

APPENDIX 4D – HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2012

QUESTUS LIMITED
AND ITS CONTROLLED ENTITIES
A.C.N. 100 460 035

Reporting Period

Half-year report for the period ended 31 December 2012. Previous corresponding half-year period ended 31 December 2011.

Results for Announcement to Market

	31 Dec 2012 \$	31 Dec 2011 \$	% Change
Revenue	2,245,798	697,708	221%
(Loss) from continuing operations	(689,003)	(4,389,717)	(84%)
(Loss) before tax attributable to members	(689,003)	(4,385,203)	(84%)
Net (loss) for the period attributable to members	(689,003)	(4,389,717)	(84%)

Earnings Per Share

	31 Dec 2012	31 Dec 2011
(Loss) per share (Basic and Diluted)	(1.12) cents	(10.86) cents

Net Tangible Assets Per Security

	31 Dec 2012	31 Dec 2011
Net Tangible Asset backing	(2.23 cents)	(3.5 cents)

APPENDIX 4D – HALF YEAR REPORT (Continued)

Dividends

No dividends have been declared or paid during the half-year ended 31 December 2012.

Entities Acquired and Disposed During the Period

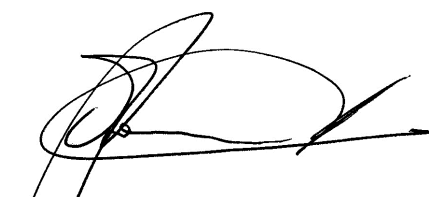
The company incorporated 4 dormant subsidiaries during the half-year. There were no entities disposed of during the period.

Compliance Statement

The report is based on financial statements reviewed by the auditor, a copy of which is attached.

Signed in accordance with a resolution of Directors.

On behalf of the Directors



Director
Perth, 28 February 2013

QUESTUS LIMITED

ABN 26 100 460 035

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2012

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

THIS INFORMATION SHOULD BE READ IN CONJUNCTION WITH THE 30 JUNE 2012
ANNUAL REPORT

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QUESTUS LIMITED
CORPORATE DIRECTORY
 For the Half-Year Ended 31 December 2012
 ABN 26 100 460 035

DIRECTORS	David J Somerville (Executive Chairman)
	Robert W Olde (Executive Director)
	Maurice Oteri (Executive Director)
	Peter Chan (Non-Executive Director) (Appointed 01 December 2012)
	Katherine Ang (Non-Executive Director) (Appointed 01 December 2012)
COMPANY SECRETARY	Elizabeth BH Lee
REGISTERED AND PRINCIPLE OFFICE	105 Railway Road SUBIACO WA 6008 Telephone: +61 8 9489 4444 Facsimile: +61 8 9381 4963
AUDITORS	RSM Bird Cameron Partners Chartered Accountants 8 St Georges Terrace PERTH WA 6000
SOLICITORS	Steinepreis Paganin Level 4, Next Building 16 Milligan Street PERTH WA 6000
SHARE REGISTRY	Security Transfer Registrars Pty Ltd Alexandria House Suite 1, 770 Canning Highway APPLECROSS WA 6153 Telephone: + 61 8 9315 2333 Facsimile: + 61 8 9315 2233
STOCK EXCHANGE LISTING	Questus Limited shares are listed on the Australian Securities Exchange under the code QSS.
WEB SITE	www.questus.com.au
COMPANY DOMICILE AND LEGAL FORM	Questus Limited is a public company limited by shares, incorporated and domiciled in Australia.

QUESTUS LIMITED
DIRECTORS' REPORT
For the Half-Year Ended 31 December 2012
ABN 26 100 460 035

The directors of Questus Limited submit herewith the consolidated financial report for the half-year ended 31 December 2012.

Directors

The names of the directors of the company during or since the end of the previous financial period and up to the date of this report are:

David J Somerville (Executive Chairman)

Robert W Olde (Executive Director)

Peter Chan (Non-Executive Director) (Appointed 1 December 2012)

Katherine Ang (Non-Executive Director) (Appointed 1 December 2012)

Maurice Oteri (Executive Director)

Review of Operations

The Board of Questus Limited, (Questus) are pleased to present the Half Yearly Report for the Company for the period to 31 December 2012.

During the period, as has been extensively reported, saw the culmination of Crest Capital Asia Pte Ltd (Crest) acquiring a 51% share in Questus, and the conclusion of a large number of legacy items for the company.

The results for the period reflect a loss of \$689,003.

The continuing activities of the Company in the facilitation and delivery of NRAS dwellings across Australia are progressing with approximately 1,000 dwellings now completed, with another approximately 1,700 either sold or under construction, and a further 1,300 are due for completion through to 2016. The reflection of financial results from these activities will be forthcoming over ensuing periods.

The Board are extremely pleased with the position that the Company is now in, and confident that it will be able to take full advantage of the opportunities provided by the shareholding and relationship with Crest.

The Company has now identified and engaged in 11 projects in Western Australia for development of NRAS dwellings utilising Development Funding from Crest and has made significant progress on the establishment of a proposed Institutional Investment vehicle, to be funded by Crest.

These activities are extremely exciting opportunities for the Company, with the results of these activities to be reflected in future years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within these financial statements.

Signed in accordance with a resolution of directors.

On behalf of the Directors



Director
Perth, 28 February 2013

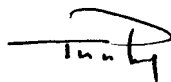
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Questus Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

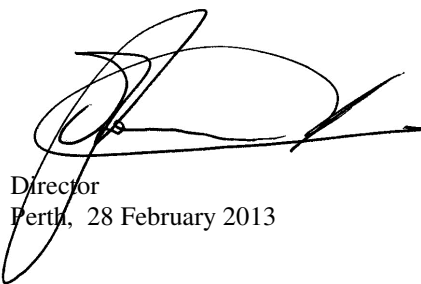
Perth, WA
Dated: 28 February 2013

QUESTUS LIMITED
DIRECTORS' DECLARATION
For the Half-Year Ended 31 December 2012
ABN 26 100 460 035

In the opinion of the directors of Questus Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year then ended.
2. 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 signed in accordance with a resolution of the Board of Directors.



Director
Perth, 28 February 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2012

ABN 26 100 460 035

	Half-Year Ended 31 December 2012 \$	Half-Year Ended 31 December 2011 \$
<u>Continuing operations</u>		
Revenue	2,245,798	697,708
Employee expenses	(1,080,044)	(573,299)
Administrative expenses	(1,029,427)	(641,574)
Impairment of financial assets	(10,106)	(568,598)
Impairment of receivables	-	(1,228,772)
Provision for doubtful debts	(122,517)	(1,969,691)
Finance costs	(673,763)	(92,876)
Amortisation and depreciation	(18,944)	(8,101)
(Loss) before income tax expense	(689,003)	(4,385,203)
Income tax (expense)/benefit	-	(4,514)
(Loss) from continuing operations	(689,003)	(4,389,717)
Other comprehensive income for the period	-	-
Total comprehensive (loss) for the period	(689,003)	(4,389,717)

Earnings Per Share: (cents per share)**Continuing operations**

Basic (loss) per share	(1.12) cents	(10.86) cents
Diluted (loss) per share	(1.12) cents	(10.86) cents

QUESTUS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012
ABN 26 100 460 035

	Note	31 December 2012 \$	30 June 2012 \$
CURRENT ASSETS			
Cash and cash equivalent		926,120	1,305,014
Trade and other receivables		3,504,549	2,977,271
Other current assets		190,338	85,175
TOTAL CURRENT ASSETS		<u>4,621,007</u>	<u>4,367,460</u>
NON-CURRENT ASSETS			
Trade and other receivables		-	94,167
Financial assets		87,043	22,233
Deferred tax asset		1,724,716	1,724,716
Plant and equipment		129,043	29,833
Intangible assets		2,511,651	2,517,036
Other non-current assets		200,000	-
TOTAL NON-CURRENT ASSETS		<u>4,652,453</u>	<u>4,387,985</u>
TOTAL ASSETS		<u>9,273,460</u>	<u>8,755,445</u>
CURRENT LIABILITIES			
Trade and other payables		1,466,155	945,555
Interest-bearing liabilities		5,022,425	4,859,147
Provisions		70,708	77,822
TOTAL CURRENT LIABILITIES		<u>6,559,288</u>	<u>5,882,524</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		500,000	500,000
Provisions		40,600	6,106
TOTAL NON-CURRENT LIABILITIES		<u>540,600</u>	<u>506,106</u>
TOTAL LIABILITIES		<u>7,099,888</u>	<u>6,388,630</u>
NET ASSETS		<u>2,173,572</u>	<u>2,366,815</u>
EQUITY			
Issued capital	3	19,556,370	19,106,370
Reserves		152,890	107,130
Accumulated losses		(17,535,688)	(16,846,685)
TOTAL EQUITY		<u>2,173,572</u>	<u>2,366,815</u>

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2012

ABN 26 100 460 035

	Issued Capital	Share-based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2011	18,606,370	107,130	(11,503,150)	7,210,350
Loss for the period	-	-	(4,389,717)	(4,389,717)
Total comprehensive loss for the period	-	-	(4,389,717)	(4,389,717)
Transactions with owners in their capacity as owners:	-	-	-	-
Balance at 31 December 2011	18,606,370	107,130	(15,892,867)	2,820,633
Balance at 1 July 2012	19,106,370	107,130	(16,846,685)	2,366,815
Loss for the period	-	-	(689,003)	(689,003)
Total comprehensive loss for the period	-	-	(689,003)	(689,003)
Transactions with owners in their capacity as owners:				
Issue of shares	450,000	-	-	450,000
Share based payments	-	45,760	-	45,760
Balance at 31 December 2012	19,556,370	152,890	(17,535,688)	2,173,572

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2012

ABN 26 100 460 035

	Half-Year Ended 31 December 2012 \$	Half-Year Ended 31 December 2011 \$
Cash flows from operating activities		
Receipts from customers	1,616,675	646,860
Payments to suppliers and employees	(1,967,527)	(1,185,743)
Interest received	19,181	84,271
Interest paid	(25,767)	(86,499)
Net cash flows (used in) operating activities	<u>(357,438)</u>	<u>(541,111)</u>
Cash flows from investing activities		
Sale/(purchase) of plant and equipment	(113,585)	514
Proceeds from lease receivable	-	15,785
Deposit paid	(74,916)	-
Distributions from investments	4,285	2,008
Advanced to related companies	(518)	(305,057)
Payment for investment	-	(30,000)
Net cash flows (used in) / provided by investing activities	<u>(184,734)</u>	<u>(316,750)</u>
Cash flows from financing activities		
Proceeds from borrowings	500,000	1,097,119
Cash received pending for allotment of shares	-	500,000
Repayments of borrowings	(336,722)	(746,396)
Net cash flows provided by financing activities	<u>163,278</u>	<u>850,723</u>
Net (decrease) in cash and cash equivalents	(378,894)	(7,138)
Cash and cash equivalents at the beginning of the period	1,305,014	1,072,421
Cash and cash equivalents at the end of the period	<u>926,120</u>	<u>1,065,283</u>

QUESTUS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2012
ABN 26 100 460 035

1. Basis of preparation

This general purpose financial report for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Questus Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$689,003 and had net cash outflows from operating activities of \$357,438 for the half-year ended 31 December 2012. As at that date, the consolidated entity had net current liabilities of \$1,938,281.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability to issue additional shares under the *Corporation Act 2001*;
- The confirmed allocation of NRAS entitlements in Queensland, New South Wales and Western Australia providing a definite future revenue stream;
- The Directors believe that the funding agreement with Crest Capital Asia Pte Ltd, whereby it will have access to a working capital facility of \$10 million (\$5 million drawn down to the date of this report), a development funding facility of \$20 million and a wholesale NRAS acquisition fund of \$100 million, will provide certainty to enable the company to expand its business relating to the National Rental Affordability Scheme;
- As disclosed in the statement of financial position, the consolidated entity has interest bearing liabilities of \$5,022,425, which are classified as current at 31 December 2012. The directors believe that the company will be able to negotiate the repayment terms of these loans in its favour, when they becomes due and payable; and
- The consolidated entity has the ability to scale down its operations in order to save costs, in the event insufficient cash is available to meet future expenditure commitments.

QUESTUS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Half-Year Ended 31 December 2012
ABN 26 100 460 035

2. Segment Reporting

Management has determined the operating segments based on the management reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from both a geographic and business segment perspective and has identified one reportable segment.

The identifiable reportable segment is the provision of financial services for the domestic Australian market.

		31 December 2012	30 June 2012
		\$	\$
3. Issued Capital			
<i>a) Paid up capital</i>			
	Ordinary shares	<u>19,556,370</u>	<u>19,106,370</u>
<i>b) Movements</i>			
		Number of securities	\$
Date	Details		
1 July 2012	Opening balance	45,426,701	19,106,370
	Issue of shares	47,280,852	450,000
31 December 2012	Closing balance	<u><u>92,707,553</u></u>	<u><u>19,556,370</u></u>

4. COMMITMENTS

The company has entered into an operating lease for its office premises during the half-year.

	\$
Within one year	121,770
Within one to five years	640,038

The property lease is a non-cancellable lease with 5 years term, with rent payable monthly in advance.

5. DIVIDENDS

No dividends have been declared or paid during the half-year ended 31 December 2012 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2012.

6. CONTINGENT LIABILITIES AND ASSETS

Questus Capital Solutions Pty Ltd (QCS), a wholly owned subsidiary of Questus Limited, has filed an amended defence in respect to a claim by Hassan Family Investments. QCS maintains its position that there is no valid claim. The outcome of this matter will be unknown until the matter is presented to the courts and this is not expected until the second quarter of the 2013 calendar year.

On 10 October 2012, Questus Funds Management Limited, a wholly owned subsidiary of Questus Limited, received a favourable judgment regarding proceedings in the Supreme Court of WA to set aside the statutory demand issued by Valuestream Investment Management Limited as responsible entity for the Addwealth Achiever Fund.

***Background:** In December 2011, Valuestream Investment Management Limited as responsible entity for the Addwealth Achiever Fund served a statutory demand on Questus Funds Management Limited as responsible entity of the Questus Land Development Fund to seek repayment of an unsecured loan made to the Questus Land Development Fund in the form of Convertible Notes issued to the Addwealth Achiever Fund. Questus Funds Management Limited vigorously disputed that it has an obligation to repay the debt personally.*

The debt was solely incurred in the name of the Questus Land Development Fund as Questus Funds Management Limited was acting only in its capacity as responsible entity for the Questus Land Development Fund. This unsecured loan was also made in conjunction with a Memorandum of Understanding entered into between the parties, which agreement provided for the continuance of future financial support from Addwealth Pty Ltd in its capacity as the duly appointed investment manager of the Addwealth Achiever Fund of which Valuestream Investment Management Limited was and still remains the responsible entity.

Questus Funds Management Limited on 2 October 2012, lodged proceedings in the WA Supreme Court against Addwealth Pty Ltd and Valuestream Investment Management Limited as the responsible entity of the Addwealth Achiever Fund for breach of the Memorandum of Understanding in respect of which it is believed that the undertakings given and commitments made in the context of the Memorandum of Understanding have not been fulfilled. No outcome has been received as at date of this report.

Apart from the above, there has been no change in contingencies since the issue of the 30 June 2012 annual financial report.

7. EVENTS SUBSEQUENT TO REPORTING DATE

In February 2012, Financial Resources Securities Pty Ltd, a wholly owned subsidiary of the company, which was acquired as part of the Deed of Company Arrangement undertaken by the company in 2007, had external managers appointed. Financial Resources Securities Pty Ltd was in the process of clearing its loan book and is not a core activity of the consolidated entity. On 7 February 2013 the company reached an arrangement with the administrators of Financial Resources Securities Pty Ltd to contribute \$60,000 as full and final settlement of any claims against the company.

Apart from the above, there has not been any material events subsequent to the end of the reporting date and the date of this interim financial report that has not been recognised in this financial report

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
QUESTUS LIMITED**

We have reviewed the accompanying half-year financial report of Questus Limited which comprises the statement of financial position as at 31 December 2012 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Questus Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Questus Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Basis for Qualified Conclusion

As detailed in our auditor's review report dated 29 February 2012 on the 31 December 2011 half-year financial report, we were unable to determine whether the impairment expense recognised in the statement of comprehensive income in relation to receivables of \$2,811,494 and investments in financial assets of \$421,803 were recorded in the correct period or at the correct amount. Our auditor's review report on the 31 December 2011 half-year financial report was qualified on that basis. Our conclusion on the 31 December 2012 half-year financial report is also modified due to the possible effects of this matter on the comparability of the current financial period and the corresponding figures.

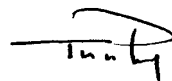
Qualified Conclusion

Based on our review, which is not an audit, except for the possible effects on the corresponding figures of the matter described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Questus Limited is not in accordance with *the Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 28 February 2013