

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 004

Half year report

Period ending on 31 December 2010

The following information must be given to ASX under listing rule 4.2A.3.

ABN or equivalent company reference	Half year ended: current period	previous corresponding period
59 004 749 044	31 December 2010	31 December 2009

Results for announcement to the market

\$HKD'000		
2.1 Revenues from ordinary activities	Up	533% to 149,269
2.2 Profits from ordinary activities after tax attributable to members	Up	40% to 3,124
2.3 Profits for the period attributable to members	Up	40% to 3,124
2.4 Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
2.5 Record date for determining entitlements to the dividend	Nil	
2.6 Brief explanation of any of the figures in 2.1 to 2.4.		
Refer to directors' report		

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3. Net tangible assets per security with the comparative figure for the previous corresponding period.

	Current period	Previous corresponding Period
Net tangible assets per security	136 cents	134 cents

4. Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity.

4.2 The date of the gain or loss of control.

- 4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity’s profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

	Current period	Previous corresponding Period

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

Dividend or distribution payments:	Amount	Date on which each dividend or distribution is payable	Amount per security of foreign sourced dividend or distribution (if known)
Total			

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6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

NIL

7. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Name of entity	% Holding	Aggregate Share of profit (losses)		Contribution to net profit	
		Current period	Previous corresponding Period	Current period	Previous corresponding Period
		\$	\$	\$	\$
Meredeen Investments Limited	39.20	Nil	Nil	Nil	Nil
Quest Securities Limited	48.65	Nil	Nil	Nil	Nil
Quest Marine Resources Ltd	43.37	548,584	1,007,185	548,584	1,007,185

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Not applicable

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DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2010.

Directors

The names of directors who held office during or since the end of the half-year:

Mr. Wee Tiong CHIANG

Mr. Grant Anthony ROBERTSON

Dr. Kim Chan KOH

Mr. Hung Ngok WONG (appointed on 26 October 2010)

Review of Operations

Quest Investments Limited and its controlled entities continued to earn their income from their activities in the sectors of investment, stockbroking, nominee and settlement services. Our focus has continued to be the markets of South East Asia and Australia. The consolidated profits from continuing operations amount to HKD\$3,124,008.

Change in presentation currency

Quest Investments Limited has elected to change its presentation currency from Australian dollars to HK dollars. The directors believe that changing the presentation currency to HK dollars will enhance comparability with its industry peer group, a majority of which report in HK dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

To change the presentation currency, the assets and liabilities of entities with an Australian dollar functional currency at 30 June 2010 were converted into HK dollars at a fixed exchange rate on 1 July 2010 of AUD1:HKD6.634 and the contributed equity, reserves and retained earnings were converted at applicable historical rates. In order to derive HK dollar comparatives, the Australian dollar functional currency assets and liabilities at 30 June 2010 were converted at the spot rate of AUD1:HKD6.634 on the reporting date; revenue and expenses for the half-year ended 31 December 2010 were converted at the average exchange rate of AUD1:HKD7.3972 for the reporting period, or at the exchange rates ruling at the date of the transaction to the extent practicable, and equity balances were converted at applicable historical rates.

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DIRECTORS' REPORT


Rounding of Amounts

The economic entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 6 for the half year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.



Director

Wee Tiong CHIANG

Dated this 28th February 2010

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 004



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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF QUEST INVESTMENTS LTD**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010 there have been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

Bentleys

**BENTLEYS MELBOURNE PARTNERSHIP
CHARTERED ACCOUNTANTS**

G. Robertson

**GORDON ROBERTSON
PARTNER**

Dated in Melbourne on this *28th* day of *FEBRUARY* 2011



Chartered Accountants and Business Advisors

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The member firms of the Bentleys association are affiliated only and not in partnership.
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QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Economic Entity	
	31 Dec 2010 HK\$000	31 Dec 2009 HK\$000
Revenue	149,269	23,584
Cost of Sales	(140,834)	(19,151)
Gross Profit	8,435	4,433
Employee benefits expense	(3,394)	(1,790)
Depreciation	(33)	(29)
Finance costs	(172)	(105)
Other operation expenses	(2,261)	(1,279)
Share of net profits of associates	549	1,007
Profit / (loss) before income tax expense	3,124	2,237
Income tax expenses	-	-
Profit / (loss) for the period	3,124	2,237
Other comprehensive income		
Foreign currency translation differences for foreign operation:	(2,811)	2,526
Other comprehensive income / (loss) for the period, net income tax	(2,811)	2,526
Total comprehensive income / (loss) for the period	313	4,763
Total comprehensive income / (loss) attributable to:		
Owners of the company	313	4,763
Non-controlling interest	-	-
Total comprehensive income / (loss) for the period	313	4,763
Overall Operations:		
Basic earnings (losses) per share (cents per share)	7.00	5.03
Diluted earnings (losses) per share (cents per share)	6.93	2.51

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

Economic Entity

31 Dec 2010 30 Jun 2010

HK\$000 HK\$000

	31 Dec 2010	30 Jun 2010
	HK\$000	HK\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,646	5,589
Trade and other receivables	33,028	24,854
Financial assets	4,474	2,008
Other current assets	32	86
TOTAL CURRENT ASSETS	42,180	32,537
NON-CURRENT ASSETS		
Investments accounted for using the equity method	24,884	25,633
Financial assets	53	53
Plant and equipment	271	239
Trade and other receivables	43,821	40,469
Other non-current assets	760	760
TOTAL NON-CURRENT ASSETS	69,789	67,154
TOTAL ASSETS	111,969	99,691
CURRENT LIABILITIES		
Trade and other payables	48,940	34,721
Financial liabilities	2,106	4,503
TOTAL CURRENT LIABILITIES	51,046	39,224
TOTAL LIABILITIES	51,046	39,224
NET ASSETS	60,923	60,467
EQUITY		
Issued capital	94,839	94,696
Reserves	20,648	23,459
Accumulated losses	(54,564)	(57,688)
TOTAL EQUITY	60,923	60,467

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	HK\$000	HK\$000		HK\$000	HK\$000	
	Ordinary Share	Reserve				
Note	Accumulated Losses	Share option	Capital Profits	Foreign currency translation	Total	
Balance at 1 July 2010	94,696	(57,688)	1,015	7,100	15,344	60,467
Total comprehensive income for the period						
Profit and loss	-	3,124	-	-	-	3,124
Foreign currency translation differences	-	-	-	-	(2,811)	(2,811)
Total comprehensive income for the period	-	3,124	-	-	(2,811)	313
Transactions with owners, recorded directly in equity						
Share issue during the period	143	-	-	-	-	143
Total transaction with owners	143	-	-	-	-	143
Balance at 31 December 2010	94,839	(54,564)	1,015	7,100	12,533	60,923

	HK\$000	HK\$000		HK\$000	HK\$000	
	Ordinary Share	Reserve				
Note	Accumulated Losses	Share option	Capital Profits	Foreign currency translation	Total	
Balance at 1 July 2009	94,635	(61,427)	1,015	7,100	14,143	55,466
Total comprehensive income for the period						
Profit and loss	-	2,237	-	-	-	2,237
Foreign currency translation differences	-	-	-	-	2,526	2,526
Total comprehensive income for the period	-	2,237	-	-	2,526	4,763
Transactions with owners, recorded directly in equity						
Share issue during the period	-	-	-	-	-	-
Share buy back during the period	(9)	-	-	-	-	(9)
Total transaction with owners	(9)	-	-	-	-	(9)
Balance at 31 December 2009	94,626	(59,190)	1,015	7,100	16,669	60,220

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Economic Entity	
	31 Dec 2010	31 Dec 2009
	HK\$000	HK\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	151,409	21,918
Payments to suppliers and employees	(147,657)	(22,220)
Interest received	52	13
Interest paid	(172)	(105)
Dividend received	6	10
Net cash provided by / (used in) operating activities	<u>3,638</u>	<u>(384)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for sale of property, plant and equipment	(65)	(8)
Proceeds from sale of property, plant and equipment	-	10
Net cash provided by / (used in) investing activities	<u>(65)</u>	<u>2</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of related party loan	-	(3,140)
Proceeds from share issue	143	-
Share buy back	-	(9)
Net cash provided by / (used in) financing activities	<u>143</u>	<u>(3,149)</u>
Net increase (decrease) in cash held	3,716	(3,531)
Cash at the beginning of period	1,086	1,334
Effect of exchange rate changes on cash holdings in foreign currencies	(2,262)	3,533
Cash at the end of period	<u>2,540</u>	<u>1,336</u>

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Quest Investments Limited (“the Parent Entity”) and its controlled entities (“the Consolidated Group” or “the Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Consolidated Group for the year ended 30 June 2010, together with any public announcements made during the half-year.

Change in presentation currency

Quest Investments Limited has elected to change its presentation currency from Australian dollars to HK dollars. The directors believe that changing the presentation currency to HK dollars will enhance comparability with its industry peer group, a majority of which report in HK dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

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QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 2: PROFIT / (LOSS) FOR THE PERIOD

Economic Entity

31 Dec 2010 31 Dec 2009
HK\$000 \$000

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Interest income	52	13
Exchange gain	800	280
	<hr/>	<hr/>
	852	293
	<hr/>	<hr/>

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

NOTE 3 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Eliminations		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HKD\$000	HK\$000	HK\$000	HK\$000
Sales to customers outside the consolidated entity	120,933	15,799	4,362	3,393	21,741	3,409	-	-	147,036	22,601
Other revenue	165	377	2,049	606	19	-	-	-	2,233	983
Total segment revenue	121,098	16,176	6,411	3,999	21,760	3,409	-	-	149,269	23,584
Unallocated revenue	549	1,007	-	-	-	-	-	-	549	1,007
Total revenue from continuing operations	121,647	17,183	6,411	3,999	21,760	3,409	-	-	149,818	24,591
Segment result	288	994	2,835	1,399	1	(156)	-	-	3,124	2,237
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
Profit / (loss) before income tax	288	994	2,835	1,399	1	(156)	-	-	3,124	2,237
Income tax expense	-	-	-	-	-	-	-	-	-	-
Profit / (loss) after income tax	288	994	2,835	1,399	1	(156)	-	-	3,124	2,237
Segment Assets										
Segment assets increases for the year	44,131	29,458	24,825	36,927	833	769	-	-	69,789	67,154

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

NOTE 4: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 5 : EVENTS SUBSEQUENT TO REPORT DATE

There has been no event subsequent to report date.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 6 to 14:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Wee Tiong CHIANG

Dated this 28th February 2010

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 004



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF QUEST INVESTMENTS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Quest Investments Limited and controlled entities, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Quest Investments Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Quest Investments Limited and controlled entities on 28 February 2011, would be in the same terms if given to the directors as at the time of this auditor's review report.



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