
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 2012. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2011.

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	Down	64%	to	95,296
Loss for ordinary activities after tax attributable to members	Down	147%	to	(2,494)
Loss for the year attributable to members	Down	147%	to	(2,494)
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 their 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 losses from continuing operations amount to HKD\$2,494,547.

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	2012 HKD\$000	2011 HKD\$000
Revenue	95,296	264,748
Cost of Sales	(93,644)	(258,944)
Gross profits	1,652	5,804
Other income	3,640	13,321
Employee benefits expenses	(4,286)	(4,809)
Depreciation	(106)	(96)
Finance costs	(500)	(261)
Other operation expenses	(4,314)	(11,319)
Share of profits of associate	1,420	2,724
(Loss) / Profit before income tax expenses	(2,494)	5,364
Income tax expenses	-	-
(Loss) / Profit for the year	(2,494)	5,364
Other comprehensive income		
Foreign currency translation differences for foreign operation:	-	-
Other comprehensive (loss) / income for the year, net income tax	-	-
Total comprehensive (loss) / income for the year	(2,494)	5,364
Total comprehensive (loss) / income attributable to :		
Owners of the company	(2,494)	5,364
Non-controlling interest	-	-
Total comprehensive (loss) / income for the year	(2,494)	5,364
Basic (loss) / earnings per share (cents per share)	(5.57)	11.99
Diluted (loss) / earnings per share (cents per share)	(5.57)	11.36

The accompanying notes form part of these financial statements.

4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	<u>2012</u> HKD\$000	<u>2011</u> HKD\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,039	6,559
Trade and other receivables	25,051	18,144
Financial assets	10,941	11,887
Other current assets	40	30
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TOTAL CURRENT ASSETS	39,071	36,620
NON-CURRENT ASSETS		
Investments accounted for using the equity method	33,363	31,890
Financial assets	-	53
Plant and equipment	248	211
Trade and other receivables	34,449	37,614
Other non current assets	760	760
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TOTAL NON-CURRENT ASSETS	68,820	70,528
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TOTAL ASSETS	107,891	107,148
CURRENT LIABILITIES		
Trade and other payables	38,811	34,118
Financial liabilities	1,559	3,044
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TOTAL CURRENT LIABILITIES	40,370	37,162
	<hr/>	<hr/>
NET ASSETS	67,521	69,986
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EQUITY		
Issued capital	94,779	94,826
Reserves	22,729	22,653
Accumulated losses	(49,987)	(47,493)
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Parent Interest	67,521	69,986
Minority equity interest	-	-
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TOTAL EQUITY	67,521	69,986
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The accompanying notes form part of these financial statements.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	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 2011	94,826	(47,493)	1,121	7,099	14,433	69,986
Total comprehensive income for the year						
Loss for the year	-	(2,494)	-	-	-	(2,494)
Total comprehensive income for the year	-	(2,494)	-	-	-	(2,494)
Transactions with owners, recorded directly in equity						
Share issue during the year	-	-	-	-	-	-
Share bought back during the year	(47)	-	-	-	-	(47)
Share option expense	-	-	76	-	-	76
Total transaction with owners	(47)	-	76	-	-	29
Balance at 30 June 2012	94,779	(49,987)	1,197	7,099	14,433	67,521
	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	(52,857)	1,015	7,099	14,047	64,000
Total comprehensive income for the year						
Profit for the year	-	5,364	-	-	-	5,364
Foreign currency translation differences	-	-	-	-	386	386
Total comprehensive income for the year	-	5,364	-	-	386	5,750
Transactions with owners, recorded directly in equity						
Share issue during the year	143	-	-	-	-	143
Share bought back during the year	(13)	-	-	-	-	(13)
Share Options expense	-	-	106	-	-	106
Total transaction with owners	130	-	106	-	-	236
Balance at 30 June 2011	94,826	(47,493)	1,121	7,099	14,433	69,986

6. CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	<u>2012</u> HKD\$000	<u>2011</u> HKD\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	99,747	286,938
Interest (paid) / received	(359)	89
Finance costs	(500)	(261)
Dividends received	-	55
Payments to suppliers	(96,447)	(278,815)
Payments to employees	(4,286)	(4,809)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	(1,845)	3,197
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(143)	(68)
NET CASH USED IN INVESTING ACTIVITIES	(143)	(68)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share	-	143
Share buy-back payment	(47)	(13)
(Repayment) / proceeds from related party loans	-	(830)
NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	(47)	(700)
Net (decrease) / increase in cash held	(2,035)	2,429
Cash at beginning of financial year	3,515	1,086
CASH AT END OF FINANCIAL YEAR	1,480	3,515
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,039	6,559
Borrowings	(1,559)	(3,044)
	1,480	3,515

The accompanying notes form part of these financial statements.

7. ISSUED CAPITAL

a. Movement in share capital

	2012 HKD\$000	2011 HKD\$000
44,778,024 (2010: 44,847,024) fully paid ordinary shares	94,778	94,826
Balance at 1 July 2011: 44,847,024 shares (1 July 2010: 44,622,810 shares)	94,826	94,696
Shares issued during the year: (2011: 241,130)	-	143
Shares buyback during the year: 69,000 shares (2011: 16,916 shares)	(47)	(13)
Balance at 30 June 2012: 44,778,024 shares (30 June 2011: 44,847,024 shares)	94,779	94,826

b. Ordinary shares

All capital consists of fully paid ordinary shares which are listed on the ASX and carry one vote per share and the right to receive dividends.

8. DIVIDENDS

The Company did not pay any dividends during the year ended 30 June 2012 and no dividends are presently proposed as being payable.

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

9. CONSOLIDATED ACCUMULATED LOSSES

	2012 HKD\$000	2011 HKD\$000
Accumulated losses at the beginning of the financial year	(47,493)	(52,857)
Net Profits / (losses) attributable to the members of the parent entity	(2,494)	5,364
Accumulated losses at the end of the year	(49,987)	(47,493)

10. NET TANGIBLE ASSETS PER SECURITY

	2012 HKD	2011 HKD
Net tangible assets per security	156.0 cents	132.0 cents

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

11. EARNINGS PER SHARE

	2012	2011
	Cents	Cents
Basic (loss) / earnings per share (a)	(5.57)	11.99
Diluted (loss) / earnings per share (b)	(5.57)	11.36
(a) Basic (loss) / earnings per share	HKD\$000	HKD\$000
Profits used to calculate earnings per share	(2,494)	5,364
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share	44,812,884	44,738,919
(b) Diluted (loss) / earnings per share		
Earnings used to calculate earnings per share	(2,494)	5,364
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	44,812,884	47,231,521

12. CHANGES IN CONTROL OVER GROUP ENTITIES

During the financial year ended 30th June 2012, there is no change in control over group entities.

13. 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	15.38	Nil	Nil	Nil	Nil
Meredeen Investment Limited	39.20	Nil	Nil	Nil	Nil
Quest Marine Resources Limited	43.37	3,273,282	6,280,839	1,419,622	2,724,000

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.

14. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2012

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies are set out below.

Statement of Compliance

The preliminary financial report is a financial report that has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

It is recommended that this financial report be read in conjunction with the 2011 annual report, the December 2011 half year report and any public announcements made by Murchison Holdings limited and its controlled entities during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The Board of Directors approved the preliminary financial report on 31 August 2012.

Basis of preparation

The consolidated 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.

The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available in ASIC Class Order 98/100.

The Group has adopted all of the new and revised standards and Interpretations issued by the Australian Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (Cont'd)

Accounting Policies

The same accounting policies and methods of computation have been followed in this financial report as were applied in the most recent interim and annual financial statements.

Going Concern

The accounts have been prepared on a going concern basis. The Group has a current asset deficiency of HK\$1,299,000, reported a loss of HK\$2,494,547 and incurred negative operating cash flows of HK\$1,845,000 for the period, and its continuance in business as a going concern is dependent upon the Group having ongoing financial support from its major shareholder. The accounts have been prepared on a going concern basis as the Group's ultimate holding company has pledged to provide continuing financial support to the Group for a period of not less than twelve months from the date of the directors' declaration.

Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2011 annual report.

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

B. 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.

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

B. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

Segment Reporting

The Company has two reportable segments. The business is organised based on investment, Stockbroking & Telecom. The following summary describes the operations in each of the Company's reportable segments.

Investments are investment in marketable securities.
 Stockbroking is provision of share trading services to clients.
 Provision of telecom services to clients.

Reportable segments consist of the aggregation of a number of operating segments in accordance with AASB 8 Operating Segments.

Information regarding the operations of each reportable segment is included below in the manner reported to the chief operating decision maker as defined in AASB 8. Performance is measured based on segment earnings before interest and tax (EBIT). Inter-segment transactions are not recorded as revenue. Instead a cost allocation relating to the transactions is made based on negotiated rates.

Primary Reporting — Business Segments

	Investment		Stockbroking		Telecom		Economic Entity	
	2012	2011	2012	2011	2012	2011	2012	2011
In thousands of HKD	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000
External revenue	62,070	191,389	4,841	12,088	32,025	74,592	98,936	278,069
Depreciation and amortisation	32	32	31	16	43	48	106	96
Reportable segment profit before tax	(639)	1,751	(1,918)	3,543	63	70	(2,494)	5,364
Reportable segment assets	71,848	69,823	35,133	36,365	910	960	107,891	107,148
Capital expenditure	-	-	56	-	-	-	56	-
Share of net profits / (losses) of equity accounted associates and joint venture entities	1,420	2,724	-	-	-	-	1,420	2,724

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

B. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

Primary Reporting — Business Segments (Cont'd)

In thousands of HKD	<u>2012</u> HKD\$000	<u>2011</u> HKD\$000
Reconciliation of reportable segment profit, assets and other material items		
Profit		
Total profit for reportable segments	(2,494)	5,364
Unallocated amounts – other corporate expenses	-	-
Profit before income tax	<u>(2,494)</u>	<u>5,364</u>
Assets		
Total assets for reportable segments	107,891	107,148
Other unallocated amounts	-	-
Total assets	<u>107,891</u>	<u>107,148</u>
Capital Expenditure		
Capital expenditure – reportable segments	56	-
Other unallocated amounts	-	-
Total	<u>56</u>	<u>-</u>
Other material items		
Share of net profits of equity accounted associates and joint venture entities	1,420	2,724
Other unallocated amounts	-	-
Total assets	<u>1,420</u>	<u>2,724</u>

Secondary Reporting — Geographical Segments

The Company operates predominately in Hong Kong.

Geographical location:	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment	
	2012 HKD\$000	2011 HKD\$000	2012 HKD\$000	2011 HKD\$000	2012 HKD\$000	2011 HKD\$000
Australia	18,873	55,948	61,486	61,266	-	-
Hong Kong	80,063	222,121	46,405	45,882	-	-
	<u>98,936</u>	<u>278,069</u>	<u>107,891</u>	<u>107,148</u>	<u>-</u>	<u>-</u>

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

C: CONTINGENT LIABILITIES

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

D: EVENTS SUBSEQUENT TO REPORT DATE

There has been no event subsequent to report date.

15. 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

Wee Tiong CHIANG
Director
Date : 31st August, 2012