

## 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 2007. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2006.

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	Up	49%	to	6,480
Profit for ordinary activities after tax attributable to members	Up	280%	to	262
Profit for the period attributable to members	Up	280%	To	262
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 2007 compared to previous year. Net profits attributable to members of parent entity up 280% to \$262,112 compared to a loss of \$145,420 in the previous year. The basic earnings per share was 0.77 cents

**3. INCOME STATEMENT****AS AT 30 JUNE 2007**

	<b>2007</b>	<b>2006</b>
	\$000	\$000
Revenue	6,480	4,362
Cost of Sales	(5,466)	(3,360)
Other revenues	1,553	708
Finance costs	(129)	(181)
Employee benefits expenses	(801)	(624)
Depreciation and amortisation	(3)	(6)
Other operating expenses	(983)	(839)
Share of losses of a associated company	(134)	(17)
Profit for the year	517	43
<b>Net profit attributable to minority interest</b>	(255)	(188)
<b>Net Profits / (loss) attributable to members of parent</b>	262	(145)
Basic earnings / (loss) per share (cents per share)	0.77	(0.48)
Diluted earnings / (loss) per share (cents per share)	0.48	(0.31)

**4. BALANCE SHEET****AS AT 30 JUNE 2007**

	<u>2007</u> <u>\$000</u>	<u>2006</u> <u>\$000</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,187	2,304
Trade and other receivables	8,382	10,586
Financial assets	574	636
Other current assets	7	11
	<u>10,150</u>	<u>13,537</u>
<b>TOTAL CURRENT ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investments accounted for using the equity method	299	433
Financial Assets	8	8
Plant and Equipment	12	2
Other non current assets	113	132
	<u>432</u>	<u>575</u>
<b>TOTAL NON-CURRENT ASSETS</b>		
<b>TOTAL ASSETS</b>	<u>10,582</u>	<u>14,112</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,462	6,817
Short-term borrowings	152	2,410
	<u>5,614</u>	<u>9,227</u>
<b>TOTAL CURRENT LIABILITIES</b>		
<b>NET ASSETS</b>	<u>4,968</u>	<u>4,885</u>
<b>EQUITY</b>		
Issued capital	15,587	15,342
Reserves	1,085	1,382
Accumulated Losses	(14,443)	(14,705)
	<u>2,229</u>	<u>2,019</u>
<b>Parent Interest</b>		
Minority equity Interest	2,739	2,866
	<u>4,968</u>	<u>4,885</u>
<b>TOTAL EQUITY</b>		

The accompanying notes form part of this financial report.

**5. STATEMENT OF CASH FLOWS**  
**AS AT 30 JUNE 2007**

	<u>2007</u> <u>\$000</u>	<u>2006</u> <u>\$000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	9,179	3,030
Interest received	-	147
Finance costs	(129)	(181)
Dividends received	-	3
Payments to suppliers and employees	(8,439)	(4,869)
<b>NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES</b>	<b>611</b>	<b>(1,870)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of plant and equipment	(13)	(3)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13)</b>	<b>(3)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share	245	1,662
Settlement of related party receivables	556	536
<b>NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>801</b>	<b>2,198</b>
Net increase in cash held	1,399	325
Cash at beginning of financial year	(106)	(415)
Effect of exchange rate changes on cash holdings in foreign currencies	(258)	(16)
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>1,035</b>	<b>(106)</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 2007 and no dividends are presently proposed as being payable.

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

**7. CONSOLIDATED RETAINED EARNINGS**

	2007	2006
	\$000	\$000
Accumulated losses at the beginning of the financial year	(14,705)	(14,560)
Net Profits / (Loss) attributable to the members of the parent entity	262	(145)
Accumulated losses at the end of the year	<u>(14,443)</u>	<u>(14,705)</u>

**8. NET TANGIBLE ASSETS PER SECURITY**

	2007	2006
Net tangible assets per security	13.9 cents	14 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 35,698,820)

**9 EARNINGS PER SHARE**

	2007	2006
	Cents	Cents
Basic earnings/ (loss) per share (a)	0.77	(0.48)
Diluted earnings / (loss) per share (b)	0.48	(0.31)
(a) Basic earnings / (loss) per share	\$000	\$000
Profits / (losses) used to calculate loss per share	262	(145)
Weighted average number of ordinary shares used as the denominator in calculating Basic loss per share	34,106,183	30,285,401
(b) Diluted earnings / (loss) per share		
Earnings used to calculate earnings per share	262	(145)
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	54,857,192	46,052,006

**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	(150,796)	(\$16,877)	(133,919)	(\$16,877)

The consolidated entity has written off its entire investment in Quest Securities Limited and Meredeen Investments Limited accordingly no further losses have been recognised from these two associated companies.

**12. NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2007****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 2007 (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.

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**12. NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2007 (Cont'd)****2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****(a) Industry Segments****2007**

	Investments \$000	Stockbroking \$000	Telecom \$000	Elimination \$000	Total \$000
Sales to customers outside the consolidated entity	4,599	893	988		6,480
Other revenue	1,304	241	8		1,553
Total operating revenue	5,903	1,134	996		8,033
Segment Profit / (Loss)	1,204	(552)	(1)		651
Unallocated revenues					
Unallocated expenses					
Profit (Loss) from ordinary activities before income tax	1,204	(552)	(1)		651
Segment assets					
Unallocated assets					
Total assets	3,030	7,476	76		10,582
Segment liabilities					
Unallocated liabilities					
Total liabilities	(4,021)	(1,512)	(81)		5,614
Depreciation and amortization		2	1		3

**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)	(443)	-	486	-	43
Unallocated revenues					-
Unallocated expenses					-
Profit (Loss) from ordinary activities before income tax					43
Segment assets	3,677	-	10,435	-	14,112
Unallocated assets					-
Total assets					
Segment liabilities	(5,093)	-	(4,134)	-	(9,227)
Unallocated liabilities					-
Total liabilities					
Depreciation and amortization			6	-	6

**12. NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2007 (Cont'd)****2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****(b) Geographical Segments  
2007**

	Australia \$000	Hong Kong \$000	Total \$000
Sales to customers outside the consolidated entity	609	5,871	6,480
Other revenue	70	1,483	1,553
Total operating revenue	679	7,355	8,033
Segment Profit / (Loss)	(63)	714	651
Profit (Loss) from ordinary activities before income tax	(63)	714	651
Segment assets	2,549	8,033	10,582
Acquisition of property, plant and Equipment, intangibles and other Non-current segment assets			
Unallocated assets			
Total assets	2,549	8,033	10,582

**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)	(520)	563	43
Profit (Loss) from ordinary activities before income tax	(520)	563	43
Segment assets	3,182	10,930	14,112
Acquisition of property, plant and Equipment, intangibles and other Non-current segment assets	-	-	-
Unallocated assets			
Total assets	3,182	10,930	14,112

**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 : 31 August 2007