to be classified over a period of 60 months.

The Company has received a total of 266,455 relevant business-related website URL's from Data Base Systems Ltd for classification works performed during the financial half year and incurred expenditure of \$1,038,593 (31 December 2000 - \$395,764), comprising:

- (i) \$852,075 drawn down from prepayments of \$10,060,340; and
- (ii) a cash component of \$186,518.

The aggregate of all classification, category and Portal Delivery System development costs incurred in the financial half year of \$1,038,593 (31 December 2000 - \$484,145) have been capitalised as an asset in the attached financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules (as amended). However, the Directors are of the opinion that there is no asset held ready for use within the meaning of AASB 1021 "Depreciation" for depreciation to apply to such capitalised costs. The Directors envisage that an amortisation policy will apply to such capital costs (as a depreciable asset) upon completion of the Portal Delivery System and the subsequent commercial launch of the Fast Scout Portal. The Fast Scout Portal is expected to be launched shortly as discussed above.

The Directors believe that given the development works completed to the Balance Date with respect to the Portal Delivery System and the Classification List (as further outlined above), the current "work-in-progress" status of the Portal Delivery System, the fact that the business operations of the Company have not yet been launched and the inherent uncertainty of the Internet sector in which the Company will operate, the ultimate recoverability of these portal technology assets is highly dependent upon the successful completion, launch and commercialisation of the Fast Scout Portal and related technology and the generation of sufficient future economic benefits.

DIRECTORS' REPORT

At this stage, in light of such factors and a preliminary review of the commercial prospects of the Fast Scout Portal, the Directors have no reason to believe that the value of its investment in the Fast Scout Portal and related technology assets is not considered recoverable.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There was no significant change in the state of affairs of the Company during the financial half year other than that referred to in this report or the attached financial report in the form of Appendix 4B of the ASX Listing Rules (as amended).

DIRECTORS

The names and particulars of all Directors in office during and since the financial half year are:

1. Farooq Khan

Chairman and Managing Director
Age 39

Mr Khan has successfully founded a number of start up companies, including a number of successful IPOs in Australia in the technology sector. Mr Khan holds a Bachelor of Jurisprudence and Bachelor of Law degree from the University of Western Australia. After practicing for a number of years, principally in the field of corporate law, Mr Khan left the legal profession to form Queste Communications Ltd, an ASX listed telecommunications technology company, and later, the Company. Mr Khan is a director of Data Base Systems Ltd, a company with whom the Company has a contractual relationship for the provision of services in relation to the Fast Scout portal technology. Mr Khan is also the Chairman and Managing Director of ASX listed Queste Communications Ltd, Central Exchange Ltd and Bigshop.com.au Ltd. Mr Khan brings considerable experience in commercial law and corporate management and administration to the Company.

2. Yaqoob Khan

Executive Director
Age 37

Mr Khan holds a Bachelor of Commerce degree from the University of Western Australia and a Master of Industrial Administration degree from Carnegie Mellon University, Pittsburgh, Pennsylvania, USA. After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work with an overseas company as a senior executive responsible for product marketing, costing systems and production management. Mr Khan is also a Director of ASX listed Central Exchange Ltd and Queste Communications Ltd. Mr Khan brings considerable international experience in key aspects of corporate finance, production and marketing.

3. Azhar Chaudhri

Executive Director
Age 40

Mr Chaudhri holds a Bachelor of Science degree in Maths and Physics and a Masters degree in Economics. He has also undertaken postgraduate computer studies in the United Kingdom. Mr Chaudhri has considerable expertise in computer systems, analysis and design and advanced programming experience, particularly with respect to business and information technology systems and Data Base computing. In particular Mr Chaudhri has formed and led software development teams creating integrated database and management information systems for utilities, local government land tax departments, hospitals, libraries and oil terminals. Mr Chaudhri is a director of Data Base Systems Ltd a company with whom the Company has a contractual relationship for the provision of services in relation to the Fast Scout portal technology. Mr Chaudhri is also a Director of ASX listed Queste Communications Ltd.

4. Victor Ho

Executive Director (appointed 12 October 2000)
Age 32

Mr Ho has been the Company Secretary since soon after the Company's listing on the ASX in March 2000. Mr Ho holds Bachelor of Commerce and Bachelor of Law degrees from the University of Western Australia and has 9 years experience in the taxation profession with the Australian Taxation Office and in a specialist taxation law firm. Mr Ho has been a member of the Board of Kulcha (Multiculture Arts of Western Australia Inc.) for the past 3 years and is currently the Company Secretary of ASX listed Queste Communications Ltd, Central Exchange Ltd and Bigshop.com.au Ltd (and also Executive Director).

DIRECTORS' REPORT

5. **Russell Grewe**
Executive Director – ceased 31 December 2001

At the Balance Date, Azhar Chaudhri and Yaqoob Khan were resident overseas.

DIRECTORS' RELEVANT INTEREST

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

<u>Name of Director</u>	<u>Fully Paid Ordinary Shares</u>
F Khan	20
Y Khan	20
A Chaudhri	52,809,221
V Ho	50,000

Notes:

- (i) Data Base Systems Limited is the registered holder of 50,301,700 fully paid ordinary shares in the Company. Farooq Khan is a director of Data Base Systems Limited and the registered holder of 50% of the issued ordinary share capital in Data Base Systems Limited as trustee for a beneficiary.

Data Base Systems Limited's holdings are subject to ASX escrow provisions and may not be quoted on the ASX to the following extent and until expiry of the following escrow periods:

- (a) 10,060,340 shares until 7 March 2003;
(b) 10,060,340 shares until 7 March 2004.

30,181,020 shares held by Data Base Systems were released from ASX escrow on 7 March 2002.

- (ii) Renmuir Holdings Limited is the registered holder of 2,507,501 fully paid ordinary shares in the Company. Farooq Khan is the beneficial owner of 100% of the issued ordinary share capital in Renmuir Holdings Limited. However, he holds such beneficial interest as trustee for another beneficiary. He is not a director of or a registered holder of securities in Renmuir Holdings Limited.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of the report, other than those referred to in this report or in the attached financial report of the Company in the form of Appendix 4B of the ASX Listing Rules (as amended), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Consolidated Entity in subsequent periods.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.

Farooq Khan
Executive Chairman

Victor Ho
Executive Director

Perth, Western Australia

15 March 2002

DIRECTORS' DECLARATION

The Directors declare that:

- (i) The attached financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules (as amended) comply with accounting standards;
- (ii) The financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules (as amended) give a true and fair view of the financial position and performance of the Company and Consolidated Entity;
- (iii) In the Directors' opinion, the attached financial report of the Company in the form of Appendix 4B of the Australian Stock Exchange Listing Rules (as amended) are in accordance with the Corporation Act 2001 and
- (iv) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

Farooq Khan
Executive Chairman

Victor Ho
Executive Director

Perth, Western Australia

15 March 2002

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF FAST SCOUT LIMITED

Scope

We have reviewed the attached financial report of **Fast Scout Limited** in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules, including the directors' declaration, for the half-year ended **31 December 2001**, but excluding the following sections:

- a) material factors affecting the revenues and expenses of the consolidated entity for the current period (page 14); and
- b) compliance statement (page 17).

The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" issued in Australia and other mandatory professional reporting requirements, statutory requirements and ASX Listing Rules as they relate to Appendix 4B, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to meet its obligations to lodge the financial report with the Australian Securities and Investments Commission and the ASX.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of **Fast Scout Limited** is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at **31 December 2001** and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements and ASX Listing Rules as they relate to Appendix 4B.

Significant Uncertainty Regarding the Recoverability of Assets – Portal Technology

Without qualification of the statement expressed above, attention is drawn to the following matter.

As described in Annexure 1 to the financial report, there is significant uncertainty as to the recoverability of the Portal Technology Prepaid Classification Works balance recorded at a cost of \$7,135,013 and the other Portal Technology Development Works balance recorded at a cost of \$3,806,973.

The recoverability of these amounts is dependent upon the successful completion of the development of the Portal Technology and the future economic benefits ultimately derived.

DELOITTE TOUCHE TOHMATSU

Peter J McIver
Partner
Chartered Accountants

Perth, 15 March 2002

STOCK EXCHANGE INFORMATION

as at 13 March 2002

DISTRIBUTION OF ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	20	10,115	0.011
1,001	-	5,000	342	1,159,022	1.358
5,001	-	10,000	508	4,685,246	5.492
10,001	-	100,000	593	18,380,016	21.547
100,001	-	and over	41	61,067,401	71.589
Total			1,504	85,301,800	100%

Of the 85,301,800 fully paid ordinary shares on issue, 50,301,700 are issued to Data Base Systems Limited.

Data Base Systems Limited's holdings are subject to ASX escrow provisions and may not be quoted on the ASX to the following extent and until expiry of the following escrow periods:

- (c) 10,060,340 shares until 7 March 2003;
- (d) 10,060,340 shares until 7 March 2004.

30,181,020 shares held by Data Base Systems Limited were released from ASX escrow on 7 March 2002 and an application is pending with the ASX for official quotation of such shares.

VOTING RIGHTS

Fully paid ordinary shares have one vote per share.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders at 18 September 2000 indicates that only one shareholder held 5% or more of the Company's issued capital, being Data Base Systems Limited which held 50,301,700 fully paid ordinary shares (58.969% of total on issue).

STOCK EXCHANGE INFORMATION

as at 13 March 2002

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

<u>Rank</u>	<u>Shareholder</u>	<u>Total Units</u>	<u>% Issued Capital</u>
1	DATA BASE SYSTEMS LIMITED	50,301,700	58.969
2	RENMUIR HOLDINGS LTD	1,607,501	1.884
3	MANAR NOMINEES PTY LTD	946,815	1.109
4	CHI TUNG INVESTMENTS LTD	900,000	1.055
5	KATANA CAPITAL PTY LTD	614,477	0.720
6	MR AYUB KHAN (MR MOHAMMED AYUB KHAN)	450,000	0.527
7	PEE-JAY (TAM) PTY LTD & JARRAH (TAM) PTY LTD	419,558	0.491
8	DR JOHN LEO GOODMAN	345,000	0.404
9	MR KIM PHIN CHONG	305,000	0.357
10	MR ABE ZELWER <ZELWER SUPER FUND A/C>	300,000	0.351
11	MR DANIEL TROYAK	290,336	0.340
12	MR IANAKI SEMERDZIEV	280,000	0.328
13	MS PATRICIA BETH BAUDINET	286,500	0.335
14	MR AYAZ KHAN	250,020	0.293
15	REMJAY INVESTMENTS PTY LTD	250,000	0.293
16	MRS AFIA KHAN	250,000	0.293
17	ROSEMONT ASSET PTY LTD	219,000	0.256
18	PEE-JAY (TAM) PTY LTD	200,000	0.234
19	YOBAXS PTY LTD <SQUIRRELL SUPER FUND A/C>	200,000	0.234
20	MR SIMON PATRICK FINUCANE	194,000	0.227
<hr/> Total		58,609,907	68.7