

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 2006. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2005.

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"). This is the first annual financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$A'000
Revenues from ordinary activities	Up	62%	to	4,362
Loss for ordinary activities after tax attributable to members	down	92%	to	(145)
Loss for the period attributable to members	down	92%	To	(145)
Dividends (distributions)	It is not proposed to pay a dividend.			

Review of operation

The Company reports an improvement in its results for the year ended 30 June 2006 compared to previous year. Net loss attributable to members of parent entity fell 92% to \$145,420 compared to a loss of \$1,906,332 in the previous year. The basic loss per share was 0.48 cents

The improvement in operating results was mainly due to the 195% increase in brokerage commission. Reduction in overall overheads was 49% compared to previous financial year.

Improvements were also seen in the Company's balance sheet. The net assets significantly rose from \$3 million to \$4.8 million, an improvement of 57% over the previous year.

3. INCOME STATEMENT**AS AT 30 JUNE 2006**

	2006	2005
	\$000	\$000
Revenue	4,362	2,694
Cost of Sales	(3,360)	(2,390)
Other revenues	708	635
Finance costs	(181)	(615)
Employee benefits expenses	(624)	(770)
Depreciation and amortisation	(6)	(12)
Other operating expenses	(839)	(1,842)
Share of losses of a associated company	(17)	-
Profit / (loss) for the period	43	(2,300)
Net profit / (loss) attributable to minority interest	(188)	394
Net Loss attributable to members of parent	(145)	(1,906)
Basic loss per share (cents per share)	0.48	8.57
Diluted loss per share (cents per share)	0.31	5.76

4. BALANCE SHEET**AS AT 30 JUNE 2006**

	<u>2006</u>	<u>2005</u>
	\$000	\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,304	1,493
Trade and other receivables	10,586	9,669
Financial assets	636	441
Other current assets	11	33
TOTAL CURRENT ASSETS	<u>13,537</u>	<u>11,636</u>
NON-CURRENT ASSETS		
Investments accounted for using the equity method	433	450
Financial Assets	8	8
Plant and Equipment	2	9
Other non current assets	132	128
TOTAL NON-CURRENT ASSETS	<u>575</u>	<u>595</u>
TOTAL ASSETS	<u>14,112</u>	<u>12,231</u>
CURRENT LIABILITIES		
Trade and other payables	6,817	7,262
Short-term borrowings	2,410	1,908
TOTAL CURRENT LIABILITIES	<u>9,227</u>	<u>9,170</u>
NET ASSETS	<u>4,885</u>	<u>3,061</u>
EQUITY		
Issued capital	15,342	13,680
Reserves	1,382	1,283
Accumulated Losses	(14,705)	(14,560)
Parent Interest	<u>2,019</u>	<u>403</u>
Minority equity Interest	2,866	2,658
TOTAL EQUITY	<u>4,885</u>	<u>3,061</u>

The accompanying notes form part of this financial report.

5. STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2006

	<u>2006</u> <u>\$000</u>	<u>2005</u> <u>\$000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,030	3,175
Interest received	147	8
Finance costs	(181)	(615)
Dividends received	3	2
Payments to suppliers and employees	(4,869)	(3,087)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	(1,870)	(517)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of plant and equipment	(3)	11
Acquisition of an associated company	-	(450)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(3)	(439)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share	1,662	1,353
Settlement of related party receivables	536	13,464
Repayments of borrowings	-	(21,562)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	2,198	(6,745)
Net increase/ (decrease) in cash held	325	(7,701)
Add opening cash brought forwards	(415)	7,768
Effect of exchange rate changes on cash holdings in foreign currencies	(16)	(482)
CASH AT END OF FINANCIAL YEAR	(106)	(415)

The accompanying notes form part of this financial report.

6. DIVIDENDS

The Company did not pay any dividends during the year ended 30 June 2006 and no dividends are presently proposed as being payable.

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

7. CONSOLIDATED RETAINED EARNINGS

	2006 \$000	2005 \$000
Accumulated losses at the beginning of the financial year	(14,560)	(12,654)
Net Loss attributable to the members of the parent entity	(145)	(1,906)
Accumulated losses at the end of the year	(14,705)	(14,560)

8. NET TANGIBLE ASSETS PER SECURITY

	2006	2005
Net tangible assets per security	14 cents	12.3 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 34,061,320)

9 EARNINGS PER SHARE

	2006 Cents	2005 Cents
Basic loss per share (a)	0.48	8.57
Diluted loss per share (b)	0.31	5.76
(a) Basic loss per share	\$000	\$000
Losses used to calculate loss per share	(145)	(1,906)
Weighted average number of ordinary shares used as the denominator in calculating Basic loss per share	30,285,401	22,235,574
(b) Diluted loss per share		
Earnings used to calculate earnings per share	(145)	(1,906)
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	46,052,006	33,102,280

10. CHANGES IN CONTROL OVER GROUP ENTITIES

During the year there were 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	48.65	Nil	Nil	Nil	Nil
Meredeen Investment Limited	39.22	Nil	Nil	Nil	Nil
Oceanic Processors Pty Ltd	45.00	(\$16,877)	Nil	(\$16,877)	Nil

The consolidated entity has written off its entire investment, accordingly no further losses have been recognised.

**12. NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2006****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 Accounting Standard, other authoritative pronouncement of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporation Act, 2001.

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

**12. NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2006 (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

Nominees and Settlement Services

Provision of custodian, nominee and settlement services to client.

Stockbroking

Provision of share trading 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, nominees and settlement services.

Hong Kong

Comprise operations carried on in Hong Kong.

**12. NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2006 (Cont'd)****2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****(a) Industry Segments****2006**

	Investments \$000	Nominee Services \$000	Stockbroking \$000	Elimination \$000	Total \$000
Sales to customers outside the consolidated entity	3,369	-	993	-	4,362
Other revenue	203	-	505	-	708
Total operating revenue	3,572	-	1,498	-	5,070
Segment Profit / (Loss)	(426)	-	486	-	60
Unallocated revenues					-
Unallocated expenses					-
Profit (Loss) from ordinary activities before income tax					60
Segment assets	2,996	-	10,435	-	13,431
Unallocated assets					-
Total assets					13,431
Segment liabilities	(4,412)	-	(4,134)	-	(8,546)
Unallocated liabilities					-
Total liabilities					(8,546)
Depreciation and amortization			6	-	6

2005

	Investments \$000	Nominee Services \$000	Stockbroking \$000	Elimination \$000	Total \$000
Sales to customers outside the consolidated entity	2,126	-	568	-	2,694
Other revenue	582	-	53	-	635
Total operating revenue	2,708	-	621	-	3,329
Segment Profit / (Loss)	(1,311)	-	(989)	-	(2,300)
Unallocated revenues					-
Unallocated expenses					-
Profit (Loss) from ordinary activities before income tax					(2,300)
Segment assets	3,005	-	9,226	-	12,231
Unallocated assets					-
Total assets					12,231
Segment liabilities	(6,593)	-	(2,577)	-	(9,170)
Unallocated liabilities					-
Total liabilities					(9,170)
Depreciation and amortization			12	-	12

**12. NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2006 (Cont'd)****2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****(b) Geographical Segments****2006**

	Australia \$000	Hong Kong \$000	Total \$000
Sales to customers outside the consolidated entity	-	4,362	4,362
Other revenue	-	708	708
Total operating revenue	-	5,070	5,070
Segment Profit / (Loss)	(503)	563	60
Profit (Loss) from ordinary activities before income tax	(503)	563	60
Segment assets	2,502	10,930	13,432
Acquisition of property, plant and Equipment, intangibles and other Non-current segment assets	-	-	-
Unallocated assets	-	-	-
Total assets	2,502	10,930	13,432

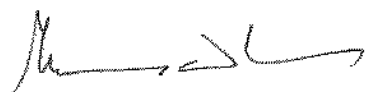
2005

	Australia \$000	Hong Kong \$000	Total \$000
Sales to customers outside the consolidated entity	-	2,694	2,694
Other revenue	411	224	635
Total operating revenue	411	2,918	3,329
Segment Profit / (Loss)	(977)	(1,323)	(2,300)
Profit (Loss) from ordinary activities before income tax	(977)	(1,323)	(2,300)
Segment assets	2,478	9,753	12,231
Acquisition of property, plant and Equipment, intangibles and other Non-current segment assets	-	-	-
Unallocated assets	-	-	-
Total assets	2,478	9,753	12,231

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



Wee Tiong CHIANG

Director

Date : 13 September 2006