

**QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES**  
**ACN 004 749 004**

**Half year report**

**Period ending on 31 December 2005**

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 2005	31 December 2004

**Results for announcement to the market**

			\$A'000
2.1 Revenues from ordinary activities	Up	82%	to 2,601
2.2 Profits from ordinary activities after tax attributable to members	Up	104%	to 39
2.3 Profits for the period attributable to members	Up	104%	to 39
<b>2.4 Dividends (distributions)</b>		<b>Amount per security</b>	<b>Franked amount per security</b>
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			

## QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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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	29 cents	48 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)
<b>Total</b>			

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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	12,147	Nil	12,147	Nil

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

Not applicable

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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## DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2005.

### 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 \$39,279.

### Adoption of Australian Equivalents to IFRS

This interim financial report has been prepared under Australian equivalents to IFRS. A reconciliation of differences between previous GAAP and Australian equivalents to IFRS has been included in Note 2 of this report.

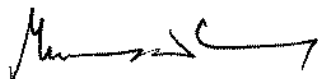
### Rounding of Amounts

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 2005.

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



Director

**Wee Tiong CHIANG**

Dated this 15<sup>th</sup> March 2006

**Melbourne**

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

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2005, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporation Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Bentleys MRI*

**BENTLEYS MRI  
CHARTERED ACCOUNTANTS**

*Scott Phillips*

**SCOTT PHILLIPS  
PARTNER**

Dated in Melbourne on the 15<sup>th</sup> of March 2006

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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## CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2005

	Economic Entity	
	31.12.2005	31.12.2004
	\$000	\$000
Revenue	2,601	1,431
Cost of Sales	(2,147)	(1,067)
Employee benefits expense	(271)	(411)
Depreciation	(4)	(7)
Finance costs	(87)	(104)
Foreign currency exchange gain / (loss)	125	(707)
Other expenses	(173)	(255)
Share of net profits of associates	12	-
Profit / (Loss ) before income tax	56	(1,120)
Income tax expenses	-	-
Profit / (Loss) for the period	56	(1,120)
(Profit) / Loss attributable to minority equity interest	(17)	192
Profit / (Loss) attributable to members of the parent entity	39	(928)

### Overall Operations:

Basic earnings/(Loss) per share (cents per share)	0.14	(3.72)
Diluted earnings/(loss) per share (cents per share)	0.14	(3.72)

The accompanying notes form part of these financial statements.

**QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES**  
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**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005**

	Economic Entity	
	31.12.2005	30.6.2005
	\$000	\$000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,231	1,493
Trade and other receivables	9,924	9,669
Financial assets	564	441
Other current assets	19	33
<b>TOTAL CURRENT ASSETS</b>	<b>12,738</b>	<b>11,636</b>
<b>NON-CURRENT ASSETS</b>		
Investments accounted for using the equity method	462	450
Financial Assets	8	8
Plant and equipment	6	9
Other non-current assets	134	128
<b>TOTAL NON-CURRENT ASSETS</b>	<b>610</b>	<b>595</b>
<b>TOTAL ASSETS</b>	<b>13,348</b>	<b>12,231</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	6,711	7,262
Short-term borrowings	2,290	1,908
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,001</b>	<b>9,170</b>
<b>TOTAL LIABILITIES</b>	<b>9,001</b>	<b>9,170</b>
<b>NET ASSETS</b>	<b>4,347</b>	<b>3,061</b>
<b>EQUITY</b>		
Issued capital	14,883	13,680
Reserves	1,283	1,283
Accumulated losses	(14,521)	(14,560)
Parent entity interest	1,645	403
Minority equity interest	2,702	2,658
<b>TOTAL EQUITY</b>	<b>4,347</b>	<b>3,061</b>

The accompanying notes form part of these financial statements.

**QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

	\$000	\$000		\$000		\$000	\$000
	Share Capital		Reserve			Minority Interests	Total
Note	Ordinary	Accumulated Losses	Share option	Capital Profits	Asset Revaluation		
<b>Balance at 1.7.2004</b>	12,327	(12,654)	26	1,129	3,520	2,494	6,842
Shares issued during the year	-	-	-	-	-	-	-
Loss attributable to members of parent entity	-	(928)	-	-	-	-	(928)
Loss attributable to minority shareholders	-	-	-	-	-	(192)	(192)
Movements in minority interest	-	-	-	-	-	104	104
Movements in reserves	-	-	128	-	-	-	128
<b>Balance at 31.12.2004</b>	<b>12,327</b>	<b>(13,582)</b>	<b>154</b>	<b>1,129</b>	<b>3,520</b>	<b>2,406</b>	<b>5,954</b>

	\$000	\$000		\$000		\$000	\$000
	Share Capital		Reserve			Minority Interests	Total
Note	Ordinary	Accumulated Losses	Share option	Capital Profits	Asset Revaluation		
<b>Balance at 1.7.2005</b>	13,680	(14,560)	154	1,129		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
<b>Balance at 31.12.2005</b>	<b>14,883</b>	<b>(14,521)</b>	<b>154</b>	<b>1,129</b>		<b>2,702</b>	<b>4,347</b>

**QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES****ACN 004 749 004****CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED  
31 DECEMBER 2005**

	Economic Entity	
	31.12.2005	31.12.2004
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	2,350	2,701
Payments to suppliers and employees	(3,133)	(683)
Interest received	23	2
Finance costs	(87)	(104)
Net cash provided by (used in) operating activities	(847)	1,916
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan to associate company	(150)	--
Payment for property, plant and equipment	(19)	--
Net cash used in investing activities	(169)	--
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,203	--
Repayment of borrowings	--	(1,497)
Payment for share buy back	--	(46)
Net cash provided by (used in) financing activities	1,203	(1,543)
Net increase in cash held	187	373
Cash at <b>1 July 2005</b>	(415)	7,767
Effect of exchange rate charges on cash holdings in foreign currencies	169	540
Cash at <b>31 December 2005</b>	(59)	8,680

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### 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 2005 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*.

As this is the first interim financial report prepared under Australian equivalents to IFRS, the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. Accordingly, a summary of the significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous GAAP and Australian equivalents to IFRS has been prepared per Note 2.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

#### **(a) Principles of Consolidation**

A controlled entity is any entity controlled by Quest Investments Limited whereby Quest Investments Limited has the power to control the financial and operating policies of an entity 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 expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using 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.

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### NOTE 1: BASIS OF PREPARATION

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

Plant and equipment are measured on the cost basis less depreciation and impairment losses

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 not 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 is 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.

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.

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

#### **(e) Leases**

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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### NOTE 1: BASIS OF PREPARATION

#### **(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. 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.

##### **Derivative instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

##### **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 instruments and option pricing models.

#### **(g) Impairment of assets**

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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### NOTE 1: BASIS OF PREPARATION

#### **(h) Investments in Associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting where significant influence is exercised over an investee. Significant influence exists where the investor has the power to participate in the financial and operating policy decisions of the investees but does not have control or joint control over those policies.

#### **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 difference 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.

#### **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.
- 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 consolidated entity's liability for employee benefits arising from services rendered by employees to balance date. 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, plus related on-

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### NOTE 1: BASIS OF PREPARATION

costs. 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.

#### **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 sale of marketable securities is recognized upon completion of sales contacts.

Revenue from rendering of services is recognized upon delivery of the services to the customers.

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

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

#### **(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) Share based payment transactions**

The group provides benefits to employees (including directors) of the group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

Executive and employee share options plan (ESOP) is currently in place to provide benefits to directors and employees.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### NOTE 1: BASIS OF PREPARATION

In valuing equity-settled transaction, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the company.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expenses recognized for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any increase in the value of the transaction as a result of modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### **(q) Comparative Figures**

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

### **(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 report 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 HALF-YEAR ENDED 31 DECEMBER 2005

		Economic Entity Adjustments on	
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS	Previous GAAP at 1.7.2004	introduction of Australian equivalents to IFRS	Australian equivalents to IFRS at 1.7.2004
<b>Reconciliation of Equity at 1 July 2004</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	13,634	--	13,634
Trade and other receivables	19,281	--	19,281
Financial Assets	1,103	--	1,103
Other	59	--	59
<b>TOTAL CURRENT ASSETS</b>	<b>34,077</b>	<b>--</b>	<b>34,077</b>
<b>NON-CURRENT ASSETS</b>			
Other Financial Assets	3,528	--	3,528
Plant and equipment	33	--	33
Other non-current assets	140	--	140
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,701</b>	<b>--</b>	<b>3,701</b>
<b>TOTAL ASSETS</b>	<b>37,778</b>	<b>-</b>	<b>37,778</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4,544	--	4,544
Short-term borrowings	26,392	--	26,392
<b>TOTAL CURRENT LIABILITIES</b>	<b>30,936</b>	<b>--</b>	<b>30,936</b>
<b>NET ASSETS</b>	<b>6,842</b>	<b>--</b>	<b>6,842</b>
<b>EQUITY</b>			
Issued capital	12,327	--	12,327
Reserves	7,366	(2,691)	4,675
Retained earnings	(15,345)	2,691	(12,654)
Parent interest	4,348	--	4,348
Minority equity interest	2,494	--	2,494
<b>TOTAL EQUITY</b>	<b>6,842</b>	<b>--</b>	<b>6,842</b>

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS	Economic Entity Adjustments on introduction of Australian equivalents to IFRS		
	Previous GAAP at 31.12.2004	of Australian equivalents to IFRS	Australian equivalents to IFRS at 31.12.2004
<b>Reconciliation of Equity at 31 December 2004</b>	\$000	\$000	\$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	10,682	--	10,682
Trade and other receivables	18,241	--	18,241
Other Financial Assets	883	--	883
Other current assets	47	--	47
<b>TOTAL CURRENT ASSETS</b>	<b>29,853</b>	<b>--</b>	<b>29,853</b>
<b>NON-CURRENT ASSETS</b>			
Other Financial Assets	3,645	--	3,645
Plant and equipment	23	--	23
Other non-current assets	8	--	8
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,676</b>	<b>--</b>	<b>3,676</b>
<b>TOTAL ASSETS</b>	<b>33,529</b>	<b>--</b>	<b>33,529</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6,546	--	6,546
Short-term borrowings	21,029	--	21,029
<b>TOTAL CURRENT LIABILITIES</b>	<b>27,575</b>	<b>--</b>	<b>27,575</b>
<b>NET ASSETS</b>	<b>5,954</b>	<b>--</b>	<b>5,954</b>
<b>EQUITY</b>			
Issued capital	12,327	--	12,327
Reserves	6,659	(1,856)	4,803
Retained earnings	(15,438)	1,856	(13,582)
Parent interest	3,548	--	3,548
Minority equity interest	2,406	--	2,406
<b>TOTAL EQUITY</b>	<b>5,954</b>	<b>--</b>	<b>5,954</b>

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ACN 004 749 004

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS	Economic Entity Adjustments on introduction of Australian equivalents to IFRS		
	Previous GAAP at 30.6.2005	of Australian equivalents to IFRS	Australian equivalents to IFRS at 30.6.2005
<b>Reconciliation of Equity at 30 June 2005</b>	\$000	\$000	\$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,493	--	1,493
Trade and other receivables	9,669	--	9,669
Financial Assets	441	--	441
Other current assets	33	--	33
<b>TOTAL CURRENT ASSETS</b>	<b>11,636</b>	<b>--</b>	<b>11,636</b>
<b>NON-CURRENT ASSETS</b>			
Other Financial Assets	458	--	458
Plant and equipment	9	--	9
Other non-current assets	128	--	128
<b>TOTAL NON-CURRENT ASSETS</b>	<b>595</b>	<b>--</b>	<b>595</b>
<b>TOTAL ASSETS</b>	<b>12,231</b>	<b>--</b>	<b>12,231</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7,262	--	7,262
Short-term borrowings	1,908	--	1,908
<b>TOTAL CURRENT LIABILITIES</b>	<b>9,170</b>	<b>--</b>	<b>9,170</b>
<b>TOTAL LIABILITIES</b>	<b>9,170</b>	<b>--</b>	<b>9,170</b>
<b>NET ASSETS</b>	<b>3,061</b>	<b>--</b>	<b>3,061</b>
<b>EQUITY</b>			
Issued capital	13,680	--	13,680
Reserves	2,806	(1,523)	1,283
Retained earnings	(16,083)	1,523	(14,560)
Parent interest	403	--	403
Minority equity interest	2,658	--	2,658
<b>TOTAL EQUITY</b>	<b>3,061</b>	<b>--</b>	<b>3,061</b>

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ACN 004 749 004

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS	Previous GAAP	Effect of transition to Australian equivalents to IFRS	Australian equivalents to IFRS
<b>Reconciliation of Profit or Loss for the half-year 31 December 2004</b>	\$000	\$000	\$000
Revenue	1,431	--	1,431
Lost of Sales	(1,067)	--	(1,067)
Employee benefits expense	(283)	(128)	(411)
Depreciation	(7)	--	(7)
Finance costs	(104)	--	(104)
Foreign currency exchange gain/(loss)	--	(707)	(707)
Other expenses	(255)	--	(255)
Loss for the period	(285)	--	(1,120)
Loss attributable to minority equity interest	192	--	192
Loss attributable to members of the parent entity	(93)	--	(928)

### **Reconciliation of Profit or Loss for the full year 30 June 2005**

Revenue	3,329	--	3,329
Cost of Sales	(2,390)	--	(2,390)
Employee benefits expense	(642)	(128)	(770)
Depreciation	(12)	--	(12)
Finance costs	(615)	--	(615)
Foreign currency exchange gain / (loss)	--	(1,040)	(1,040)
Other expenses	(802)	--	(802)
Loss for the period	(1,132)	--	(2,300)
Loss attributable to minority equity interest	394	--	394
Loss attributable to members of the parent entity	(738)	--	(1,906)

**QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES**  
**ACN 004 749 004**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

NOTE 2: FIRST-TIME ADOPTION OF  
 AUSTRALIAN EQUIVALENTS TO  
 INTERNATIONAL FINANCIAL REPORTING  
 STANDARDS

Notes to the Reconciliations of Equity and  
 Profit and Loss at 1 July 2004, 31 December  
 2004 and 30 June 2005

	30.6.2005	31.12.2004	1.7.2004
	\$000	\$000	\$000
(a) Foreign currency translation Adjustments on IFRS (note 2cii)	1,651 (1,651)	1,984 (1,984)	2,691 (2,691)
	-	-	-
(b) Share options reserves Adjustments on IFRS (note 2ci)	128	128	-
	128	128	-
(c) Accumulated losses Adjustments on IFRS (note 2b) Adjustments on IFRS (note 2a)	(16,083) (128) 1,651	(15,438) (128) 1,984	(15,345) - 2,691
Total	(14,560)	(13,582)	(12,654)

(i) Under IFRS the share based remuneration options of directors and employees would have affected the result by \$127,966 and therefore will be transferred to accumulated losses.

(ii) On initial adoption of IFRS, the consolidated entity will elect to reset the foreign currency translation reserve to zero. The balances of foreign currency translation reserves will be reclassified to accumulated losses. These translation differences will be excluded from the calculation of any gain or loss on a subsequent disposal of a foreign operation

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ACN 004 749 004

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

### NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

	Economic Entity	
	31.12.2005 \$000	31.12.2004 \$000
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest income	142	2
Exchange gain	125	-
Management fee income	63	-
	<u>330</u>	<u>2</u>
Exchange loss	-	<u>707</u>

### NOTE 4 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Nominees Services		Stockbroking		Eliminations		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2005										
Sales to customers outside the consolidated entity	1,921	1,025	-	-	410	187	-	-	2,331	1,212
Other revenue	8	166			262	53			270	219
<b>Total segment revenue</b>	<b>1,929</b>	<b>1,191</b>	<b>-</b>	<b>-</b>	<b>672</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>2,601</b>	<b>1,431</b>
Unallocated revenue	-	-			-	-			-	-
<b>Total revenue from ordinary activities</b>	<b>1,929</b>	<b>1,191</b>	<b>-</b>	<b>-</b>	<b>672</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>2,601</b>	<b>1,431</b>
<b>Segment result</b>	<b>14</b>	<b>(718)</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>(402)</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>(1,120)</b>
Unallocated expenses net of unallocated revenue	-	-			-	-			-	-
<b>Profit before income tax</b>	<b>14</b>	<b>(718)</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>(402)</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>(1,120)</b>
Income tax expense	-	-			-	-			-	-
<b>Profit after income tax</b>	<b>14</b>	<b>(718)</b>	<b>-</b>	<b>-</b>	<b>42</b>	<b>(402)</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>(1,120)</b>

**QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES**

**ACN 004 749 004**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005**

**NOTE 5: CONTINGENT LIABILITIES**

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

**NOTE 6 : EVENTS SUBSEQUENT TO REPORT DATE**

There has been no event subsequent to report date.

# QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ACN 004 749 004

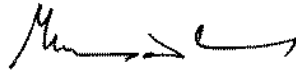
## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on
  - 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 2005 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



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**Wee Tiong CHIANG**

Dated this 15<sup>th</sup> March 2006

**Melbourne**

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## **INDEPENDENT REVIEW REPORT TO THE MEMBERS OF QUEST INVESTMENTS LIMITED**

### **Scope**

We have reviewed the financial report of Quest Investments Limited for the half-year ended 31 December 2005 as set out on page 6 to page 23. The company's directors are responsible for the financial report. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission/Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Statement**

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 financial report of Quest Investments Limited is not in accordance with:

- a. the Corporations Act 2001, including:
  - i. giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and
  - ii. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- b. other mandatory professional reporting requirements in Australia.

*Bentleys MRI*

*Scott Phillips*

**BENTLEYS MRI  
CHARTERED ACCOUNTANTS**

**SCOTT PHILLIPS  
PARTNER**

Dated in Melbourne on the 15<sup>th</sup> of March 2006