

30 April 2014

The Manager  
Company Announcements Platform  
Australian Stock Exchange

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Dear Sir

**ASX Code QSS**

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**MARKET UPDATE**

The Board of Questus Limited (the Company) is pleased to provide this Market Update on the current activities of the Company.

**NRAS**

NRAS Approved Participants including the Company continue to await notice from the Federal Government on outcomes of applications made under Round 5 of the NRAS. This advice is now not expected to be made until after the Federal Government Budget and the outcomes of the Federal Government Commission of Audit.

The Company is continuing to deliver properties and developments under its current NRAS entitlements. A summary of these activities is as follows:

➤ Rounds 1-3 and current Round 4 - Dwellings delivered and tenanted	1,852
➤ Round 4 - Currently in progress or under development	1,274
➤ Round 4 - Not to be delivered before 1 July 2015	<u>621</u>
	<b><u>3,747</u></b>

Based upon available statistics, the Board believes that Questus is the second largest deliverer of NRAS in Australia and is delivering much needed affordable dwellings across Australian cities including Brisbane, Sydney, Melbourne, Adelaide and Perth.

Questus is also delivering in those areas which have significant hurdles for the delivery of affordable accommodation, and large income disparity; including the North West of Western Australia with dwellings in progress in the localities of: Halls Creek, Broome, Port Hedland, Karratha, Newman, Exmouth, Coral Bay, Carnarvon and Geraldton.

### ***AFFORDABLE HOUSING INITIATIVES***

The Company has continued to expand its activities in the non-NRAS Affordable Housing Sector, and has contributed in partnering with various State Government Housing Departments, Non Government Community Housing Providers and developers for the delivery of projects in several states and regions. Submitted Applications and / or Expressions of Interest have been made in Western Australia, South Australia, Queensland and Victoria for non-NRAS Affordable Housing developments.

### ***FACILITY REPAYMENT***

The Company is pleased to announce that it has refinanced its original working capital facility with Crest Capital Asia Pte Ltd (Crest) totalling A\$5.9M.

The Company has secured a corporate bond facility from the Australia Property Mortgage Fund (APMF) at an interest rate of 8% pa as opposed to the 23% pa rate payable on Crest's funds. This will result in a significantly reduced interest cost to the Company.

The Corporate Bond issued to the APMF is repayable in 2 years with interest payable every 4 months and a first ranking general securities deed over Questus Limited as security.

### ***AUSTRALIA PROPERTY MORTGAGE FUND***

The APMF is a complying investment under the Australian Significant Investor Visa Program and is a Regulated Australian Investment. The Fund was established by Questus Funds Management Limited to invest into a portfolio of registered mortgages in Australian residential property assets, and company backed corporate bonds.

The fund targets rates of return of 8% and above, which are also backed by Federal and State Government incentives such as the National Rental Affordability Scheme.

### ***CREST DEVELOPMENT FUNDING***

The Company's SPV entities continue to engage in property developments which are either NRAS or Government supported affordable housing initiatives, for which Crest continues to provide development funding. Crest is a Singapore based investment fund manager with a mandate for investment in affordable and workers housing.

(A market announcement of 31 January 2014 confirmed that the Company is currently undertaking 12 development projects with over 200 new NRAS dwellings to be delivered in the next 6-8 months.)

### ***DIRECTORS***

The Company is pleased to announce and welcome back Professor Tony Brennan as an Independent Director of Questus Limited and Questus Funds Management Limited, effective of the 7<sup>th</sup> May 2014.

Tony was formerly a Director of the Company, prior to undertaking a position in Dubai, in 2011.

Tony holds a Bachelor of Laws degree from the University of Queensland, a Graduate Diploma in Legal Practice and has practiced with one of Australia's largest private law firms as a solicitor in the area of corporate advisory, mergers and acquisitions and banking and finance.

Tony has worked for local and state government bodies, Australian blue chip companies and national and international banks. He brings to the Board extensive experience in corporate banking and finance transactions including development finance, general corporate banking matters and significant commercial property transactions.

Tony's professional experience complements that of existing Board members and we look forward to the role he will play in the further development of the Company.

## ***FUTURE***

The Board of the Company is extremely positive about the future of Questus Limited.

With a strong pipeline of Affordable Housing projects, and institutional funding sources from our Singapore parent and Australian Funds, the Company is eager to expand its participation in the broader Affordable Housing sector.

With a continued reported undersupply of affordable housing, both State and Federal Governments continue to seek private sector solutions to meet their various housing programmes supply targets. The Company believes it can continue to deliver innovative, and profitable residential development projects, with an overarching key outcome of providing a socially responsible affordable housing outcome into the Australian market.

## **ENDS**

**For further information please contact:**

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## **About Questus Limited**

*Questus Limited (QSS) is an Australian Securities Exchange listed Western Australian based funds and investment company.*

*Questus Limited is focused on providing innovative investment solutions for a range of investment funds, property based trusts, syndicates and capital structuring services.*

*Questus was founded in 2003 and brings a wealth of experience and an established reputation in developing innovative and boutique investment products for the wholesale and retail investment markets.*