

Quest Investments Limited

Annual Report 2012

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

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QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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COMPANY PARTICULARS

BOARD OF DIRECTORS

Wee Tiong Chiang, (Chairman) B.Sc (Hons), MBA

Grant Anthony Robertson, B.Ec, LLB, CPA

Dr Kim Chan Koh, MBBS (Malaya), MRCP(G), MRACP, DIH

Hung Ngok Wong, MA, FAIA

AUDITOR

ShineWing Hall Chadwick

Corporate Advisors and Certified Practising Accountants

Level 9, 552 Lonsdale Street,

Melbourne, VIC 3000, Australia

Tel: +613 8602 7319 Fax: +613 9600 1930

COMPANY SECRETARY

Grant Anthony Robertson, B.Ec, LLB, CPA

YCA Partners CPA Ltd

Room 1703-05

17/F Easey Commercial Building,

253-261 Hennessy Road,

Wanchai, Hong Kong

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

In Australia

Level 2, 11 Queens Road, Melbourne, Victoria 3004, Australia

Telephone : (03) 9867 7033

Fax : (03) 9867 7088

Principal place of business In Hong Kong

Unit B, 1/F, Harbour Commercial Building,
122-124 Connaught Road Central, Sheung Wan,
Hong Kong

Telephone : (852) 2877 6828

Fax : (852) 2596 0451

BANKERS

Commonwealth Bank of Australia

367 Collins Street,

Melbourne, VIC 3000,

Australia

National Australia Bank Limited

International Southern,

Level 5, 216 Victoria PDE,

East Melbourne, VIC 3002,

Australia

SHARE REGISTRY

Boardroom Pty Limited

Level 7, 207 Kent Street,

Sydney, NSW 2000

Australia

Telephone : (02) 9290 9600

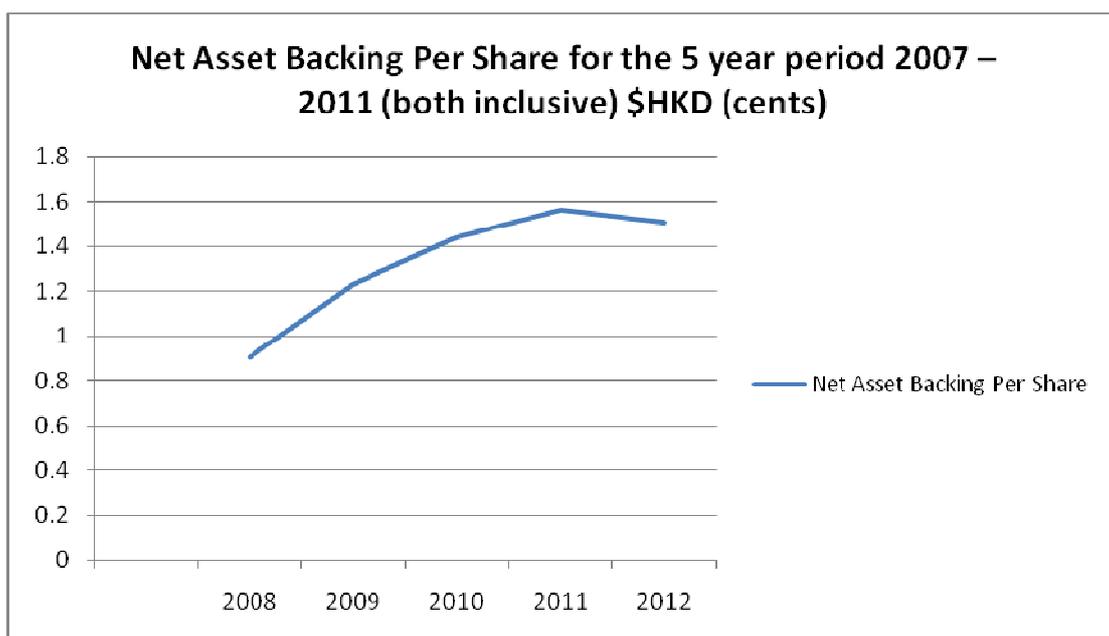
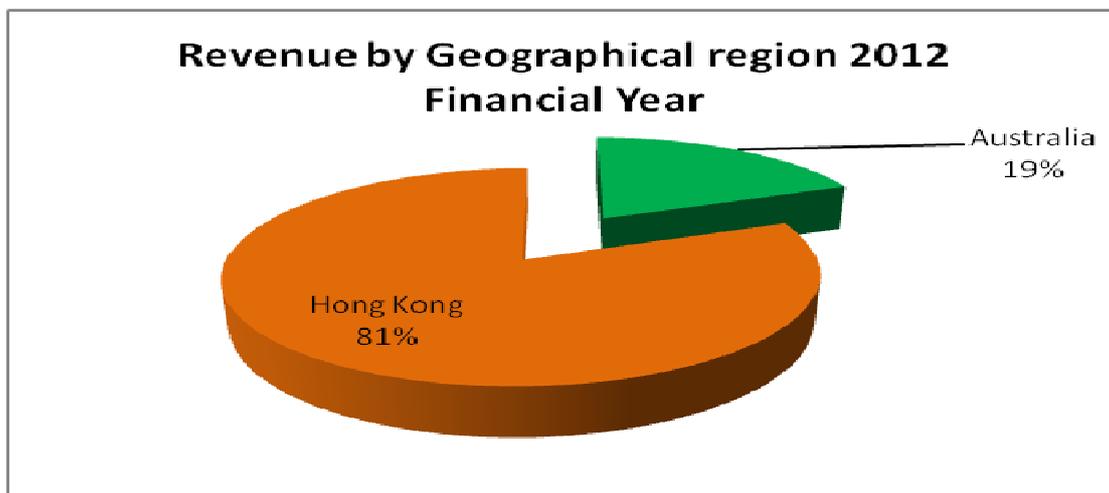
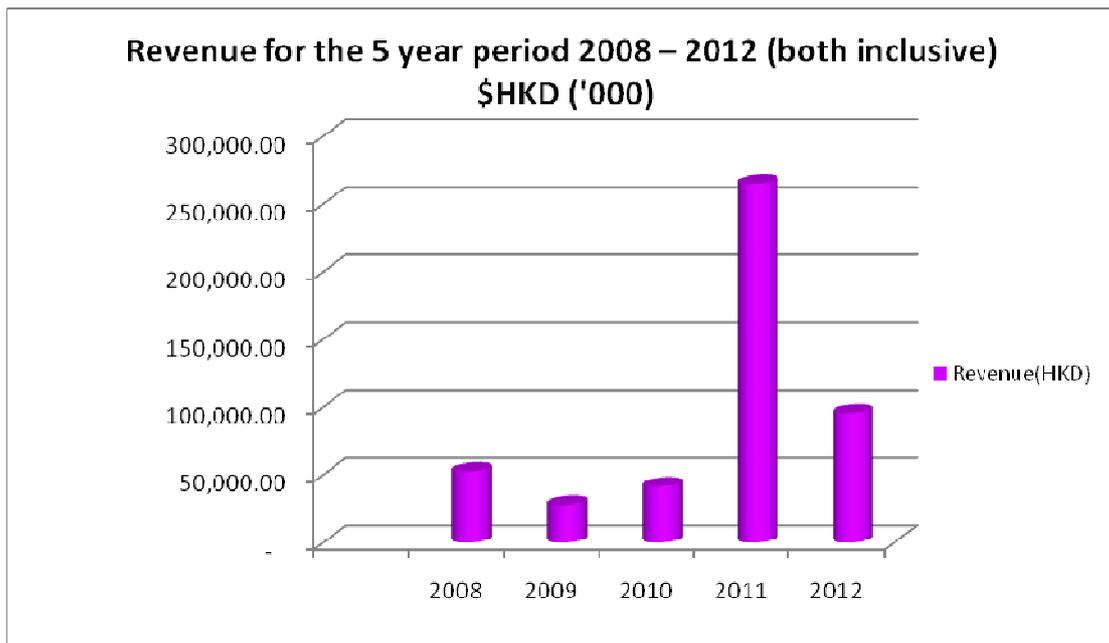
Fax : (02) 9279 0664

STOCK EXCHANGE LISTING

Quest Investments Limited is listed and its shares are quoted on the Australian Stock Exchange.

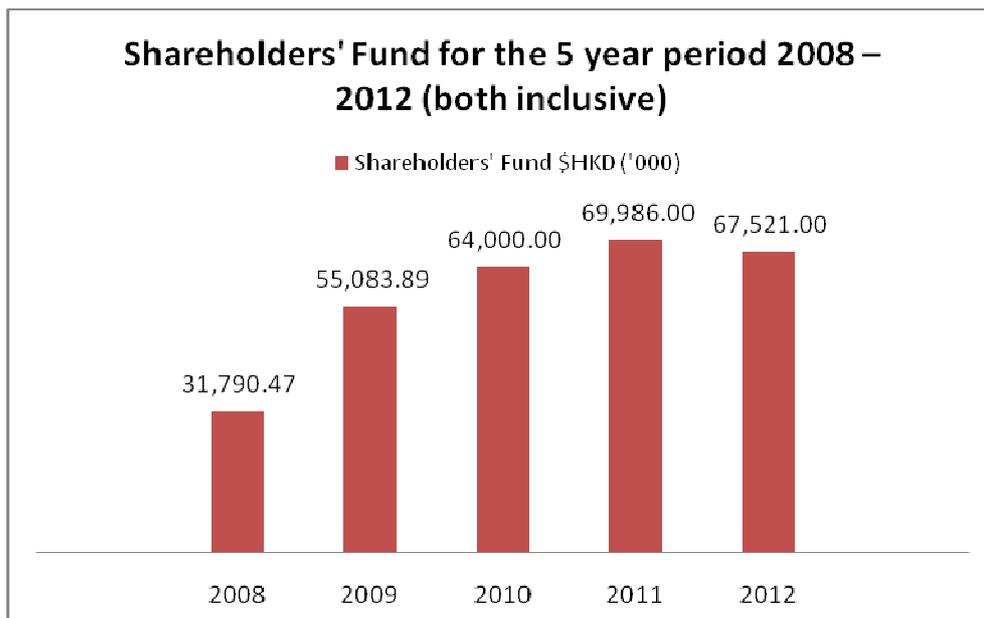
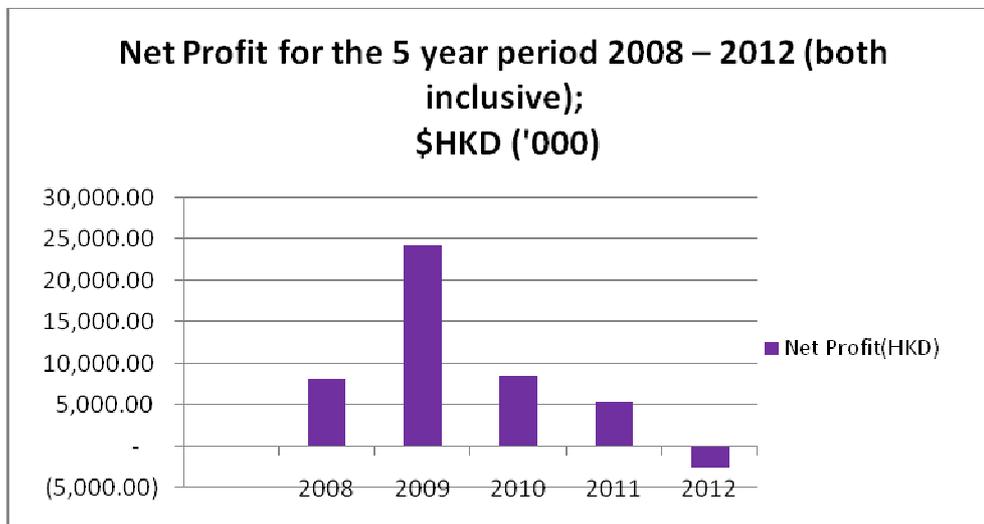
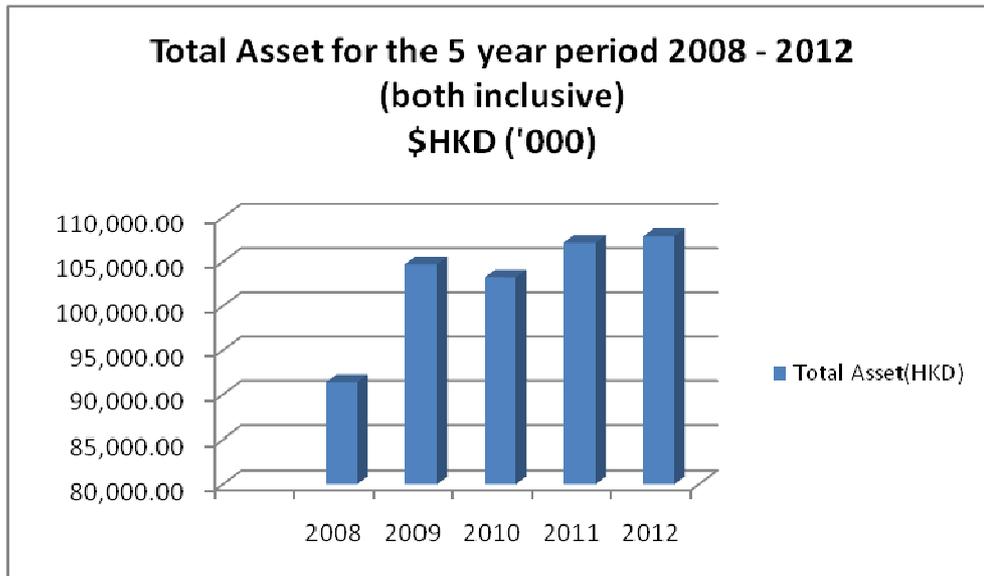
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QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CHAIRMAN'S STATEMENT

Dear Shareholders,

Quest Investments Limited ("QST") registered a poorer performance for the 2011-12 Financial Year than in the preceding financial year. Our operating results were affected by the poorer economic conditions that prevailed in most countries in which QST conducted business. The unresolved European debt crisis and a significant slowdown in the global economies continued to undermine investors' confidence. Revenue declined for most of QST's operating businesses.

I am disappointed, therefore, to report that QST and its controlled entities registered a 64% decline in revenue to HK\$95.3 million as compared to the previous corresponding period ("pcp"). Net loss after non controlling interest was HK\$2.49 million as compared to a net profit after non-controlling interest of HK\$5.36 million achieved in the pcp.

We continued to de-gear in this period of economic difficulties. Financial liabilities fell to HK\$1.56 million, an improvement of 50% over the pcp. Total Net Assets declined by 3.5% to HK\$67,521 million from HK\$69.986 million in the pcp. Net tangible asset per share was HK\$1.51.

Stockbrokerage Business

Our stockbrokerage business conducted through Quest Stockbrokers (HK) Limited ("QSB") experienced markedly reduced turnover in line with the significant fall in volume of equities traded on the Hong Kong Stock Exchange and other regional exchanges. Total turnover of shares traded on the Hong Kong Stock Exchange fell by about 35% in the year under review. Total value of transactions executed by QSB was HK\$1.898 billion. This represents a decrease of 42% from the pcp. Commission income earned was HK\$4.418 million, a fall of 28% as compared to the pcp.

The uncertainties caused by the lack of progress in resolving the European debt crisis and the economic weakness in the US and OECD countries contributed to the much reduced market turnover globally.

Reflecting the poorer economic and market conditions, QSB registered a Net Loss of HK\$2.042million. This was the first loss recorded since the 2005 FY.

Nominees Services

Quest Nominees Limited ("QNL") continued to receive steady income from its traditional activities of providing secretarial and nominees services to its regional clients who have business exposure in Hong Kong.

The rental income it obtained for leasing out its membership in a leading club in Hong Kong carried a yield of about 22% per annum. QNL's carrying cost for this investment is HK\$360,000. The market value for the club membership is presently around HK\$650,000.

In view of the sharp fall in the equity market in the financial year, QNL's management deemed it prudent to provide HK\$169,528 against diminution in the value of its investment portfolio. This provision resulted in QNL achieving only a modest profit of HK\$1,606.

Direct Investment

(A) Telecommunications

Quest Telecom Limited ("QTL") recorded a satisfactory performance. Net profit for the year was HK\$68,854. Revenue from telecom and treasury activities was HK\$32.02m. A more focused and active management of treasury and investment activities continued to generate good returns for its investment portfolio. QTL would have recorded better profitability had it not been for a HK\$92,000 redundancy payment arising from a rationalization of its technical support staff. QTL has practically no liabilities on its balance sheet.

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CHAIRMAN'S STATEMENT (CONT'D)

(B) Marine Resource

We have been advised by Quest Marine Resources Limited ("QMR"), and its wholly-owned subsidiary Dalian Jixiang Foods Limited ("DJFL") that they have recorded decline in sales and profits. QMR's contribution to the Group's earnings was HK\$1.42 million as compared to HK\$1.74 million in the pcp. DJFL's sales was adversely affected by the contraction in the EU economies.

Outlook

The bleak outlook for the global economy in 2012 remains a constant concern. There are presently 3 major headwinds confronting the global economy: the lack of genuine and timely progress in resolving the European debt crisis and the accompanied recession: the "fiscal cliff" confronting the US : and a possible 'hard landing' for the PRC economy and other emerging economies.

The unsustainable social overheads in some of the EU countries are mainly structural in nature. They are expected to remain unresolved unless drastic measures at great social costs are implemented. We do not expect this situation will be resolved in the short term.

For the US, its deficit amounts to US\$1.3 trillion and it continues to grow. The "fiscal cliff" of broad-based tax increases and spending cuts in 2013 if the US Congress does not reach agreement on deficit-reduction targets are expected by many analysts to have a devastating impact on the financial markets globally. The risk of that occurring is regarded by many to be relatively high.

Added to these potential adverse developments is the slowing economy in the PRC. China's economy grew at the slowest pace in 3 years in the second quarter of 2012. Recent signs that its economic slowdown is worsening has fueled fears of a hard landing. China's factory output dropped to a nine-month low. The HSBC Flash Purchasing Managers Index (PMI) fell to 47.8% in August 2012 from 49.5% in July. Of significance is the fall in export orders, which slumped to their lowest level since March 2009 on weak external demand and a glut in stocks of finished goods. Further decelerating growth in China would have significant and substantial impact on the global economy.

Domestically, the PRC is taking a number of administrative measures to cushion these adverse developments. Since November 2011, the People's Bank of China has cut its Reserve Requirement Ratio three times, by 50 basis points on each occasion. It also reduced interest rate twice to try to bolster the economic growth. The steps taken thus far have reinforced the perception that further round of stimulus can be expected.

Given the rather bleak landscape, it is not surprising that another co-ordinated round of interventions by central banks worldwide to inject liquidity into the global financial system was well-received by the global financial markets in September 2012. We remain cautious of the recent rally in the financial markets as we believe that anticipated poorer economic situation would restraint the liquidity-driven rally in financial asset prices.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CHAIRMAN'S STATEMENT (CONT'D)

The Way Forward

Our company's focus in the 2011/12 FY was principally on managing our risk exposure given the deteriorating operating environment. The wide swings in investors' sentiment and market gyrations this past year have become more frequent and more volatile in nature. This trend has been unprecedented in an increasingly globalised world as no economies or markets could be decoupled from others.

Initial results of the first two months of 2012/13 financial year suggest that the difficult operating environment is likely to persist, at least for the fourth quarter of 2012. Policy uncertainty in both the US and EU countries are immediate causes of concern. This coupled with a significant slow down in the Chinese economy are dampening investors' sentiment. We do not expect both the volume and turnover in the capital markets to reverse the present downward trend. This will impact negatively on our brokerage subsidiary's performance.

Notwithstanding the rather bleak prospect confronting all small and medium size enterprises such as ours, your management has undertaken a strategic review of our existing businesses, with an objective of building sustainable income streams over the longer term.

We have embarked on a defined programme for QTL to expand into infrastructure projects in the telecom sector. The signing of 2 Memoranda of Understanding with a well-known technology company to build submarine fibre optic telecommunications system between Taiwan and Hong Kong, and between Australia and New Zealand represents our commitment to further diversify our present income stream. We expect to raise further equity funding in the near future to finance the necessary feasibility studies and other associated "soft costs" in anticipation of signing formal agreements to implement the building programmes.

Barring unforeseen "Black Swan" events developing in the new financial year, we remain hopeful in achieving better performance for the next six months.

In the 2010/2011 financial year, our Company's emphasis was principally focused on expanding our existing portfolio of businesses. We have met most of the targets set in our business plan as evidenced by the better financial results achieved.

For the 2011/12 financial year, the Company intends to continue devoting more resources to further deepen and strengthen our present market position in both the financial services business as well as the marine resources business. Notwithstanding the anticipated stronger headwinds arising from a turbulent and volatile market condition, we believe that both of these businesses have the necessary capacities to handle further increases in the volume of trades without the risk of over-expansion. As we have repaid most of our external financial liabilities in the past year, we are therefore confronting the present global financial crisis on a better footing and with a healthier balance sheet.

Initial results of the first two months of 2011/12 financial year suggest that the operating environment has indeed become more challenging and difficult. The wide swings in investors' sentiment and market gyrations have become more frequent - a trend that is unprecedented in this increasingly globalised world.

A number of developments presently unfolding which can be rather unsettling have convinced us to be more vigilant in monitoring and executing our various plans.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CHAIRMAN'S STATEMENT (CONT'D)

Firstly, the continuing problems associated with imbalances in the global economy and the massive debt problems confronting the more developed countries will continue to weigh on the world markets; leading to wide swings and gyrations not seen since the 1929 depression. Secondly, fears of unchecked and rising inflation in most of the developing economies and in particular, the PRC economy, could precipitate a flight to safety by investors deserting the equity markets in Asia. Thirdly, the much-anticipated problem of bad debts affecting the PRC banking sector (following its massive credit expansion in the aftermath of the 2008 financial crisis), if materialized, will severely undermine the already fragile and tepid global recovery. Fourthly, the increasing likelihood of Greece defaulting on its massive debts is very troubling. The fear is over the contagion that this would spread to other EU countries given the huge exposure of major European banks to Greece and other debt-ridden countries in the EU. A Greek default and an exit from the EU will set in train another global financial crisis on a far larger scale than the one experienced in 2008 following the Lehman collapse.

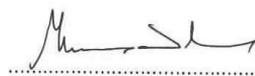
Therefore, we do not foresee in the medium term a major upturn in economic activity and market sentiment. A V-shape recovery is very unlikely at this stage of development globally. A double-dip recession cannot be ruled out. We anticipate more headwinds ahead and will strive to remain vigilant in monitoring unfolding developments and to take appropriate counter-measures when necessary. Our traditional adherence to prudence will therefore be important in guiding us as we confront the rather bleak and frightful economic and market turbulence ahead. The work goes on, and the cause endures.

In Gratitude

On behalf of the Board of Directors, I would like to extend my sincere appreciation to every member of our staff for their continued passion, loyalty and commitment to our company.

I also wish to thank my fellow board members for their wise counsel and support to the course we have set for QST.

Finally, to our valued clients, business associates and shareholders, my heartfelt gratitude for their continued support and confidence.



.....

Chiang Wee Tiong
Chairman

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CORPORATE GOVERNANCE STATEMENT

Quest Investments Limited's Corporate Governance Arrangements

The objective of the Board of Quest Investments Limited is to create and deliver long-term shareholder value through a range of diversified investment and financing activities. While each area of the company's business activities holds significant value and makes a substantial contribution towards achieving the Board's objective, management of the synergies arising from the interrelations between the various business activities is critical to achieving the objective of creating and delivering long-term shareholder value.

The Board considers there to be an unambiguous and positive relationship between the creation and delivery of long-term shareholder value and high-quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness among and between board members, management, employees, and customers.

Quest Investments Limited and its subsidiaries operate as a single economic entity with a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic group.

Quest Investments Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (including the 2010 amendments) as well as current standards of best practice for the entire financial year ended 30 June 2012.

Board Composition

The Board comprises four directors, one of whom is non-executive and meet the Board's criteria to be considered independent. The names of the non-executive and independent directors is:

Koh Kim Chan

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. For a director to be considered independent, they must meet all of the following materiality thresholds:

- not hold, either directly or indirectly through a related person or entity, more than 10% of the company's outstanding shares;
- not benefit, either directly or through a related person or entity, from any sales to or purchases from the company or any of its related entities; and
- derive no income, either directly or indirectly through a related person or entity, from a contract with the company or any of its related entities.

A complete listing of the Board's directors for the year ended 30 June 2012, along with their biographical details, is provided in the directors' report.

The Board considers that the current board composition reflects an appropriate balance between executive and non-executive directors that promotes both the generation of shareholder value and effective governance.

The Board also considers that the current board composition reflects an appropriate balance of skills, expertise and experience to achieve its objective of creating and delivering long-term shareholder value. The diverse range of business activities the company is involved in necessitates the Board having a correspondingly diverse range of skills, experience and expertise.

Notwithstanding the fact that the Board considers its current composition to be appropriate, it has in place an active program for assessing whether individual directors and the Board as a whole have the skills and knowledge necessary to discharge their responsibilities in accordance with the Board's governance arrangements. Any deficiencies identified by this program can be addressed in a number of ways, including training and the employment of specialist staff. Details of the skills, expertise and experience of each director are provided in the directors' report.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CORPORATE GOVERNANCE STATEMENT (CONT'D)

Ethical Standards

The Board is committed to its core governance values of integrity, respect, trust and openness among and between board members, management, employees and customers.

The Code of Conduct applies to all directors and employees of Quest Investments Limited and its Controlled Entities ("QST and its Controlled Entities") and requires all of them to comply with the terms thereof as the same may be varied from time to time by the Board of Directors.

- should act honestly, in good faith and in the best interests of QST and its Controlled Entities as a whole;
- should exercise care and diligence in fulfilling the functions of office and exercising the powers attached to that office;
- should use the powers of office for a proper purpose, in the best interests of QST and its Controlled Entities as a whole;
- should recognize that the primary responsibility to QST and its Controlled Entities as a whole but may, where appropriate, have regard to the interest of other stakeholders;
- should not make improper use of information acquired as a director or employee (as the case may be);
- should not make improper advantage of the position of director or employee (as the case may be);
- should properly manage any conflict with the interests of QST and its Controlled Entities;
- should be independent in judgement and action and take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board of directors, the director or the employee (as the case may be);
- should not disclose confidential information received by the director or the employee (as the case may be) in the course of the exercise of his/her duties and ensure that the same remains the property of the company from which it was obtained and not improperly disclose it, or allow it to be disclosed, unless that disclosure has been authorized by that company, or the person from whom the information is provided, or is required by law.
- Should not engage in conduct likely to bring discredit upon QST and its Controlled Entities;
- Should report and assist with the investigation of unlawful and unethical behaviour of a director or employee;
- Comply with the Share Trading Policy of QST; and,
- should, at all times, comply with the spirit, as well as the letter, of the law and with the principles of the Code;

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure that the Board's core governance values are not compromised in any decisions the Board makes.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent.

This diversity policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives.

Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next 3 years as director and senior executive positions become vacant and appropriately qualified candidates become available:

	2012		2013–2014	
	No.	%	No.	%
Women on the Board	0	0	0	0
Women in senior management roles	3	38	3	38
Women employees in the company	5	62	5	62

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CORPORATE GOVERNANCE STATEMENT (CONT'D)

Share Ownership and Share Trading Policy

Details of directors' individual shareholdings in Quest Investments Limited are provided in the remuneration report.

The Board's policy regarding directors and employees trading in Quest Investments Limited shares is set by the management committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the company's share price. A detailed description of the Board's policy regarding directors and employees trading in Quest Investments Limited shares is available from the Board's Share Trading Policy policy (www.murchisongroup.com)

Directors and key management personnel (KMP) are prohibited from limiting risk attached to incentives paid in the form of options or rights by use of derivatives or other means. Further information on the Board's policy regarding the use of hedging arrangements by directors over Quest Investments Limited shares is provided in the remuneration report.

Board Committees

To facilitate achieving its objectives, the Board has established the management committee. The committees have formal terms of reference that outline the committee's roles and responsibilities, and the authorities delegated to it by the Board.

Audit Committee

The executive directors of the board perform the functions ordinarily carried out by an audit committee.

Management Committee

The executive directors of the board perform the functions ordinarily carried out by a management committee.

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CORPORATE GOVERNANCE STATEMENT (CONT'D)

Performance Evaluation

The Board assesses its performance and the performance of individual directors annually through a combination of internal peer review and externally facilitated evaluation processes. Directors' individual performances are also evaluated each year. The Board also formally reviews its governance arrangements on a similar basis annually.

Performance evaluations for individual directors and the Board were conducted during the reporting period ended 30 June 2012. Further details regarding the Board's remuneration policy for non-executive/independent directors is provided in the remuneration report.

The annual performance evaluation of the Board and board members for the year ended 30 June 2012 was conducted by the Board. The Chair also spoke to each director individually regarding their role as director. The results from the evaluation were collated and developed into a series of recommendations to improve performance.

The performance of KMP is reviewed on a biannual basis by the Chair.

The performance of each member of KMP is assessed. Performance indicators for each KMP are set annually in consultation with KMP. Consideration is also given to the contribution each member of KMP makes in assisting the Board. Further details regarding the Board's remuneration policy for KMP is provided in the remuneration report.

Performance evaluations for each member of KMP were conducted during the reporting period ended 30 June 2012 in accordance with the process described above.

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CORPORATE GOVERNANCE STATEMENT (CONT'D)

Board Roles and Responsibilities

The Board is accountable to the shareholders for creating and delivering shareholder value through governance of the company's business activities. The discharge of these responsibilities is facilitated by the Board delivering to shareholders timely and balanced disclosures about the company's performance.

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board has delegated to the Chairman, Mr. Chaing Wee Tiong, all authorities appropriate and necessary to achieve the Board's objective to create and deliver long-term shareholder value.

Notwithstanding these delegations of authority by the Board, the Chairman remains accountable to the Board for the authority delegated to him and for the performance of the company's business activities at all times. As noted above, the Board regularly monitors the decisions and actions of the Chairman as well as the performance of the company's business activities.

The Chair is responsible for ensuring individual directors, the Board as a whole and KMP comply with both the letter and spirit of the Board's governance arrangements. The Chair discharges his responsibilities in a number of ways, primarily through:

- setting agendas in collaboration with other directors and KMP;
- encouraging critical evaluation and debate among directors;
- Bringing to the attention of all directors all critical matters and that the same are given sufficient attention; and
- communicating with stakeholders as and when required.

Independent directors have the right to seek independent professional advice on any matter connected with the discharge of their responsibilities as directors at the company's expense. Written approval must be obtained from the Chair prior to incurring any expense on behalf of the company.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual financial statements. The Board encourages shareholders to attend and participate in the Annual General Meetings of Quest Investments Limited, to lodge questions to be responded by the Board and/or the Chairman, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to creating and delivering long-term shareholder value.

The main risks that could negatively impact on the performance of the company's business activities include:

- downward movement in financial sector;
- Strong competition in Hong Kong financial markets; and
- changes in regulatory requirements relating to financial sector.

An assessment of the business's risk profile is undertaken and reviewed by the Board in March to June each year covering all aspects of the business from the operational level through to strategic level risks. The executive chairman has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The uncertain economic environment has emphasised the importance of managing and reassessing its key business risks.

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CORPORATE GOVERNANCE STATEMENT (CONT'D)

In addition to their regular reporting on business risks, risk management and internal control systems, the Executive Chairman and Chief Financial Officer also provide the Board with written assurance that the directors' declaration provided with the annual report is founded on a sound system of risk management and internal control, and that this system is operating effectively in all material respects in relation to the financial reporting risks. This assurance is provided prior to the meeting at which the directors are due to authorise and sign the company's financial statements.

Remuneration Policy

The remuneration policy, which sets the terms and conditions for executive and non-executive directors, and KMP, was developed by the executive directors of the Board. All executives receive a base salary and superannuation. The executive directors of the Board reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The performance of executives is measured against criteria agreed half-yearly which are based on the forecast growth of the company's profits and shareholders' value. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all KMP for the company, including all monetary and non-monetary components, is detailed in the remuneration report under the heading "Table of Benefits and Payments". All remuneration paid to executives is valued at the cost to the company and expensed. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain high-calibre executives to manage the company and its business activities. It will also provide executives with the necessary incentives to work to achieve long-term shareholder value.

The payment of options is reviewed by the executive directors of the Board annually as part of the review of executive remuneration. Options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving options. Any changes must be justified by reference to measurable performance criteria.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at <www.murchisongroup.com>.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Group, being the company and its controlled entities, for the financial year ended 30 June 2012.

Principal Activities and Significant changes in Nature of Activities

The principal activities of the consolidated group during the financial year were:

- Investments
Investments in marketable securities and other securities.
- Stockbroking
Provision of share trading services to clients.
- Venture capital investment
Mezzanine investments in companies suitable for eventual floatation on recognised stock exchanges.
- Telecom
Provision of communication services to clients.
- Sourcing and Distribution
Provision of sourcing and distribution of consumer electronic products.

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results

The consolidated loss of the consolidated group amounted to HK\$2,494,547 after providing for income tax and eliminating non-controlling interests. This represented a 147% decrease in profits for the year. Further discussion on the Group's operations now follows.

Review of Operations

Quest Investments Limited's core performance improved in the financial year ended 30 June 2012. The stockbrokerage business recorded a HK\$1.90 billion clients' turnover.

Financial Position

The net assets of the consolidated group did not significantly change during the year ended 30 June 2012. The directors believe the Group is in a healthy and stable position to develop and expand its current operations.

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the parent entity during the financial year.

Dividends Paid or Recommended

No dividends were paid or declared during the year.

After Balance Date Events

No event after the balance sheet date has to be disclosed.

Future Developments, Prospects and Business Strategies

In the current financial year, the group's emphasis was principally focused on consolidating and expanding group's existing portfolio of businesses.

For the 2012/13 financial year, the Group intends to continue devoting more resources to further deepen and strengthen the present market position in the financial services business, the marine resources business and technology business. Notwithstanding the anticipated stronger headwinds arising from a turbulent and volatile market condition, the group believe that these businesses have the necessary capacities to handle further increases in the volume of trades without the risk of over-expansion. As the Group has repaid most of the external financial liabilities in the past year, therefore, confronting the present global financial crisis on a better footing and with a healthier statement of financial position.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT (CONT'D)

Initial results of the first two months of 2012/13 financial year suggest that the operating environment has indeed become more challenging and difficult. The wide swings in investors' sentiment and market gyrations have become more frequent - a trend that is unprecedented in this increasingly globalised world.

A number of developments presently unfolding which can be rather unsettling have convinced the Group to be more vigilant in monitoring and executing various plans.

Environmental Issues

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory.

Information on Directors

- | | |
|--|--|
| Wee Tiong Chiang | – Executive Chairman (executive) |
| Qualifications | – B. Sc (Hons), MBA |
| Experience | – Appointed Chairman and Board member since 1991. Mr. Chiang has considerable experience in stock broking, investment, banking and asset management gained in Singapore, Hong Kong and PRC. |
| Interest in Shares and Options | – 4,677,340 Ordinary Shares and 1,000,000 options in Quest Investments Limited. |
| Special Responsibilities | – Mr Chiang is also the Senior Economic advisor to The People's Government of Nan'an District, Chongqing City, PRC. |
| Directorships held in other listed entities during the these years prior to the current year | – Current director and chairman of Murchison Holdings Limited since 1991. |
| Grant Anthony Robertson | – Director (Executive) |
| Qualifications | – B. Ec, LLB., CPA |
| Interest in Shares and Options | – 227,075 Ordinary Shares and 880,000 options of Quest Investments Limited. |
| Experience | – Board member since 1991. Mr. Robertson is a lawyer and an accountant. He was former partner of Abbott Stillman & Wilson barrister and solicitors and barrister and general counsel of its successor firm Dibbs Abbott Stillman. He has considerable experience in property development, corporate advisory and corporate and taxation matters. |
| Directorships held in other listed entities during the these years prior to the current year | – Current director of Murchison Holdings Limited since 1991. |
| Kim Chan Koh | – Director (Non-executive) |
| Qualifications | – MBBS, MRCP, MRACP, DIH |
| Experience | – Board member since 2001. Dr Koh is a retired medical practitioner specialising in aviation medicine. |
| Interest in Shares and Options | – Nil Ordinary Shares and 110,000 options of Quest Investments Limited. |
| Directorships held in other listed entities during the these years prior to the current year | – Current director of Murchison Holdings Limited since 2001. |
| Hung Ngok Wong | – Director (Executive) |
| Qualifications | – MA, FAIA |
| Interest in Shares and Options | – Nil Ordinary shares and 340,313 options of Quest Investments Limited. |
| Experience | – Appointed on 26 Oct 2010, Mr Wong has over 20 years working experience in banking, accounting and auditing. |
| Directorships held in other listed entities during the these years prior to the current year | – Current director of Murchison Holdings Limited since 2010. |

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT (CONT'D)

The following person held the position of company secretary at the end of the financial year:

Company Secretary

Grant Anthony Robertson - B. Ec, LLB., CPA, the director and company secretary of the Group. Details information for Mr Robertson can be referred to the information on the directors.

Meetings of Directors

During the financial year, 25 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number Attended
Wee Tiong Chiang	25	25
Grant Anthony Robertson	25	25
Kim Chan Koh	25	25
Hung Ngok Wong	25	25

Indemnifying Officers or Auditor

During or since the end of the financial year the company has agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was HKD82,880.

Wee Tiong Chiang

Grant Anthony Robertson

Kim Chan Koh

Hung Ngok Wong

Options

At the date of this report, the unissued ordinary shares of Quest Investments Limited under option are as follows :

<u>Grant Date</u>	<u>Date of Expiry</u>	<u>Exercise Price</u>	<u>Number under option</u>
26 November 2010	26 November 2015	AUD 0.075	1,990,000
17 February 2011	17 February 2016	AUD 0.075	1,507,233
9 December 2011	9 December 2016	AUD 0.11	2,242,350

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

There have been no unissued shares or interests under option of any controlled entity within the Group during or since reporting date.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

During the year ended 30 June 2012, no ordinary shares of Quest Investments Limited were issued on the exercise of options granted. No further shares have been issued since year end. No amounts are unpaid on any of the shares.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT (CONT'D)

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Non-audit Services

The auditors of the Group and its controlled entities did not provide non-audit services during the year. This is not incompatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 27 of the Annual Report.

ASIC Class Order 98/100 Rounding of Amounts

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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REMUNERATION REPORT

Remuneration Policy

The remuneration policy of Quest Investments Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Quest Investments Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the economic entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Consolidated Group is as follows:

- The remuneration policy is to be developed by the executive directors of the board and approved by the Board.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, MPF, fringe benefits and options.
- No performance incentives are paid during the year.
- Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Executive Chairman reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. Incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives and options, and can recommend changes to the Executive Chairman recommendation. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution and Mandatory provident funds (MPF) which is currently 9% and 5% respectively and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation and MPF.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination will lapse.

All remuneration paid to key management personnel is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Executive Chairman of the Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Key management personnel are also entitled and encouraged to participate in the employee option arrangements to align directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

Key management personnel who are subject to the arrangement are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, ie put options, on unvested shares and options which form part of their remuneration package

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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REMUNERATION REPORT

Performance-based Remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually. Following the assessment, the KPIs are reviewed by the Executive Chairman in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Quest Investments Limited bases the assessment on audited figures; however, where the KPI involves comparison of the Group, or a division within the Group, to the market, independent reports will be obtained from organisations.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The options method has issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

The following table shows the gross revenue, profits and dividends for the last five years for the listed entity, as well as the share prices at the end of the respective financial years.

	2008	2009	2010	2011	2012
	HKD000	HKD000	HKD000	HKD000	HKD000
Revenue	74,183	66,212	41,200	264,748	95,296
Net Profit / (loss)	8,089	24,436	8,571	5,364	(2,494)
Dividend	-	-	-	-	-
Share price	AUD 0.15	AUD 0.10	AUD 0.08	AUD 0.10	AUD 0.15

During the year there was on-market share buy-back. The directors felt this was appropriate as it enabled the company to tidy up odd lot shares. The buy-back took effect from:

- 19 August 2010 to 18 August 2011
- 31 August 2011 to 30 August 2011
- 4 September 2012 to 3 September 2013 unless the buy-back ceiling is reached earlier.

During the year, the share price traded between a low of AUD 0.081 and a high of AUD 0.09. The Board has decided to improve investor awareness of the company with the aim of ensuring that the company's share price is in tandem with a consistent and stable financial position of the Company.

Performance Conditions Linked to Remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of share option schemes. Incentive payments provide management with a performance target which focuses upon organic sales growth utilising existing group resources.

The performance – related proportions of remuneration based on these targets are included in the following table. The objective of the reward schemes is to bath reinforce the short and long term goals of the group and provide a common interest between management and shareholder.

The satisfaction of the performance conditions are based on a review of the audited financial statements of the Group, as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Group at this time.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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REMUNERATION REPORT

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated group, and to the extent different, among the key Group executives or company executives receiving the highest remuneration. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position held as at 30 June 2012 and any change during the year	Contract details (duration & termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives	Shares/Units	Options/Rights	Fixed Salary/Fees	Total
			%	%	%	%	%
Group Key Management Personnel							
Wee Tiong Chiang	Director	No-fixed term	4	-	5	90	100
Grant Anthony Robertson	Director	No-fixed term	8	-	3	89	100
Kim Chan Koh	Director	No-fixed term	8	-	2	90	100
Hung Ngok Wong	Director	3 months notice period	4	-	-	96	100
Other Executives							
Jason Chiu	Dealing Director	3 months notice period and no fixed term	5	-	-	95	100
Sharon Tan	Senior Manager	3 month notice period and no fixed term	6	-	-	94	100
Wendy Cheung	Administration manager	3 month notice period and not fixed term	6	-	-	94	100
Anna Tsui	Accountant	3 months notice period and no fixed term	6	-	-	94	100
Carol Rudico	Settlement Supervisor	3 months notice period and no fixed term	0	-	-	93	100

The employment terms and conditions of key management personnel and Group executives are formalised in contracts of employment.

Terms of employment require that the relevant Group entity provide an executive contracted person with a minimum of 1-3 months notice prior to termination of contract. Termination payments equal to the required notice of termination are generally payable. A contracted person deemed who is employed on a permanent basis may terminate their employment by providing at least one month notice. No termination payments is payable on resignation.

Non-executive directors do not have a definite employment term. No termination payments will be paid

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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upon termination.

REMUNERATION REPORT

Remuneration Details for the Year Ended 30 June 2012

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the consolidated group and, to the extent different, the key Group executives receiving the highest remuneration:

Table of Benefits and Payments for the Year Ended 30 June 2012

Group Key Management Personnel		Short-term Benefits				Total
		Short term benefits	Post employment benefit	Short term benefits	Equity settled share based payment	
		HKD\$	HKD\$	HKD\$	HKD\$	HKD\$
Directors						
Wee Tiong Chiang	2012	1,191,100	65,520	-	225,423	1,482,043
	2011	1,218,825	61,740	714,449	124,500	2,119,514
Grant Anthony Robertson	2012	1,185,491	108,281	-	158,400	1,452,172
	2011	1,278,614	115,824	-	109,560	1,503,998
Kim Chan Koh	2012	217,345	19,561	-	19,800	256,706
	2011	193,897	18,716	-	13,695	226,308
Hung Ngok Wong	2012	384,416	14,250	-	-	398,666
	2011	445,300	20,265	-	42,369	507,934
Total	2012	2,978,352	207,612	-	403,623	3,589,587
	2011	3,136,636	216,545	714,449	290,124	4,357,754
Executives						
Jason Chiu	2012	280,088	15,937	-	-	296,025
	2011	329,000	21,630	-	31,387	382,017
Sharon Tan	2012	290,996	19,670	-	-	310,666
	2011	274,062	18,484	-	42,369	334,915
Wendy Cheung	2012	329,000	22,330	-	-	351,330
	2011	326,500	22,155	-	38,729	387,384
Anna Tsui	2012	184,262	12,600	-	-	196,862
	2011	226,500	15,855	-	29,827	272,182
Carol Rudico	2012	252,000	17,640	-	-	269,640
	2011	226,500	15,855	-	24,627	266,982
Total	2012	1,336,346	88,177	-	-	1,424,523
	2011	1,382,562	93,979	-	166,939	1,643,480

Securities Received that are not Performance Related

No members of the key management personnel are entitled to receive securities which are not performance-based as part of their remuneration package.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

The terms and conditions relating to options and bonuses granted as remuneration during the year to key management personnel and other executives during the year are as follows:

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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REMUNERATION REPORT

	Remuneration Type	Grant Date	Reason for Grant (Note 1)	Percentage Vested/Paid during Year % (Note 2)	Percentage Forfeited during Year %	Percentage Remaining as Unvested %	Expiry Date for Vesting or Payment	Range of Possible Values Relating to Future Payment
Group Key Management Personnel								
Directors								
WeeTiong Chiang	Option	25 Nov 2011	As part of remuneration	100	0	0	-	-
Grant Anthony Robertson	Option	25 Nov 2011	As part of remuneration	100	0	0	-	-
Kim Chan Koh	Option	25 Nov 2011	As part of remuneration	100	0	0	-	-

Note 1 The options have been granted subject to the completion of one year continued employment with Quest Investments Limited and subject to the individual meeting predetermined performance criteria. The options vest evenly at the anniversary of the grant date for 5 years.

Note 2 The dollar value of the percentage vested/paid during the period has been reflected in the Table of Benefits and Payments.

All options were issued by Quest Investments Limited and entitle the holder to one ordinary share in Quest Investments Limited for each option exercised.

There have not been any alterations to the terms or conditions of any grants since grant date.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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REMUNERATION REPORT

Options and Rights Granted

	Grant Details		For the Financial Year Ended 30 June 2012				Overall			
	Date	No.	Value HKD (Note 1)	Exercised No. (Note 2)	Exercised HKD (Note 3)	Lapsed No. (Note 4)	Lapsed HKD (Note 4)	Vested %	Unvested %	Lapsed %
Group Key Management Personnel										
Directors										
WeeTiong Chiang	25 Nov 2011	1,252,350	225,423	-	-	-	-	-	-	-
Grant Anthony Robertson	25 Nov 2011	880,000	158,400	-	-	-	-	-	-	-
Kim Chan Koh	25 Nov 2011	110,000	19,800	-	-	-	-	-	-	-
Total		2,242,350	403,623	-	-	-	-	-	-	-

- Note 1 The value of options granted as remuneration and as shown in the above table has been determined in accordance with applicable Australian Accounting Standards.
- Note 2 All options exercised resulted in the issue of ordinary shares in Quest Investments Limited on a 1:1 basis. All persons exercising options paid the relevant exercise price in its entirety.
- Note 3 The value of options that have been exercised during the year as shown in the above table was determined as at the time of their exercise.
- Note 4 The value of options that have lapsed during the year due to vesting conditions not being satisfied has been determined at the time of their lapsing as if vesting conditions had been satisfied.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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REMUNERATION REPORT

Description of Options/Rights Issued as Remuneration

Details of the options granted as remuneration to those key management personnel and executives listed in the previous table are as follows:

Grant Date	Issuer	Entitlement on Exercise	Dates Exercisable	Exercise Price	Value per Option at Grant Date	Amount Paid/ Payable by Recipient
				AUD	AUD	AUD
25 Nov 2011	Quest Investments Ltd	-	-	0.11	0.024	-

Option values at grant date were determined using the Black-Scholes method.

Details relating to service and performance criteria required for vesting have been provided in the previous table.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Wee Tiong Chiang, Director

Dated : 28th September, 2012

The Board of Directors
Quest Investments Limited
Level 2
11 Queens Road
MELBOURNE VIC 3004

28th September 2012

Dear Board Members,

QUEST INVESTMENTS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Quest Investments Limited.

As lead audit partner for the audit of the financial statements of Quest Investments Limited for the financial year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the Corporations Act 2001 in relation to the audit;
and
- (ii) Any applicable code of professional conduct in relation to the audit.

Yours sincerely,

ShineWing Hall Chadwick

ShineWing Hall Chadwick

M. J. Schofield

M J Schofield
Partner

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED
30 JUNE 2012**

		Consolidated group	
	Note	2012 HK\$000	2011 HK\$000
Revenue	3	95,296	264,748
Cost of Sales		(93,644)	(258,944)
Gross profits		1,652	5,804
Other income	3	3,640	13,321
Finance costs		(500)	(261)
Employee benefits expense		(4,286)	(4,809)
Depreciation and amortisation expense		(106)	(96)
Other operating expenses		(4,314)	(11,319)
Share of net profits of an associated company		1,420	2,724
Profit / (loss) before income tax	4	(2,494)	5,364
Income tax expense	5	-	-
Net profit / (loss) for the year	4	(2,494)	5,364
Net profit / (loss) for the year		(2,494)	5,364
Other comprehensive income			
Exchange differences on translating foreign controlled entities		-	386
Other comprehensive income / (loss) for the year, net income tax		(2,494)	5,750
Total comprehensive income / (loss) for the year		(2,494)	5,750
Net profit / (loss) attributable to:			
Members of the parent entity		(2,494)	5,364
Net profit / (loss) for the year		(2,494)	5,364
Total comprehensive income / (loss) attributable to :			
Members of the parent entity		(2,494)	5,750
Non-controlling interest		-	-
		(2,494)	5,750
Earnings / (loss) per share			
From continuing and discontinued operations:	Note		
Basic earnings / (loss) per share (cents)	8	(5.57)	11.99
Diluted earnings / (loss) per share (cents)	8	(5.57)	11.36
From continuing operations:			
Basic earnings / (loss) per share (cents)	8	(5.57)	11.99
Diluted earnings / (loss) per share (cents)	8	(5.57)	11.36

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		Consolidated Group	
	Note	2012	2011
		HK\$000	HK\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	3,039	6,559
Trade and other receivables	10	25,051	18,144
Financial assets	13	10,941	11,887
Other current assets	16	40	30
TOTAL CURRENT ASSETS		39,071	36,620
NON-CURRENT ASSETS			
Trade and other receivables	10	34,449	37,614
Investments accounted for using the equity method	11	33,310	31,890
Other financial assets	13	53	53
Plant and equipment	15	248	211
Other non-current assets	16	760	760
TOTAL NON-CURRENT ASSETS		68,820	70,528
TOTAL ASSETS		107,891	107,148
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	38,811	34,118
Borrowings	18	1,559	3,044
TOTAL CURRENT LIABILITIES		40,370	37,162
TOTAL LIABILITIES		40,370	37,162
NET ASSETS		67,521	69,986
EQUITY			
Issued capital	19	94,779	94,826
Reserves	28	22,729	22,653
Accumulated losses		(49,987)	(47,493)
Parent interest		67,521	69,986
TOTAL EQUITY		67,521	69,986

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2012

Consolidated Group

	Note	Reserves				Retained Earnings / (Accumulated Losses)	Minority Equity interests	Total
		Ordinary share	Capital Profits	Share Options	Foreign Currency Translation			
		HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	
Balance at 1 July 2011		94,826	7,099	1,121	14,433	(47,493)	-	69,986
Comprehensive income								
Loss for the year		-	-	-	-	(2,494)	-	(2,494)
Other Comprehensive income for the year								
Foreign currency translation difference		-	-	-	-	-	-	-
Total comprehensive loss for the year		-	-	-	-	(2,494)	-	(2,494)
Transactions with owners, in their capacity as owners, & other transfers								
Share issued during the year		-	-	-	-	-	-	-
Shares bought back during the year		(47)	-	-	-	-	-	(47)
Share option lapsed				(34)				
Share option expense		-	-	110	-	-	-	76
Total transactions with owners and other transfers		(47)	-	76	-	-	-	29
Balance at 30 June 2012		94,779	7,099	1,197	14,433	(49,987)	-	67,521

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2012

Consolidated Group

	Note	Reserves				Retained Earnings / (Accumulated Losses)	Minority Equity interests	Total
		Ordinary share	Capital Profits	Share Options	Foreign Currency Translation			
		HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
Balance at 1 July 2010		94,696	7,099	1,015	14,047	(52,857)	-	64,000
Comprehensive income								
Profit for the year		-	-	-	-	5,364	-	5,364
Other Comprehensive income for the year								
Foreign currency translation difference		-	-	-	386	-	-	-
Total comprehensive income for the year		-	-	-	386	5,364	-	5,750
Transactions with owners, in their capacity as owners, & other transfers								
Share issued during the year		143	-	-	-	-	-	143
Shares bought back during the year		(13)	-	-	-	-	-	(13)
Share option expense		-	-	106	-	-	-	106
Total transactions with owners and other transfers		130	-	106	-	-	-	236
Balance at 30 June 2011		94,826	7,099	1,121	14,433	(47,493)	-	69,986

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2012

		Consolidated group	
	Note	2012	2011
		HK\$000	HK\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		99,747	286,943
Payments to suppliers and employees		(100,733)	(284,951)
Dividends received		-	55
Interest received		(359)	89
Finance costs		(500)	(261)
Net cash provided by (used in) operating activities	23	(1,845)	1,875
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment / plant and equipment		(143)	(68)
Net cash used in investing activities		(143)	(68)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	143
Repayment of / advancement from related party loans		-	492
Payment for share buy back		(47)	(13)
Net cash provided by financing activities		(47)	622
Net increase / (decrease) in cash held		(2035)	2,429
Cash and cash equivalents at beginning of financial year		3,515	1,086
Cash and cash equivalent at end of financial year	9	1,480	3,515

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

This consolidated financial statements and notes of Quest Investments Limited and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements of the parent entity, Quest Investments Limited have not been presented within this financial reports as permitted by the Corporation Act 2001.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are a 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 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 this financial report 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.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Quest Investments Limited at the end of the reporting period. A controlled entity is any entity over which Quest Investments Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 14 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognized (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognizing any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Basis of Preparation

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognized outside profit or loss.

Except for business combinations, no deferred income tax is recognized from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets or liabilities are settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Basis of Preparation

(c) Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed asset	Depreciation Rate
Plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(e) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified as 'at fair value through profit or loss', in which case transaction costs are expensed to statement of comprehensive income immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. .

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense in profit or loss.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(e) Financial Instruments

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in statement of comprehensive income.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

iii. *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

iv. *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, where they are expected to be sold mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

v. *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(e) Financial Instruments

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial Guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(f) Impairment of Assets

At each the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in statement of comprehensive income, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(g) Investments in Associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition the Group's share of the profit or loss of the associate company is included in the Group's statement of comprehensive income.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of the investment is recognised in statement of comprehensive income in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the relation to the Group's investment in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume the recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are provided in Note 12.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Preparation

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Hong Kong dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Hong Kong dollars are recognized in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(i) **Equity-settled compensation**

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(j) **Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of six months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(l) **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method.

Dividend revenue is recognised when the right to receive a dividend has been established.

(m) **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Preparation

(n) **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(o) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in statement of comprehensive income in the period in which they are incurred.

(p) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position..

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(q) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has applied retrospectively, applied an accounting policy made a retrospective restatement of items in the financial statements, or reclassified items in its financial statements an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(r) **Rounding of Amounts**

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

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Preparation

(s) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of in respect of property, plant, equipment and trade and others receivable for the year ended 30 June 2012.

Key Judgement

(i) Recoverability of receivables from associates

Included in non-current term receivables at the end of the reporting period are amounts owing to the Group from associate companies of HK\$34,449,405 (2011:HK\$23,817,615). A director of these companies has pledged to provide continued financial support to enable them to meet their debts as and when they fall due. As such the directors believe the full amount of the receivables are recoverable and therefore no provision for impairment has been made.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(t) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets
 - b. the characteristics of the contractual cash flows
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The Group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(t) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONT'D)

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments are not expected to significantly impact the Group.

- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.

- AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

- AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF PREPARATION

(t) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS (CONT'D)

- AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 17, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Group.

- AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

- AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB101, AASB124, AASB134, AASB1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) for an offer that may be withdrawn – when the employee accepts;
- (ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The Group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

(u) Going Concern Basis of Preparation

The directors have prepared the financial statements on a going concern basis. The group has a current asset deficiency of HKD 1,299,000, reported a loss of HKD 2,494,000, and incurred negative operating cash flows of HKD 1,845,000 for the year 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.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**Note 2: Parent Information**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2012	2011
	HKD\$000	HKD\$000
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	3,725	4,603
Non-current assets	35,297	35,329
TOTAL ASSETS	39,022	39,932
LIABILITIES		
Current liabilities	5,492	4,797
TOTAL LIABILITIES	5,492	4,797
NET ASSETS	33,530	35,135
EQUITY		
Issued capital	95,171	94,826
Accumulated losses	(111,130)	(109,104)
Reserve	49,489	49,413
TOTAL EQUITY	33,530	35,135
STATEMENT OF COMPREHENSIVE INCOME		
Total profit / (losses)	(2,052)	(3,633)
Total comprehensive income / (losses)	(2,052)	(3,633)

Guarantees

Quest Investments Limited has not entered into any guarantees in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent Liabilities

At 30 June 2012 Quest Investments Limited had no contingent liabilities.

Contractual Commitments

At 30 June 2012 Quest Investments Limited has not entered into any contractual commitments.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**Note 3: Revenue and Other Income**

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
a. Revenue from continuing operations			
Sales revenue:			
– Proceeds from sales of quoted securities		90,878	257,352
– Commission		4,418	7,396
		<hr/>	<hr/>
		95,296	264,748
		<hr/>	<hr/>
Other revenue:			
– Dividends received:			
– other persons		51	55
Interest received			
– other persons		56	88
– Placement		80	3,116
– Unrealized gain on stock		-	5,144
– Exchange gain		-	1,057
– Other revenue		3,453	3,861
		<hr/>	<hr/>
		3,640	13,321
		<hr/>	<hr/>
Total Revenue		98,936	278,069
		<hr/>	<hr/>
b. Total revenue and other income from continuing operations			
– Attributable to member of the parent entity		98,936	278,069
		<hr/>	<hr/>
		98,936	278,069
		<hr/>	<hr/>

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 4: Profit / (loss) for the year	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
Profit before income tax from continuing operations includes the following specific expenses			
a. Expenses			
Cost of sales		93,644	258,944
Interest expense on financial liabilities not at fair value through profit or loss			
– other persons		500	261
Rental expense on operating leases			
– rental expenses		765	824
Depreciation and amortisation		106	96
Foreign currency translation losses		309	1,860
Employee benefit expenses			
-Defined contribution superannuation expenses		161	161
Note 5: Income Tax Expense			
a. The components of tax expenses companies			
Current tax		(748)	1,609
Deferred tax		528	(506)
Recoupment of prior year tax losses		220	(1,103)
		-	-
b. The prima facie tax on (loss) / profit before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on (loss) / profit before income tax at 30% (2011: 30%)			
– consolidated group		(748)	1,609
Add : Tax effect of :			
– Adjustment for foreign tax rate		(238)	(1,103)
Less : Tax effect of			
– Share of net profits of an associate entity		426	(817)
		(560)	(311)
Recoupment of prior year tax losses not previously brought to account		560	311
Income tax attributable to entity		-	-
Deferred income tax assets not bought to account		61,883	74,170

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 6: Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2012.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2012	2011
	HKD\$000	HKD\$000
Short-term employee benefits	4,315	5,234
Post-employment benefits	296	311
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	403	457
	5,014	6,002

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

30 June 2012	Balance at beginning of year	Granted as remuneration during the year	Exercised /lapsed during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
Directors								
WeeTiong Chiang	1,000,000	1,252,350	-	-	2,252,350	-	-	-
Grant Anthony Robertson	880,000	880,000	-	-	1,760,000	-	-	-
Kim Chan Koh	110,000	110,000	-	-	220,000	-	-	-
Hung Ngok Wong	340,313	-	-	-	340,313	-	-	-
Executives								
Jason Chiu	252,108	-	(252,108)	-	-	-	-	-
Sharon Tan	340,314	-	-	-	340,314	-	-	-
Wendy Cheung	311,080	-	-	-	311,080	-	-	-
Anna Tsui	239,576	-	(239,576)	-	-	-	-	-
Carol Rudico	197,804	-	-	-	197,804	-	-	-
Total	3,671,195	2,242,350	(491,684)	-	5,421,861	-	-	-

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 6: Interests of Key Management Personnel (KMP) (CONT'D)

30 June 2011	Balance at beginning of year	Granted as remuneration during the year	Exercised /lapsed during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
Directors								
WeeTiong Chiang	-	1,000,000	-	-	1,000,000	-	-	-
Grant Anthony Robertson	-	880,000	-	-	880,000	-	-	-
Kim Chan Koh	-	110,000	-	-	110,000	-	-	-
Hung Ngok Wong	-	340,313	-	-	340,313	-	-	-
Executives								
Jason Chiu	-	252,108	-	-	252,108	-	-	-
Sharon Tan	-	340,314	-	-	340,314	-	-	-
Wendy Cheung	-	311,080	-	-	311,080	-	-	-
Anna Tsui	-	239,576	-	-	239,576	-	-	-
Carol Rudico	-	197,804	-	-	197,804	-	-	-
Total	-	3,671,195	-	-	3,611,195	-	-	-

KMP Shareholdings

The number of ordinary shares in Quest Investments Limited held by each KMP of the Group during the financial year is as follows:

30 June 2012	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Directors					
WeeTiong Chiang(1)	1,915,978	-	-	49,000	1,964,978
WeeTiong Chiang(1)	405,366	-	-	-	405,366
WeeTiong Chiang(1)	170,000	-	-	-	170,000
WeeTiong Chiang(1)	2,185,996	-	-	-	2,185,996
Grant Anthony Robertson (2)	6,000	-	-	-	6,000
Grant Anthony Robertson (3)	163,075	-	-	-	163,075
	58,000	-	-	(58,000)	-
Kim Chan Koh	-	-	-	-	-
Executives					
Sharon Tan (2)	24,100	-	-	-	24,100
Sharon Tan (2)	6,000	-	-	-	6,000
Total	4,934,515	-	-	49,000	4,925,515

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 6: Interests of Key Management Personnel (KMP) (CONT'D)

30 June 2011	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Directors					
WeeTiong Chiang (1)	1,915,978	-	-	-	1,915,978
WeeTiong Chiang (1)	405,366	-	-	-	405,366
WeeTiong Chiang (1)	170,000	-	-	-	170,000
WeeTiong Chiang (1)	2,185,996	-	-	-	2,185,996
Grant Anthony Robertson (2)	6,000	-	-	-	6,000
Grant Anthony Robertson (3)	163,075 58,000	-	-	-	163,075 58,000
Kim Chan Koh	-	-	-	-	-
Executives					
Sharon Tan (2)	24,100	-	-	-	24,100
Sharon Tan (2)	6,000	-	-	-	6,000
	4,934,515	-	-	-	4,934,515

Note

- (1) 1,964,978 ordinary shares are relevant interest in own name.
 405,366 ordinary shares are relevant interest as director of Toptrend Group Limited
 170,000 ordinary shares are relevant interest as director of Samfield Investments Limited
 2,185,996 ordinary shares are relevant interest as director of Even More Profits Limited
- (2) 6,000 ordinary shares are relevant interest as a director of Jondara Pty Limited
- (3) 163,075 ordinary shares are relevant interest as a director of Serenar Nominees Pty Ltd.
 58,000 ordinary shares are relevant interest as a beneficiary of the Robertson Investment Trust

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to Note 26: Related Party Transaction.

No loans to KMP have been made during the year.

Note 7: Auditors' Remuneration

	Consolidated Group	
	2012 HKD\$000	2011 HKD\$000
Remuneration of the auditor of the parent entity for:		
– auditing or reviewing the financial statements	163	852
Remuneration of other auditors of subsidiaries for:		
– auditing or reviewing the financial statements of subsidiaries	276	247
	439	1,099

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 8: Earnings per Share

	Consolidated Group	
	2012	2011
	HKD\$000	HKD\$000
a. Reconciliation of Earnings to Profit or Loss		
(Loss) / Profit	(2,494)	5,364
Earnings used to calculate basic EPS	(2,494)	5,364
b. Reconciliation of earnings to profit or loss from continuing operations		
(Loss) / Profit from continuing operations	(2,494)	5,364
Earnings used in the calculation of basic and dilutive EPS from continuing operations	(2,494)	5,364
	No.	No.
c. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS		
Weighted average number of ordinary shares outstanding	44,812,884	44,738,919
Weighted average number of options outstanding	-	2,492,602
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	44,812,884	47,231,521

Note 9: Cash and Cash Equivalents

	Note	Consolidated Group	
		2012	2011
		HKD\$000	HKD\$000
Cash at bank and in hand		3,039	6,559
	27	3,039	6,559

Cash at bank includes HKD\$3,039,327 (2011: HKD\$6,559,283) pledged as security for overdraft facilities. The effective interest rate on short-term bank deposits was less than 1% (2011: less than 1%); these deposits have an average maturity of seven to thirty days.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents		3,039	6,559
Bank overdrafts	18	(1,559)	(3,044)
		1,480	3,515

A floating charge over cash and cash equivalents has been provided to Wing Hang Bank in Hong Kong to secure the finance facilities of the Group. (Refer to note 18b)

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 10: Trade and Other Receivables	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
CURRENT			
Trade receivables		25,051	18,144
Provision for impairment		-	-
Total current trade and other receivables	27	<u>25,051</u>	<u>18,144</u>
NON-CURRENT			
Term receivables	10(a)	34,449	37,614
Provision for impairment		-	-
	27	<u>34,449</u>	<u>37,614</u>
a. Amounts receivable from :			
- Ultimate parent entity		10,816	13,796
- Associated companies		23,613	23,818
Total non-current trade and other receivables		<u>34,429</u>	<u>37,614</u>

Current trade and term receivables are non-interest bearing and generally on 30-120 day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairments is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item. No provision of impairment has been provided in the accounts during the year.

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Hong Kong given its substantial operations in this region. The Group's exposure to credit risk for receivables at the end of the reporting period in this region is as follows:

	Consolidated Group	
	2012 HKD\$000	2011 HKD\$000
Hong Kong	48,684	41,962
Australia	10,816	13,796
	<u>59,500</u>	<u>55,758</u>

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 10: Trade and Other Receivables (CONT'D)

	Gross amount HKD\$000	Past due and impaired HKD\$000	Past due but not impaired (days overdue)				Within initial trade terms HKD\$000
			< 30 HKD\$000	31-60 HKD\$000	61-90 HKD\$000	> 90 HKD\$000	
Consolidated Group							
2012							
Trade and term receivables	25,051	-	-	-	-	-	25,051
Other receivables	-	-	-	-	-	-	-
Total	25,051	-	-	-	-	-	25,051
2011							
Trade and term receivables	18,144	-	-	-	-	-	18,144
Other receivables	-	-	-	-	-	-	-
Total	18,144	-	-	-	-	-	18,144

Neither the Group nor parent entity holds any financial assets with terms that have been renegotiated, which would otherwise be past due or impaired.

b. Collateral held as security

No collateral is held as security.

c. Collateral pledged

No charge over trade receivables has been provided for during the year. Refer to the note 17b for further details.

Note 11: Investments Accounted for Using the Equity Method	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
Associated companies		31,890	29,166
Share of profits		1,420	2,724
	12a	33,310	31,890

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 12: Associated Companies

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Shares	Ownership Interest		Carrying amount of investment	
				2012	2011	2012	2011
Unlisted:				%	%	HKD\$000	HKD\$000
Quest Marine Resources Ltd	Seafood Product	Australia	Ord	43.37%	43.37%	33,310	31,890
Quest Securities Limited (i)	Investment	Hong Kong	Ord	15.38%	49%	-	-
Meredeen Investment Limited (i) (ii)	Investment	Hong Kong	Ord	39.20%	39%	-	-

(i) Investment cost of Quest Securities Limited and Meredeen Investment Limited were fully written off.

(ii) Principal shareholder of Quest Securities Limited converted debts into equity. The shares were allotted to the principal shareholders as a result the percentage of shares holding of the company was reduced.

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
a. Movements During the Year in Equity Accounted Investment in Associated Companies			
Balance at beginning of the financial year		31,890	29,166
Share of associated company's profit after income tax	12(b)	1,420	2,724
Balance at end of the financial year		33,310	31,890
b. Equity accounted profits of associates are broken down as follows:			
Share of associate's profit before income tax expense		2,028	3,632
Share of associate's income tax expenses		(608)	(908)
Share of associate's profit after income tax		1,420	2,724
c. Summarised Presentation of Aggregate Assets, Liabilities and Performance of Associates			
Current Assets		67,718	126,096
Non-current Assets		51,255	50,220
Total Assets		118,973	176,316
Current Liabilities		(39,032)	(50,151)
Non Current Liabilities		(871)	(97,343)
Total Liabilities		(39,903)	(147,494)
Net Assets / (Liabilities)		79,070	28,822
Revenues		6,757	193,915
Profit / (Loss) after income tax of associates		3,137	4,623

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
Note 13: Financial Assets			
Current			
Financial assets at fair value through profit or loss	(a)	10,941	11,887
Non-Current			
Available-for-sale financial assets	(b)	53	53
Total Non-current Assets		53	53
(a) Financial assets at fair value through profit or loss			
Held-for-trading listed shares	27	10,941	11,887
Shares held for trading are traded for the purpose short-term profit taking. Changes in fair value are included in the statement of comprehensive income.			
(b) Available-for-sale financial assets comprise:			
Listed investments, at cost			
– Shares in listed corporations		53	53
Total available-for-sale financial assets	27	53	53

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**Note 14: Controlled Entities****(a) Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)*	
		2012	2011
Parent Entity:			
Quest Investments Limited	Australia	-	-
Ultimate Parent Entity			
Murchison Holdings Limited	Australia	-	-
Subsidiaries of Quest Investments Limited			
Quest Securities (Australia) Limited	Australia	100	100
Genequest Pty Ltd.	Australia	100	100
Techgene Pty Ltd.	Australia	100	100
Tivuna Pty Limited	Australia	100	100
MQ Holdings Limited	British Virgin Islands	100	100
Quest Stockbrokers (HK) Limited	Hong Kong	100	100
Quest Nominees Limited	Hong Kong	100	100
Quest Investments Limited	Hong Kong	100	100
Quest Telecom Ltd.	Hong Kong	100	100

* Percentage of voting power is in proportion to ownership

(b) Acquisition of Controlled Entities

There were no acquisitions of subsidiaries during the year.

(c) Disposal of Controlled Entities

There were no disposals of subsidiaries during the year.

(d) Controlled Entities with Ownership interest of 50% or Less

The group does not control any entity with equity interest of 50% or less.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 15: Plant and Equipment

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
At cost		632	660
Accumulated depreciation		(384)	(449)
		248	211

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Plant and Equipment HKD\$000	Total HKD\$000
Consolidated Group		
Balance at 1 July 2010	239	239
Additions	68	68
Depreciation Expenses	(96)	(96)
Balance at 30 June 2011	211	211
Additions	143	143
Depreciation Expenses	(106)	(106)
Balance at 30 June 2012	248	248

Note 16: Other Assets

	Note	Consolidated Group	
		2012 HKD\$000	2012 HKD\$000
CURRENT			
Prepayments		40	30
NON-CURRENT			
Funds reserves	16(a)	400	400
HKCC Membership		360	360
		760	760

(a) Funds reserves represents deposits with and refundable admission fee paid to Hong Kong Securities Clearing Company Limited and deposits with the Stock Exchange of Hong Kong Limited.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 17: Trade and other payables

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
CURRENT			
Trade payables		24,381	16,024
Amounts payable to:			
– Parent entity		14,430	18,094
		38,811	34,118
		38,811	34,118

**Financial liabilities at amortised cost
classified as trade and other payables**

Trade and other payables

– Total Current		38,811	34,118
	27	38,811	34,118
		38,811	34,118

Note 18: Borrowings

CURRENT

Secured liabilities

Bank overdrafts

Total current borrowings

18(a)(b)	1,559	3,044
27	1,559	3,044
	1,559	3,044

a. Total current secured liabilities :

Bank overdrafts

1,559	3,044
1,559	3,044
1,559	3,044

b. **Collateral Provided**

The bank overdraft is secured by fixed deposit, and available for sale securities pledged with the bank and a personal guarantee from a director.

The carrying amount of assets pledged as security are :

Available for sale assets	1,279	1,930
Pledged deposits	2,650	6,559
Total	3,929	8,489
	3,929	8,489

Cash at bank includes HKD\$2,650,103 (2011: HKD\$6,559,283) pledged as security for overdraft facilities. The effective interest rate on short-term bank deposits was less than 1% (2011: less than 1%); these deposits have an average maturity of seven to thirty days.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 19: Issued Capital

Note

Consolidated Group

		2012	2011
		HKD\$000	HKD\$000
44,778,024 (2011 : 44,847,024) fully paid ordinary shares		94,779	94,826
<hr/>			
a. Ordinary Shares		No.	No.
At the beginning of reporting period		44,847,024	44,622,810
Shares issued during the year			
31 December 2010		-	241,130
29 June 2012		333,333	-
Shares bought back during the year			
15 April 2011		-	(10,000)
18 April 2011		-	(6,916)
13 December 2011		(4,000)	
22 December 2011		(6,000)	
23 December 2011		(20,000)	
3 January 2012		(25,000)	
6 January 2012		(10,000)	
2 March 2012		(4,000)	
At the end of the reporting period		<u>45,111,357</u>	<u>44,847,024</u>

From 13 December 2011 to 2 March 2012 the company bought back 69,000 ordinary shares on issue from the market for a price not exceeding AUD 0.09 per share. The total purchase consideration of the buy-back was AUD 5,924 (HKD 47,663). The nature and terms of the buy-back were:

- the buy-back will not exceed 10% of total issued share from the market.
- the accepting shareholders would be paid and have their shares cancelled within 1 week from the date of buy-back.
- the full amount of the buy-back would be debited to issued capital.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b. Options

- i. For information relating to the Quest Investments Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 24: Share-based Payments.
- ii. For information relating to share options issued to key management personnel during the financial year, refer to Note 24: Share-based Payments.

c. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the *management* of debt levels, distributions to shareholders and share issues.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**Note 19: Issued Capital (CONT'D)****c. Capital Management (CONT'D)**

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. This strategy is to ensure that the Group's gearing ratio is in average of 30%. The gearing ratio's for the year ended 30 June 2012 and 30 June 2011 are as follows:

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
Total borrowings	18	1,559	3,044
Trade and other payable	17	38,811	34,118
Less cash and cash equivalents	9	(3,039)	(6,559)
Net equity		37,331	30,603
Total equity		67,521	69,986
Total capital		104,852	100,589
Gearing ratio		36%	30%

Note 20: Capital and Leasing Commitments**a. Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments

– not later than 12 months	653	510
– between 12 months and 5 years	1,088	-
– greater than 5 years		-

	1,741	510
--	-------	-----

Operating lease payment represent rental payable by the company for it office premises. The lease is negotiated for a term of twenty months with fixed monthly rentals.

Note 21: Contingent Liabilities and Contingent Assets

There were no significant contingent liabilities and contingent assets at 30 June 2012 and subsequent to the financial year end.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 22: Operating Segments

Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

Types of products and services by segment

(i) Business segments

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

(ii) Geographical segments

The economic entity's business segments are located in Australia with the Investments & Stockbroking division also having operations in the Australia and Hong Kong.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

b. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

c. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

d. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 22: Operating Segments (Cont)

e. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Derivatives
- Net gains on disposal of available-for-sale investments
- Impairment of assets and other non-recurring items of revenue or expense
- Income tax expense
- Current tax liabilities
- Other financial liabilities

i. Segments performance

	Consolidated Group				
	Investment HKD\$000	Stockbroking HKD\$000	Telecom HKD\$000	Sourcing HKD\$000	Total HKD\$000
30 June 2012					
REVENUE					
External Sale	58,919	4,418	31,959	-	95,296
Other revenue	3,151	423	66	-	3,640
Total segment revenue	62,070	4,841	32,025	-	98,936
Reconciliation of segment revenue to group revenue					
Inter-segment elimination	-	-	-		-
Total group revenue	62,070	4,841	32,025	-	98,936
Segment net profit (loss) before tax from continuing operations	(2,059)	(1,918)	63		(3,914)
Reconciliation of segment result to group net profit/(loss) before tax					
i. Amount not included in segment result but reviewed by Board					
- Equity accounted profits of associates	1,420	-	-	-	1,420
Net profit (loss) before tax from continuing operations	(639)	(1,918)	63	-	(2,494)

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 22: Operating Segments (Cont)

	Consolidated Group				
	Investment HKD\$000	Stockbroking HKD\$000	Telecom HKD\$000	Sourcing HKD\$000	Total HKD\$000
30 June 2011					
REVENUE					
External Sale	182,778	7,396	74,574	-	264,748
Other revenue	8,611	4,692	18	-	13,321
Total segment revenue	191,389	12,088	74,592	-	278,069
Reconciliation of segment revenue to group revenue					
Inter-segment elimination	-	-	-	-	-
Total group revenue	191,389	12,088	74,592	-	278,069
Segment net profit (loss) before tax from continuing operations	(973)	3,543	70	-	2,640
Reconciliation of segment result to group net profit/(loss) before tax					
i. Amount not included in segment result but reviewed by Board					
- Depreciation	-	-	-	-	-
- Equity accounted profits of associates	2,724	-	-	-	2,724
Net profit (loss) before tax from continuing operations	1,751	3,543	70	-	5,364
30 June 2012					
Segment Assets	71,848	35,133	910	-	107,891
Segment assets increases for the year – capital expenditure	-	-	-	-	-
Included in segment assets are:					
- Equity accounted associates	33,310	-	-	-	33,310
Reconciliation of segment assets to group assets					
Inter-segment eliminations					-
Total group assets					107,891

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 22: Operating Segments (Cont)

	Consolidated Group				
	Investment HKD\$000	Stockbroking HKD\$000	Telecom HKD\$000	Sourcing HKD\$000	Total HKD\$000
30 June 2011					
Segment Assets	69,823	36,635	960	-	107,148
Segment assets increases for the year – capital expenditure	125	-	-	-	125
	125	-	-	-	125
Included in segment assets are:					
- Equity accounted associates	31,890	-	-	-	31,890
Reconciliation of segment assets to group assets					
Inter-segment eliminations					-
Total group assets					107,148

30 June 2012

Segment liabilities

Reconciliation of segment liabilities to group liabilities	34,671	5,674	25	-	40,370
Inter-segment eliminations	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-
Current tax liabilities	-	-	-	-	-
Total group liabilities	34,671	5,674	25	-	40,370

30 June 2011

Segment liabilities

Reconciliation of segment liabilities to group liabilities	27,190	9,833	139	-	37,162
Inter-segment eliminations	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-
Current tax liabilities	-	-	-	-	-
Total group liabilities	27,190	9,833	139	-	37,162

Revenue by Geographical region

	Segment Revenues for External Customers	
	2012	2011
	HKD\$000	HKD\$000
Australia	18,873	55,948
Hong Kong	80,063	222,121
Total revenue	98,936	278,069

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 22: Operating Segments (Cont)

Assets by Geographical region

	2012	2011
	HKD\$000	HKD\$000
Australia	61,486	61,266
Hong Kong	46,405	45,882
Total Assets	107,891	107,148

Note 23: Cash Flow Information

	Consolidated Group	
	2012	2011
	HKD\$000	HKD\$000
a. Reconciliation of Cash Flow from Operations with (Loss) / Profit after Income Tax		
Profit / (loss) after income tax	(2,494)	5,364
Non-cash flows in profit		
Depreciation	106	96
Changes in assets and liabilities		
(Increase) / decrease in trade and others receivables	(6,907)	9,621
Increase / (decrease) in trade payables and accruals	4,693	(603)
(Increase) / decrease in marketable securities	2,757	(12,603)
Cash inflows/(outflows) from operating activities	(1,845)	1,875

(b) Acquisition of Entities

During the financial year ended 30 June 2012, the Group did not acquire any equity interest of a company.

(c) Non-cash Financing and Investing Activities

There were no non-cash financing and investing activities.

(d) Credit standby arrangement with banks

	2012	2011
	HKD\$000	HKD\$000
Credit facility	35,000	35,000
Amount utilized	(1,559)	(3,043)
	33,441	31,957

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 24: Share Based Payments

- i. On 25 November 2011, 2,242,350 share options were granted to directors under the Quest Investments Limited directors option plan to take up ordinary shares at an exercise price of AUD 0.11 each. The options are exercisable on or before 24 November 2016. The options hold no voting or dividend rights and are not transferable.

- ii. Options granted to key management personnel are as follows:

Grant Date	Directors	Number
25 November 2011	WeeTiong Chiang	1,252,350
25 November 2011	Grant Anthony Robertson	880,000
25 November 2011	Kim Chan Koh	110,000

Further details of these options are provided in the directors' report. The options hold no voting or dividend rights. The options lapse when a director ceases their employment with the Group. During the financial year, options vested with key management personnel.

- iii. The company established the Employee Share Option Scheme on 25 November 2011 as a long-term incentive scheme to recognize talent and motivate executives to strive for group performance. All employees are entitled to participate in the scheme upon completion of one year employment with the consolidated group. The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group. The number available to be granted is determined by the Board and is based on performance measures including growth in shareholder return, return on equity, cash earnings and group EPS growth.

Options are forfeited 2 days after the holder ceases to be employed by the Group, unless the Board determines otherwise (this is usually only in the case of retirement, redundancy, death or disablement).

- i. During the year no share options were granted to employee as share.

A summary of the movements of all company options issued is as follows:-

	Number	Weighted average exercise price
		AUD
Options outstanding as at 1 July 2010		
Granted	4,192,626	0.075
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2011	4,192,626	0.075
Granted	2,242,350	0.110
Forfeited	(1,013,115)	0.075
Exercised	-	-
Expired	-	-
Options outstanding as at 30 June 2012	5,421,861	0.089
Options exercisable as at 30 June 2012:	5,421,861	0.089
Options exercisable as at 30 June 2011:	4,192,626	0.075

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

No option was exercised during year.

The weighted average remaining contractual life of options outstanding at year end was 2.97 years.

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was AUD 0.11 (2011: AUD 0.075). These values were calculated using the Black-Scholes option pricing model applying the following inputs: 15% volatility, 4.75% interest rate, 0.11 exercise price, conversion 1:1 and 5 years life of the option.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

- ii. During the year, no shares granted to key management personnel as share-based payments.

Note 25: Events after the Reporting Period

No event after the reporting period has to be disclosed.

Note 26: Related Party Transactions

	Consolidated Group	
	2012 HKD\$000	2011 HKD\$000
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
Associated Companies		
Commission income charged by Quest Stockbrokers (HK) Limited to Meredeem Investments Limited	51	156
Commission income charged by Quest Stockbrokers (HK) Limited to Quest Securities Limited	38	133
	<hr/>	<hr/>
	89	289
Term receivables from :		
Quest Securities Limited	14,412	14,496
Meredeem Investments Limited	9,182	9,322
	<hr/>	<hr/>
	23,594	23,818
Account payable to :		
Murchison Holdings Limited	14,430	18,094
	<hr/>	<hr/>

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and loans to and from subsidiaries.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2012 HKD\$000	2011 HKD\$000
Financial Assets			
Cash and cash equivalents	9	3,039	6,559
Financial assets at fair value through profit and loss	13	10,941	11,887
Trade and other receivables	10	59,500	55,758
Available-for-sale financial assets			
— listed investments	13	-	53
Total available-for-sale financial assets		73,480	74,257
Total Financial Assets		73,480	74,257
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	17	38,811	34,118
— Borrowings	18	1,559	3,044
Total Financial Liabilities		40,370	37,162

Financial Risk Management Policies

The Chairman and Chief Financial Officer have been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The Chairman and Chief Financial Officer monitor the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. They also reviews the effectiveness of internal controls relating to commodity price risk, counterparty credit risk, currency risk, liquidity risk and interest rate risk.

The Chairman and Chief Financial Officer overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and other price risk (commodity and equity price risk).

There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management (CONT'D)

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 30 to 120 days from the invoice date.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 10.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 10.

Credit risk related to balances with banks and other financial institutions is managed by the executive chairman and chief financial officer in accordance with approved Board policy.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The Group's policy is to ensure the borrowings should mature in any 12 month period.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable immediately subject to further mutually negotiation.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management (CONT'D)

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000	HKD\$000
Borrowings	1,559	3,044	-	-	-	-	1,559	3,044
Trade and other payables (excluding estimated annual leave)	38,811	34,118	-	-	-	-	38,811	34,118
Total contractual outflows	40,370	37,162	-	-	-	-	40,370	37,162
less bank overdrafts	(1,559)	(3,044)	-	-	-	-	(1,559)	(3,044)
Total expected outflows	38,811	34,118	-	-	-	-	38,811	34,118
Financial assets — cash flows realisable								
Cash and cash equivalents	3,039	6,559	-	-	-	-	3,039	6,559
Trade, term and loans receivables	25,051	18,144	34,449	37,614	-	-	59,500	55,758
Financial assets-current	10,941	11,887	-	-	-	-	10,941	11,887
Financial assets – non current	-	-	-	-	-	53	-	53
Other current assets	40	30	-	-	-	-	40	30
Total anticipated inflows	39,071	36,620	34,449	37,614	-	53	73,520	74,287
Net (outflow)/inflow on financial instruments	260	2,502	34,449	37,614	-	53	34,709	40,169

Financial Assets Pledged as Collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management (CONT'D)

c. **Market Risk**

i. **Interest rate risk**

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is not exposed to earnings volatility on floating rate instruments.

Interest Rate Swaps

At balance date, there is no outstanding interest rate swap contract.

Interest rate swap transactions are entered into by the Group to exchange variable and fixed interest payment obligations to protect long-term borrowings from the risk of increasing interest rates. The consolidated group does not use swap contracts to maintain a designated proportion of fixed to floating debt.

ii. **Foreign exchange risk**

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the HKD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the Australian Dollar and Hong Kong Dollar may impact on the Group's financial results unless those exposures are appropriately hedged. At present, the group maintains 50% of its cash reserve in AUD deposit to minimise its foreign exchange rate exposure.

iii. **Price risk**

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The Group is not exposed to commodity price risk.

The Group is exposed to securities price risk on investments held for trading or for medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

The Group's investments are held in the following sectors at the end of the reporting period:

	Consolidated Group	
	2012	2011
	%	%
Banking and finance	40	40
Property	20	20
Resources	20	20
Utilities	20	20
	100	100
	100	100

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management (CONT'D)

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group	
	Profits	Equity
Year ended 30 June 2012	HKD\$000	HKD\$000
+/-2% in interest rates	222/(41)	222/(41)
+/-5% in \$A/HKD	3,413/(786)	3,413/(786)
+/-10% in listed investments	25,902/(25,948)	25,902/(25,948)
Year ended 30 June 2011		
+/-2% in interest rates	222/(41)	222/(41)
+/-5% in \$A/HKD	3,413/(786)	3,413/(786)
+/-10% in listed investments	25,902/(25,948)	25,902/(25,948)

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. term receivables, held-to-maturity assets, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management (CONT'D)

Consolidated Group	Footnote	2012		2011	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		HKD\$000	HKD\$000	HKD\$000	HKD\$000
Financial assets					
Cash and cash equivalents	(i)	3,039	3,039	6,559	6,559
Trade and other receivables	(i)	25,051	25,051	18,144	18,144
Loans and advances — related parties	(ii)	34,449	34,449	37,614	37,614
<i>Financial assets at fair value through profit or loss</i>					
Investments — held-for-trading	(iii)	10,941	10,941	11,887	11,887
<i>Available-for-sale financial assets:</i>					
— at fair value					
— listed investments	(iii)	-	-	53	53
Total financial assets		73,480	73,480	74,257	74,257
Financial liabilities					
Trade and other payables	(i)	38,811	38,811	34,118	34,118
Borrowings	(i)	1,559	1,559	3,044	3,044
Total financial liabilities		40,370	40,370	37,162	37,162

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.
- (ii) Term receivables generally reprice to a market interest rate every six months, and fair value therefore approximates carrying amount.
- (iii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (iv) Fair values of held-to-maturity investments are based on closing quoted bid prices at the end of the reporting period.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 27: Financial Risk Management (CONT'D)

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated

2012	Level 1 HKD\$000	Level 2 HKD\$000	Level 3 HKD\$000	Total HKD\$000
Financial assets:				
<i>Financial assets at fair value through profit or loss:</i>				
— investments — held-for-trading	10,941	-	-	10,941
<i>Available-for-sale financial assets:</i>				
— listed investments	-	-	-	-
	<hr/> 10,941	<hr/> -	<hr/> -	<hr/> 10,941
<hr/>				
2011				
Financial assets:				
<i>Financial assets at fair value through profit or loss:</i>				
— investments — held-for-trading	11,887	-	-	11,887
<i>Available-for-sale financial assets:</i>				
— listed investments	53	-	-	53
	<hr/> 11,940	<hr/> -	<hr/> -	<hr/> 11,940
<hr/>				

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

All financial assets are stated at fair value except for the unlisted investments which is values at the cost of acquisition due to the lack of information available to reliably calculate fair value.

The directors have determined that the fair value of the unlisted investments carried at cost cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. Consequently the investments has been recognized at cost and their fair values have also been stated at cost in the table above.

No transfers between the levels of the fair value hierarchy occurred during the current or previous reporting period.

Note 28: Reserves

a. *Capital Profits Reserve*

The capital profits reserve records non-taxable profits on sale of investments.

b. *Foreign Currency Translation Reserve*

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

c. *General Reserve*

The general reserve records funds set aside for future expansion of the consolidated group.

d. *Option Reserve*

The option reserve records items recognised as expenses on valuation of employee share options.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 29: COMPANY DETAILS

The registered office of the company is:

Quest Investments Limited

Level 2, 11 Queens Road, Melbourne, VIC 3004, Australia

The principal places of business are:

Quest Investments Limited

Unit B, 1st Floor, Harbour Commercial Building, 122-124 Connaught Road Central, Sheung Wan, Hong Kong

Quest Stockbrokers (HK) Ltd

Unit A & B, 1st Floor, Harbour Commercial Building, 122-124 Connaught Road Central, Sheung Wan, Hong Kong

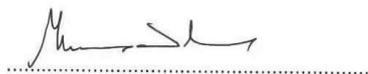
QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Quest Investments Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 28 to 77, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the consolidated group;
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; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.



Director

Dated this 28th September, 2012

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

Report on the Financial Report

We have audited the accompanying financial report of Quest Investments Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 28 to 78.

Directors' Responsibility for the Financial Report

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

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Opinion

In our opinion:

- (a) the financial report of Quest Investments Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements and notes also comply with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 26 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Quest Investments Limited for the year ended 30 June 2012 complies with section 300A of the Corporations Act 2001.

ShineWing Hall Chadwick

ShineWing Hall Chadwick

M. J. Schofield

M J Schofield

Partner

Melbourne: 28th September 2012

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1. Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number	
	Ordinary	Preference
1 – 1,000	882	
1,001 – 5,000	130	
5,001 – 10,000	37	
10,001 – 100,000	40	
100,001 – and over	17	
	<hr/>	
	1,106	

b. The number of shareholdings held in less than marketable parcels is 834.

c. The names of the substantial shareholders listed in the holding company's register as at 30 June 2012 are:

Shareholder	Number	
	Ordinary	Preference
MURCHISON HOLDINGS LTD	19,594,802	43.76
QUEST STOCKBROKERS (HK) LIMITED <CLIENT A/C>	16,701,897	37.28
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	1,280,146	2.86

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares are

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. 20 Largest Shareholders — Ordinary Shares

	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.MURCHISON HOLDINGS LTD	19,594,802	43.76
2.QUEST STOCKBROKERS (HK) LIMITED <CLIENT A/C>	16,701,897	37.28
3.JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	1,280,146	2.86
4.MR CHENG TUAN DONALD TEO	1,000,000	2.23
5.MR WEE TIONG CHIANG	833,130	1.86
6.STAR BLOOM INVESTMENT LIMITED	555,000	1.24
7.MRS CHEOW MOI CHUA	500,000	1.12
8.M Q SERVICES PTY LTD	455,696	1.02
9.HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	320,200	0.71
10.BRONTE INDUSTRIES PTY LTD <NO 2 ACCOUNT>	320,000	0.71
11.PAULON ASSETS LIMITED	260,300	0.58
12.OPTEX EXCHANGE PTY LIMITED <DAVID SUTTON SUPER FUND A/C>	250,000	0.56
13.NATIONAL NOMINEES LIMITED	200,000	0.45
14.MEUTER ANDRE	107,720	0.24
15.MR RHETT MORSON <BOMIMO FAMILY A/C>	100,000	0.22
16.SERENAR NOMINEES PTY LTD <S/F ACCOUNT>	97,034	0.22
17.DMG & PARTNERS SECURITIES PTE LTD <CLIENTS A/C>	91,000	0.20
18.MR DENNIS LOWE & MRS YVONNE LOWE <DENNIS R LOWE PTY LTD SF A/C>	77,382	0.173
19.QUEST INVESTMENTS LIMITED	70,417	0.157
20.MR KENNETH COPPIN & MS ROBINA DILL <SHIRAZ SUPER FUND A/C>	68,000	0.152
	<hr/>	
	42,882,724	95.74
	<hr/>	

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- The name of the company secretary is Grant Anthony Robertson
- The address of the principal registered office in Australia is Level 2, 11 Queens Road, Melbourne, Victoria 3004, Australia.
Telephone (03) 9867 7033
- Registers of securities are held at the following addresses
BoardRoom Pty Limited - Level 7, 207 Kent Street, Sydney, NSW 2000, Australia
- Stock Exchange Listing**
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.
- Unquoted Securities**
There are 5,739,583 options are on issue to directors and employees under the Quest Investments Limited directors' option scheme and Quest Investments Limited employee retention option scheme (2010).