

Appendix 4E

Preliminary final report

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

**1. REPORTING PERIOD**

The financial information contained in this report is for the year ended 30 June 2009. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2008.

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

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

				\$A'000
Revenues from ordinary activities	Down	36%	to	4,504
Profit for ordinary activities after tax attributable to members	Up	257%	to	3,888
Profit for the period attributable to members	Up	257%	to	3,888
Dividends (distributions)	It does not propose to pay a dividend.			

**Review of operation**

The Company reports a significant improvement in its results for the year ended 30 June 2009 compared to previous year. Net profits attributable to members of parent entity up 257% to \$3,887,254 compared to a profit of \$ 1,089,338 in the previous year. The basic earnings per share was 8.70 cents

**3. INCOME STATEMENT****FOR THE YEAR ENDED 30 JUNE 2009**

	<b>2009</b>	<b>2008</b>
	\$000	\$000
Revenue	4,504	7,003
Cost of Sales	(4,646)	(5,981)
Other revenues	2,470	999
Gain on acquisition of subsidiaries	-	1,985
Excess of the investor's share of the net value on acquisition	3,561	-
Gain on disposal of an associated company	71	-
Finance costs	(63)	(59)
Employee benefits expenses	(635)	(695)
Depreciation	(11)	(10)
Other operating expenses	(1,411)	(2,010)
Share of profits / (losses) of associated company	48	(70)
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Profit for the year	3,888	1,162
<b>Net profit attributable to minority equity interest</b>	<hr/>	<hr/>
	-	(73)
<b>Net profit / (loss) attributable to members of parent</b>	<hr/>	<hr/>
	3,888	1,089
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Basic earnings per share (cents per share)	8.70	2.85
Diluted earnings per share (cents per share)	7.94	1.98

**4. BALANCE SHEET****AS AT 30 JUNE 2009**

	<u>2009</u> <u>\$000</u>	<u>2008</u> <u>\$000</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	450	1,903
Trade and other receivables	5,761	3,243
Financial assets	307	777
Other current assets	10	8
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<b>TOTAL CURRENT ASSETS</b>	<b>6,528</b>	<b>5,931</b>
<b>NON-CURRENT ASSETS</b>		
Investments accounted for using the equity method	3,613	229
Financial assets	8	8
Plant and equipment	29	27
Trade and other receivables	6,477	5,957
Other non current assets	121	102
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<b>TOTAL NON-CURRENT ASSETS</b>	<b>10,248</b>	<b>6,323</b>
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<b>TOTAL ASSETS</b>	<b>16,776</b>	<b>12,254</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	7,714	6,573
Financial Liabilities	237	1,418
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<b>TOTAL CURRENT LIABILITIES</b>	<b>7,951</b>	<b>7,991</b>
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<b>NET ASSETS</b>	<b>8,825</b>	<b>4,263</b>
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<b>EQUITY</b>		
Issued capital	16,942	16,955
Reserves	1,349	662
Accumulated losses	(9,466)	(13,354)
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<b>Parent Interest</b>	<b>8,825</b>	<b>4,263</b>
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Minority equity interest	-	-
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<b>TOTAL EQUITY</b>	<b>8,825</b>	<b>4,263</b>
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The accompanying notes form part of this financial report.

**5. STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2009**

	<u>2009</u> <u>\$000</u>	<u>2008</u> <u>\$000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	4,499	6,110
Interest received	44	43
Finance costs	(63)	(59)
Dividends received	11	12
Payments to suppliers and employees	(4,904)	( 7,648)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(413)</b>	<b>(1,542)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(13)	(25)
Purchase of Investment	-	(293)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13)</b>	<b>(318)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share	15	1,368
Share buy-back payment	(28)	-
(Repayment) / proceeds from related party loans	(520)	365
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>(533)</b>	<b>1,733</b>
Net increase (decrease) in cash held	(959)	(127)
Cash at beginning of financial year	485	1,035
Effect of exchange rate changes on cash holdings in foreign currencies	687	(423)
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>213</b>	<b>485</b>

The accompanying notes form part of this financial report.

**6. DIVIDENDS**

The Company did not pay any dividends during the year ended 30 June 2009 and no dividends are presently proposed as being payable.

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

**7. CONSOLIDATED RETAINED EARNINGS**

	2009	2008
	\$000	\$000
Accumulated losses at the beginning of the financial year	(13,354)	(14,443)
Net Profits attributable to the members of the parent entity	3,888	1,089
Accumulated losses at the end of the year	<u>(9,466)</u>	<u>(13,354)</u>

**8. NET TANGIBLE ASSETS PER SECURITY**

	2009	2008
Net tangible assets per security	19.8cents	9.6 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 44,526,716)

**9. EARNINGS PER SHARE**

	2009	2008
	Cents	Cents
Basic earnings per share (a)	8.70	2.85
Diluted earnings per share (b)	7.94	1.98
(a) Basic earnings per share	\$000	\$000
Profits used to calculate earnings per share	3,888	1,089
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings loss per share	44,686,597	38,210,433
(b) Diluted earnings per share		
Earnings used to calculate earnings per share	3,888	1,089
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	48,969,227	55,030,373

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

During the financial year ended 30<sup>th</sup> June 2009, there is no changes in control over group entities.

**11. ASSOCIATES AND JOINT VENTURES**

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

Name of entity	% Holding	Aggregate Share of profit (losses)		Contribution to net profit	
		Current Period	Previous corresponding period	Current Period	Previous corresponding period
		\$	\$	\$	\$
Quest Securities Limited	49	Nil	Nil	Nil	Nil
Meredeen Investment Limited	39	Nil	Nil	Nil	Nil
Oceanic Processors Pty Ltd	-	-	-	-	-
Quest Marine Resources Limited	43	48,231	-	48,231	-

The consolidated entity has written off its entire investment in Quest Securities Limited, Meredeem Investments Limited and Oceanic Processors Pty Limited accordingly no further losses have been recognised from these three associated companies.

**12. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2009**

During the year, the company's and wholly owned subsidiary, Quest Marine Resources Ltd. ("QMR") has entered into a share exchange agreement with Dalian Jixiang Food Company Limited ("Jixiang"). On completion of the share exchange, the company has 43.37% equity interest in Jixiang. The gain on acquisition of Jixiang has been recognised by the company during the year.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES**

The significant accounting policies are set out below.

**Basis of preparation of the Financial Report**

The general purpose financial report has been prepared in accordance with Australian Accounting Standard, including Australian Accounting Interpretations, other authoritative pronouncement of the Australian Accounting Standards Board and the Corporation Act 2001.

The financial report covers the consolidated entity of Quest Investments Limited and controlled entities (hereafter referred as "QST"). QST is a listed public company incorporated and domiciled in Australia.

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

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

#### **Business segments**

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

#### **Investments**

Investments in marketable securities

#### **Stockbroking**

Provision of share trading services to clients

#### **Telecom**

Provision of communication equipment and services to clients.

#### **Geographical Segments**

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

#### **Australia**

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

#### **Hong Kong**

The major operations are carried out in Hong Kong.

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

	Investment		Stockbroking		Telecom		Economic Entity	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
<b>REVENUE</b>								
External Sale	3,060	5,900	502	765	942	338	4,504	7,003
Other revenue	5,520	86	631	249	-	-	6,151	335
Total revenue from ordinary activities	8,580	5,986	1,133	1,014	942	338	10,655	7,338
Segment result	(411)	(1,588)	628	161	(9)	10	208	(1,417)
Unallocated Revenues	-	2,649	-	-	-	-	-	2,649
Gain on acquisition	-	1,985	-	-	-	-	-	1,985
Excess of the investor's share of the net value on acquisition	3,561	-	-	-	-	-	3,561	-
Gain on disposal of an associated company	71	-	-	-	-	-	71	-
Share of net profits /(losses) of equity accounted associates and joint venture entities	48	(70)	-	-	-	-	48	(70)
Profit (loss) for the year	3,269	991	628	161	(9)	10	3,888	1,162
<b>ASSETS</b>								
Segment assets	8,922	4,727	7,749	7,431	105	96	16,776	12,254
<b>LIABILITIES</b>								
Segment liabilities	(5,731)	(5,883)	(2,128)	(2,012)	(92)	(96)	(7,951)	(7,991)

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

	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Geographical location:						
<b>Australia</b>	4,625	4,228	7,561	4,372	-	-
<b>Hong Kong</b>	6,030	5,759	9,215	7,882	-	-
	<u>10,655</u>	<u>9,987</u>	<u>16,776</u>	<u>12,254</u>	<u>-</u>	<u>-</u>

**13. STATUS OF AUDIT**

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

For and on behalf of the Board

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Wee Tiong CHIANG  
Director  
Date : 28 August 2009