



QUEST INVESTMENTS LIMITED

ACN 004 749 044

QUEST ANNOUNCES IMPROVED PERFORMANCE FOR FY 2006

13 September 2006

Overview

The past year marked an important turning point for QST. Our core stockbrokerage business has regained an upward trend in revenue and profit performance and encouraging signs are beginning to be apparent in some of our new businesses we have acquired- notably in the Voice-over-internet protocol (“VoIP”) telecom system.

Performance Review

Quest Investments Limited (“QST”) is pleased to announce a profit before minority interest of \$42,584 for the year ended 30 June 2006. This result compares to a loss of \$2.3 million last year. Turnover improved by 62% to \$4.36 million whilst expenses fell by 49% to \$1.649 million. However, after accounting for minority interest, the net loss attributable to members of the parent entity was \$145,420. Nevertheless, this small loss represented a significant 92% reduction from previous year’s loss of \$1,906,332.

The Group’s 60%-owned stockbrokerage subsidiary, Quest Stockbrokers (HK) Limited (“QSB”), benefited from a combination of strong stockmarket performances in most Asian-Pacific countries for a greater part of the financial year and a significant fall in operating expenses. Gearing levels were substantially reduced following a large repayment to a major financial institution.

QSB’s commission income registered a near 2-fold increase to reach \$992,768 compared to \$336,771 in the previous year. A significant fall of over 70% in interest expense coupled with substantial fall in primary operating expenses contributed to a major turn-around in QSB’s performance.

Australia

Level 2, 11 Queens Road,
Melbourne, Victoria 3004
Australia
Tel: (613) 9867 7033
Fax (613) 9867 7088

Hong Kong

Room 1901, 19/Floor, Sunshine Plaza
353 Lockhart Road
Wanchai, Hong Kong
Tel: (852) 2877 6828
Fax: (852) 2596 0439



Following an in-depth review of our investment in Cell Aquaculture Limited, we decided to exit this investment made in 2005. The shares were disposed of, culminating in a tidy profit for our Direct Investment Division.

In line with our objective of strengthening our balance sheet, total equity rose by 59.6% to \$4.885 million. A total of 7,194,171 QST2009 options were converted into equity, representing approximately 33% of the total issued in 2005. We are pleased with this rate of conversion particularly when these options still have about 31 months remaining life-span. Current ratio stood at 1.5

Whilst the 2006 financial year produced a large improvement in the Group's performance, more importantly, QST has set the stage in adding a potential revenue generator in its investment made in the telecom industry, in particularly in the VoIP sector.

Our telecom business is organized under a new subsidiary, Quest telecom Limited ("QTL"). QTL is incorporated in Hong Kong and consolidates under one subsidiary all of QST's telecom businesses going forward. QTL has now both the back-end support system as well as the front-end equipment for both fixed and mobile solutions.

QTL and its technology partners have successfully installed the back-end systems of its VoIP Next Generation Network ("NGN") platform in Vienna, Austria, In Oberhausen, Germany, in Singapore, Hong Kong, and in Melbourne. All preliminary testings have confirmed the quality and speed of the voice transmission to be of an exceptional standard. QTL has also applied for ETS and Ivan licences from the relevant authorities in Hong Kong. QTL intends to roll out its VoIP services once all approvals are obtained.

For further information, please refer to the various announcements lodged with the ASX and to the Chairman's Report which will accompany the 2006 Annual Report to be sent to all shareholders.

Chiang Wee Tiong
Chairman
Ph :03 9867 7033
Fax 03 9867 7088
Email : cwt@murchisongroup.com