

Appendix 4E

Preliminary final report

Quest Investments Limited  
A.B.N. 59 004 749 044

**1. REPORTING PERIOD**

The financial information contained in this report is for the year ended 30 June 2011. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2010.

The Preliminary Final Report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the report, comprising the financial statements and note thereto, complies with International Financial Reporting Standards (“IFRS”).

**2. RESULTS FOR ANNOUNCEMENT TO THE MARKET**

				\$HKD'000
Revenues from ordinary activities	Up	543%	to	264,748
Profit for ordinary activities after tax attributable to members	Up	173%	to	10,195
Profit for the period attributable to members	Up	173%	to	10,195
Dividends (distributions)	It does not propose to pay a dividend.			

**Review of Operation**

Quest Investments Limited and its controlled entities continued to earn their income from activities in the sectors of investments, stockbroking, nominee services, settlement services, electronics businesses, information technology and processing and sale of processed seafood. Our focus has continued to be markets in South East Asia, Australia, Europe and the USA.. The consolidated profits from continuing operations amount to HKD \$10,194,838.

**3. STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 JUNE 2011**

	<b>2011</b> HKD\$000	<b>2010</b> HKD\$000
Revenue	264,748	41,200
Cost of Sales	(258,944)	(34,501)
Gross profits	5,804	6,699
Other income	13,321	3,533
Employee benefits expenses	(4,809)	(3,519)
Depreciation	(96)	(75)
Finance costs	(261)	(274)
Other operation expenses	(11,319)	(4,342)
Share of profits of associate	7,555	1,718
Profit before income tax expenses	10,195	3,740
<b>Income tax expenses</b>	-	-
<b>Profit for the year</b>	10,195	3,740
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operation:	-	1,201
<b>Other comprehensive income / (loss) for the year, net income tax</b>	-	1,201
<b>Total comprehensive income / (loss) for the year</b>	10,195	4,941
<b>Total comprehensive income / (loss) attributable to :</b>		
Owners of the company	10,195	4,941
Non-controlling interest	-	-
<b>Total comprehensive income for the year</b>	10,195	4,941
Basic earnings per share (cents per share)	22.79	8.38
Diluted earnings per share (cents per share)	21.58	4.37

The accompanying notes form part of these financial statements.

**4. STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2011**

	<u>2011</u> HKD\$000	<u>2010</u> HKD\$000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6,559	5,589
Trade and other receivables	18,144	24,854
Financial assets	11,887	2,008
Other current assets	30	86
	<u>36,620</u>	<u>32,537</u>
<b>NON-CURRENT ASSETS</b>		
Investments accounted for using the equity method	31,890	25,633
Financial assets	53	53
Plant and equipment	211	239
Trade and other receivables	37,614	40,469
Other non current assets	760	760
	<u>70,528</u>	<u>67,154</u>
<b>TOTAL ASSETS</b>	<u>107,148</u>	<u>99,691</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	34,118	34,721
Financial liabilities	3,044	4,503
	<u>37,162</u>	<u>39,224</u>
<b>NET ASSETS</b>	<u>69,986</u>	<u>60,467</u>
<b>EQUITY</b>		
Issued capital	94,826	94,696
Reserves	22,653	23,459
Accumulated losses	(47,493)	(57,688)
	<u>69,986</u>	<u>60,467</u>
<b>Parent Interest</b>	<u>69,986</u>	<u>60,467</u>
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<u>69,986</u>	<u>60,467</u>

The accompanying notes form part of these financial statements.

**5. STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	<u>2011</u> <u>HKD\$000</u>	<u>2010</u> <u>HKD\$000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	286,938	42,495
Interest received	89	56
Finance costs	(261)	(276)
Dividends received	55	21
Payments to suppliers and employees	<u>(283,624)</u>	<u>(43,709)</u>
<b>NET CASH PROVIDED BY/ (USED) IN OPERATING ACTIVITIES</b>	<b><u>3,197</u></b>	<b><u>(1,413)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(68)	(120)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(68)</u></b>	<b><u>(120)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share	143	78
Share buy-back payment	(13)	(17)
(Repayment) / proceeds from related party loans	<u>(830)</u>	<u>1,219</u>
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b><u>(700)</u></b>	<b><u>1,280</u></b>
Net increase (decrease) in cash held	2,429	(253)
Cash at beginning of financial year	<u>1,086</u>	<u>1,339</u>
<b>CASH AT END OF FINANCIAL YEAR</b>	<b><u>3,515</u></b>	<b><u>1,086</u></b>

The accompanying notes form part of these financial statements.

**6. DIVIDENDS**

The Company did not pay any dividends during the year ended 30 June 2011 and no dividends are presently proposed as being payable.

The Company does not operate a dividend re-investment plan.

**7. CONSOLIDATED ACCUMULATED LOSSES**

	2011 HKD\$000	2010 HKD\$000
Accumulated losses at the beginning of the financial year	(57,688)	(61,428)
Net Profits attributable to the members of the parent entity	10,195	3,740
Accumulated losses at the end of the year	<u>(47,493)</u>	<u>(57,688)</u>

**8. NET TANGIBLE ASSETS PER SECURITY**

	2011 HKD	2010 HKD
Net tangible assets per security	156.0 cents	135.5 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 44,847,024)

**9. EARNINGS PER SHARE**

	2011 Cents	2010 Cents
Basic earnings per share (a)	22.79	8.38
Diluted earnings per share (b)	21.58	4.37
(a) Basic earnings per share	HKD\$000	HKD\$000
Profits used to calculate earnings per share	10,195	3,740
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share	44,738,919	44,512,822
(b) Diluted earnings per share	HKD\$000	HKD\$000
Earnings used to calculate earnings per share	10,195	3,740
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	47,231,521	85,503,747

**10. CHANGES IN CONTROL OVER GROUP ENTITIES**

During the financial year ended 30<sup>th</sup> June 2011, there is no changes in control over group entities.

**11. ASSOCIATES AND JOINT VENTURES**

Details of associates and joint ventures entities including the name of the associates 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 profits 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
		\$	\$	\$	\$
Quest Securities Limited	49	Nil	Nil	Nil	Nil
Meredeen Investment Limited	39	Nil	Nil	Nil	Nil
Quest Marine Resources Limited	43	9,536,297	1,980,811	7,555,486	1,717,955

The consolidated entity has written off its entire investment in Quest Securities Limited and Meredeen Investments Limited accordingly no further losses have been recognised from these two associated companies.

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## 12. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2011

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies are set out below.

#### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### Change in functional and presentation currency

An entity's functional currency is the currency of the primary economic environment in which the entity operates. Given that in excess of 90% of the Company's revenue and the Group's banking facilities are denominated in HK dollars, the Company announced on 28 February 2011 that the directors had determined that the functional currency of the Company and all its subsidiaries is HK dollars. The change in functional currency has been applied with effect from 1 July 2010 in accordance with the requirements of the Accounting Standards. 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 give effect to the change in functional current, 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.

Earnings per share for 2010 has also been restated in HK dollars to reflect the change in the presentation currency.

## **12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

### **2. STATEMENT OF OPERATIONS BY SEGMENTS**

#### **Business segments**

The consolidated entity is organised on a global basis into the following divisions by service type.

#### **Investments**

Investments in marketable securities

#### **Stockbroking**

Provision of share trading services to clients

#### **Telecom**

Provision of communication equipment and services to clients.

#### **Geographical Segments**

Although the consolidated entity divisions are managed on a global basis they operate in two main geographical areas:

#### **Australia**

The home country of the parent entity which is also the main operating entity. The areas of operation are in sectors of investments, stockbroking and communication services

#### **Hong Kong**

The major operations are carried out in Hong Kong.

**12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****Primary Reporting — Business Segments**

	Investment		Stockbroking		Telecom		Economic Entity	
	2011 HKD\$000	2010 HKD\$000	2011 HKD\$000	2010 HKD\$000	2011 HKD\$000	2010 HKD\$000	2011 HKD\$000	2010 HKD\$000
<b>REVENUE</b>								
External Sale	182,778	27,357	7,396	6,542	74,574	7,301	264,748	41,200
Other revenue	8,611	2,361	4,692	1,172	18	-	13,321	3,533
Total revenue from ordinary activities	191,389	29,718	12,088	7,714	74,592	7,301	278,069	44,733
Segment result	(973)	554	3,543	1,653	70	(185)	2,640	2,022
Unallocated Revenues	-	-	-	-	-	-	-	-
Gain on acquisition	-	-	-	-	-	-	-	-
Excess of the investor's share of the net value on acquisition	-	-	-	-	-	-	-	-
Gain on disposal of an associated company	-	-	-	-	-	-	-	-
Share of net profits /(losses) of equity accounted associates and joint venture entities	7,555	1,718	-	-	-	-	7,555	1,718
Profit /(loss) for the year	6,582	2,272	3,543	1,653	70	(185)	10,195	3,740
<b>ASSETS</b>								
Segment assets	69,823	68,061	36,365	31,408	960	222	107,148	99,691
<b>LIABILITIES</b>								
Segment liabilities	27,190	28,172	9,833	10,753	139	299	37,162	39,224

**12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****Secondary Reporting — Geographical Segments**

	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment	
	2011	2010	2011	2010	2011	2010
	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000
Geographical location:						
<b>Australia</b>	55,948	9,201	61,266	59,354	-	-
<b>Hong Kong</b>	222,121	35,532	45,882	40,337	-	-
	<u>278,069</u>	<u>44,733</u>	<u>107,148</u>	<u>99,691</u>	<u>-</u>	<u>-</u>

**13. STATUS OF AUDIT**

The information contained in this Appendix 4E is based upon accounts that are in the process of being audited by the Company's auditors. There is not expected to be a dispute or qualification to the financial accounts.

For and on behalf of the Board

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Wee Tiong CHIANG  
Director  
Date : 31<sup>st</sup> August, 2011