

QUEST INVESTMENTS LIMITED

ACN 004 749 044

16th March 2006

Interim Results Review

Quest Investments Limited (“QST”) has registered a profit of AUD39,279 for the six months ended 31st December 2005. Total income increased by 82% from AUD 1.431 million to AUD2.601 million compared to the six month period ended 31st December 2004.

Our cost cutting exercise at our Hong Kong subsidiaries has also contributed significantly to the much improved results, with major improvements seen in office rental and interest expenses. Net profit before outside equity interest registered a significant growth of 105% to AUD56,031.

Looking ahead towards the year ending 30th June 2006, we are glad to note that the brokerage division has registered encouraging increase in its brokerage income. Stockmarket performance particularly in China-related equities had shown significant improvement in both volume and prices. If the “bullish” trend continues into the second quarter of 2006, our brokerage division would be expected to do well and contribute positively to the group performance for the of 2005/06 financial year.

Update on projects undertaken

Quest Stockbrokers (HK) Limited (“QSB”)

QSB registered a much-improved performance with a gross profit of AUD42,090 for the period ended 31st December 2005. Our cost-cutting exercise coupled with the large fall in interest expense following our retirement of HKD116 million (AUD22 Million) in loan payable last year assisted the recovery process.

Australia

Suite3, 49Wadham Parade,
Mt. Waverley, Victoria 3149
Australia
Tel: (613) 9809 5781
Fax: (613) 9809 4832

Hong Kong

1901 Floor, Sunshine Plaza
353 Lockhart Road
Wanchai, Hong Kong
Tel: (852) 2877 6828
Fax: (852) 2596 0439

The year 2006 started well for most Asian equities. With both Japan and China stock markets registering significant gains, QSB's performance for the first two months of 2006 have been encouraging with double-digit growth in commission income as compared to the six month period ended 31st December 2004. If interest in the Asian equities continues, we could expect QSB to be primary contributor to the Group's result for 2005/06 financial year.

Direct Investment Division

QST announced last year the setting up of a direct investment division as part of its effort to enhance its onshore content of its business and also to diversify its income source beyond the traditional reliance on financial services income.

Two investments were made and one divestment took place in the first half of 2005/06 financial year.

(a) Marine Resource Business

QST made its first direct investment by acquiring a 45% stake in a Victorian-based seafood processing business. The company operates a facility in Tasmania to process a variety of seafood species catering for both domestic and export markets.

Asian countries, particularly the PRC, are known to be major consumers of seafood products. Our Hong Kong and Shenzhen offices have been providing assistance in logistics and sale support to market premium seafood products to the PRC market.

This marine resource division contributed a modest maiden profit of AUD 17,000 at the interim stage. Much work needs to be done to increase its turnover. With the rising income level of consumers in the PRC, we remain positive that this investment will yield satisfactory income to the Group in future years as we gear up its operations into the PRC and other Asia-Pacific countries.

(b) Voice-over-Internet Protocol (“VoIP”)

QST announced in January 2006 that it had acquired a 51% interest in a Hong Kong incorporated technology company which specializes in providing software solutions for the emerging VoIP telecommunication market.

This acquisition of 51% of the issued capital of Link Services technology Limited (“LST”) was satisfied by a cash consideration of HKD 500,000. LST acts as a developer, system integrator, and service provider, primarily focused on the communication industry.

The acquisition of LST has helped to reduce the research and development time scale for us to roll out our VoIP product and services particularly in the Next Generation Network (“NGN”) market.

(c) Quest Telecom Limited

QTL was established in Hong Kong to consolidate all of QST’s telecom businesses going forward. QTL is presently applying to the relevant authorities in Hong Kong for a “Class 2” service provider licence. “Class 2” service providers are those which provide niche services not intended for replacing traditional land lines. The licence fee is HKD25,000.

QTL’s VoIP telecom system is a fully integrated platform with fully converged offering of high voice quality, and yet simple to install. It offers businesses and subscribers the opportunity to benefit from the advent of inexpensive and affordable telecommunication between offices in different geographical locations and clientele worldwide. QTL has both the back end support system as well as the front end equipment for both fixed and mobile solutions.

Negotiations are at an advanced stage with at least two independent parties in Europe negotiating a license for our fully integrated VoIP telecom system for a fixed sum consideration, and a share of the tariffs from the provision of telecom services by these parties.

QST is expected to finalise the selection of appropriate partners for its VoIP roll out in Europe in the near future. Thus far, we have reached broad understanding on the licence fee and percentage sharing of tariffs with the two main parties interested to implement our VoIP technology in

selected number of European countries.

We also intend to roll out our system in Australia. Preliminary discussions had taken place to license our system to a party who has suitable industry experience in the IT sector in Australia. They have also expressed interest in us granting them the licence for Malaysia.

Shareholders will be kept suitably informed of the progress of any contractual agreement QST has entered into with various parties.

(d) Exited Investment

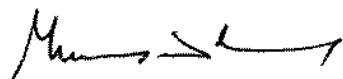
QST announced last year that it had, as part of assistance to Cell Aquaculture Limited (“CAQ”) in its listing exercise, acquired 2.5 million shares in CAQ. In August 2005, CAQ agreed “in principle” to appoint QST as its agent for developing CAQ’s technology and systems in the PRC and certain member countries of the Association of South East Asian Nations.

In our evaluation and subsequent discussions with CAQ’s management, it was evident that CAQ would like to concentrate its development work in the United States and European markets. Given that CAQ is a relatively small company, it would be difficult for CAQ to devote the necessary effort and management time in those countries which QST is keen to concentrate.

In view of this perceived lack of resource commitment on the part of CAQ, it was decided that the original plan to market CAQ’s technology was difficult to implement. As such, we had decided to cash in our investment in CAQ. Accordingly, the shares were disposed of, and the profits realized were booked into the interim result ending 31st December 2005.

For further information please contact the Chairman on + 852 2877 6828

By Order of the Board



Chiang Wee Tiong
Chairman