

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ACN 004 749 004

Half year report

Period ending on 31 December 2006

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

ABN or equivalent company reference	Half year ended: current period	previous corresponding period
004 749 044	31 December 2006	31 December 2005

Results for announcement to the market

			\$A'000
2.1 Revenues from ordinary activities	Down	31%	to 1,806
2.2 Profits from ordinary activities after tax attributable to members	Up	133%	to 91
2.3 Profits for the period attributable to members	Up	133%	to 91
2.4 Dividends (distributions)		Amount per security	Franked amount per security
Final dividend		Nil	Nil
Interim dividend		Nil	Nil
Previous corresponding period		Nil	Nil
2.5 Record date for determining entitlements to the dividend		Nil	
2.6 Brief explanation of any of the figures in 2.1 to 2.4.			
Refer to directors' report			

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

	Current period	Previous corresponding Period
Net tangible assets per security	14 cents	29 cents

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

4.1 Name of the entity.

4.2 The date of the gain or loss of control.

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

	Current period	Previous corresponding Period

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

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

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

NIL

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

Name of entity	% Holding	Aggregate Share of profit (losses)		Contribution to net profit	
		Current period \$	Previous corresponding Period \$	Current period \$	Previous corresponding period \$
Meredeen Investments Limited	39.20	Nil	Nil	Nil	Nil
Quest Securities Limited	48.65	Nil	Nil	Nil	Nil
Oceanic Seafood Processors Pty Ltd	45.00	12,909	12,147	17,639	12,147

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

Not applicable

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DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2006.

Directors

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

Mr. Wee Tiong CHIANG

Mr. Grant Anthony ROBERTSON

Dr. Kim Chan KOH

Review of Operations

Quest Investments Limited and its controlled entities continued to earn their income from their activities in the sectors of investment, stockbroking, nominee and settlement services and marine products. Our focus has continued to be the markets of South East Asia and Australia. The consolidated profit from ordinary activities after eliminating outside equity interests amount to \$91,417.

Rounding of Amounts

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

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half year ended 31 December 2006.

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



Director

Wee Tiong CHIANG

Dated this 27th February 2007

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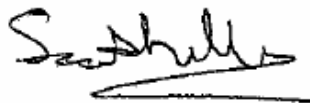
**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF QUEST INVESTMENTS LTD**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2006 there have been:

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



**BENTLEYS MRI
CHARTERED ACCOUNTANTS**



**SCOTT PHILLIPS
PARTNER**

Dated in Melbourne on this 27th day of February 2007

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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CONDENSED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Economic Entity	
	31.12.2006	31.12.2005
	\$000	\$000
Revenue	1,806	2,601
Cost of Sales	(1,251)	(2,147)
Employee benefits expense	(223)	(271)
Depreciation	(1)	(4)
Finance costs	(45)	(87)
Foreign currency exchange gain / (loss)	-	125
Other expenses	(170)	(173)
Share of net profits of associates	18	12
Profit / (Loss) before income tax	134	56
Income tax expenses	-	-
Profit / (Loss) for the period	134	56
(Profit) / Loss attributable to minority equity interest	(43)	(17)
Profit / (Loss) attributable to members of the parent entity	91	39

Overall Operations:

Basic earnings per share (cents per share)	0.27	0.14
Diluted earnings per share (cents per share)	0.17	0.14

The accompanying notes form part of these financial statements.

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CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2006

	Economic Entity	
	31.12.2006	30.6.2006
	\$000	\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	624	2,304
Trade and other receivables	10,525	10,586
Financial assets	555	636
Other current assets	3	11
TOTAL CURRENT ASSETS	11,707	13,537
NON-CURRENT ASSETS		
Investments accounted for using the equity method	451	433
Financial Assets	8	8
Plant and equipment	2	2
Other non-current assets	124	132
TOTAL NON-CURRENT ASSETS	585	575
TOTAL ASSETS	12,292	14,112
CURRENT LIABILITIES		
Trade and other payables	7,197	6,817
Short-term borrowings	339	2,410
TOTAL CURRENT LIABILITIES	7,536	9,227
TOTAL LIABILITIES	7,536	9,227
NET ASSETS	4,756	4,885
EQUITY		
Issued capital	15,342	15,342
Reserves	1,174	1,382
Accumulated losses	(14,614)	(14,705)
Parent entity interest	1,902	2,019
Minority equity interest	2,854	2,866
TOTAL EQUITY	4,756	4,885

The accompanying notes form part of these financial statements.

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	\$000	\$000		\$000		\$000	\$000
	Share Capital		Reserve			Minority Equity Interests	Total
Note	Ordinary	Accumulated Losses	Share option	Capital Profits	Foreign currency translation	Minority Equity Interests	Total
Balance at 1.7.2006	15,342	(14,705)	162	1,129	91	2,866	4,885
Profit / (Loss) attributable to members of parent entity	-	134	-	-	-	-	134
Profit / (Loss) attributable to minority shareholders	-	(43)	-	-	-	43	-
Movements in reserves	-	-	-	-	(208)	(55)	(263)
Balance at 31.12.2006	15,342	(14,614)	162	1,129	(117)	2,854	4,756

	\$000	\$000		\$000		\$000	\$000
	Share Capital		Reserve			Minority Equity Interests	Total
Note	Ordinary	Accumulated Losses	Share option	Capital Profits	Minority Equity Interests	Minority Equity Interests	Total
Balance at 1.7.2005	13,680	(14,560)	154	1,129	2,658	2,658	3,061
Shares issued during the year	1,203	-	-	-	-	-	1,203
Profit attributable to members of parent entity	-	39	-	-	-	-	39
Profit attributable to minority shareholders	-	-	-	-	-	17	17
Movements in minority interests	-	-	-	-	-	27	27
Balance at 31.12.2005	14,883	(14,521)	154	1,129	2,702	2,702	4,347

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CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Economic Entity	
	31.12.2006	31.12.2005
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,880	2,350
Payments to suppliers and employees	(1,263)	(3,133)
Interest received	--	23
Finance costs	(45)	(87)
Net cash provided by (used in) operating activities	<u>572</u>	<u>(847)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to associate company	--	(150)
Payment for property, plant and equipment	(1)	(19)
Net cash used in investing activities	<u>(1)</u>	<u>(169)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	--	1,203
Repayment of borrowings	--	--
Payment for share buy back	--	--
Net cash provided by (used in) financing activities	<u>--</u>	<u>1,203</u>
Net increase in cash held	571	187
Cash at 1 July 2006	(106)	(415)
Effect of exchange rate charges on cash holdings in foreign currencies	(180)	169
Cash at 31 December 2006	<u>285</u>	<u>59</u>

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by Quest Investments Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Principles of Consolidation

A controlled entity is any entity Quest Investments Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that

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NOTE 1: BASIS OF PREPARATION

future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

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 assets 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 economic entity 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 income statement during the financial period in which they are incurred.

(d) Depreciation

The depreciable amount of all fixed assets, depreciated on a straight-line basis over their useful lives to the economic entity 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 each balance sheet date.

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.

(e) 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 are transferred to entities in the economic entity are classified as finance leases.

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NOTE 1: BASIS OF PREPARATION

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 their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged 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 life of the lease term.

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: BASIS OF PREPARATION

instruments and option pricing models.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

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.

(h) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised group's share of post-acquisition reserves of its associates.

(i) 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 Australian dollars which is the parent entity's functional and presentation currency.

Transaction 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 income statement, 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 equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: BASIS OF PREPARATION

On initial adoption of IFRS on 1 July 2004, the consolidated entity elected to reset the foreign currency translation reserve to nil balance.

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 that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one month have been measured at the amounts expected to be paid when the liability is settled, plus related on-cost. No employee benefits are payable after one month.

Equity-settled compensation

The group operates a number of share-based compensation plans. These include both a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognized as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted.

k) 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.

(l) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the balance sheet.

(m) Revenue

Revenue from proceeds from sale of quoted securities is recognised upon completion of sale contracts.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 1: BASIS OF PREPARATION

established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of services are recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(n) 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 income in the period in which they are incurred.

(o) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparative Figures

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

(q) 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 report and directors' report have been rounded off to the nearest \$1,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

NOTE 2: PROFIT FROM ORDINARY ACTIVITIES Economic Entity
31.12.2006 31.12.2005
\$000 \$000

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

Interest income	93	142
Exchange gain	82	125
Management fee income	-	63
	<u>175</u>	<u>330</u>
Exchange loss	<u>5</u>	<u>-</u>

NOTE 3 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Nominees Services		Stockbroking		Eliminations		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sales to customers outside the consolidated entity	738	1,921	-	-	708	410	-	-	1,446	2,331
Other revenue	86	8			274	262			360	270
Total segment revenue	824	1,929	-	-	982	672	-	-	1,806	2,601
Unallocated revenue	-	-			-	-			-	-
Total revenue from ordinary activities	824	1,929	-	-	982	672	-	-	1,806	2,601
Segment result	9	14	-	-	107	42	-	-	116	56
Unallocated expenses net of unallocated revenue	-	-			-	-			-	-
Profit before income tax	9	14	-	-	107	42	-	-	116	56
Income tax expense	-	-			-	-			-	-
Profit after income tax	9	14	-	-	107	42	-	-	116	56

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 4: CONTINGENT LIABILITIES

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

NOTE 5 : EVENTS SUBSEQUENT TO REPORT DATE

There has been no event subsequent to report date.

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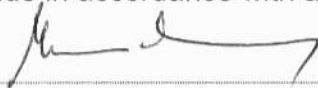
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 6 to 17:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. give a true and fair view of the economic entity's financial position as at 31 December 2006 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director



Wee Tiong CHIANG

Dated this 27th February 2007

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year condensed financial report of Quest Investments Ltd ("the company") and its controlled entities ("consolidated entity"), which comprises the condensed balance sheet as at 31 December 2006, condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, notes to the financial statements, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, ARSE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF QUEST INVESTMENTS LTD (CONTINUED)**

Independence

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

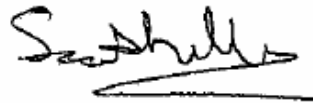
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year condensed financial report of Quest Investments Ltd and its controlled entities is not in accordance with the Corporations Act 2001 including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the year ended on that date; and
- ii. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.



**BENTLEYS MRI
CHARTERED ACCOUNTANTS**



**SCOTT PHILLIPS
PARTNER**

Dated in Melbourne on the 27th of February 2007