QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

Half Year Report

Period ended on 31 December 2016

The following information must be given to ASX under listing rule 4.2A.3.

ABN or equivalent company reference	Half year ended: current period	previous corresponding period
59 004 749 044	31 December 2016	31 December 2015

Results for announcement to the market

$HKD'000

2.1 Revenues from ordinary activities	Up	67%	to	30,888
2.2 Loss from ordinary activities after tax attributable to members	Up	51%	to	(3,545)
2.3 Loss for the period attributable to members	Up	51%	to	(3,545)

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Final dividend Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL

2.5 Record date for determining entitlements to the dividend	NIL

2.6 Brief explanation of any of the figures in 2.1 to 2.4.

Refer to directors' report

3. Net tangible assets per security with the comparative figure for the previous corresponding period.

	Current period	Previous corresponding Period
Net tangible assets per security	41 cents	55 cents

4. Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity.	NIL
4.2 The date of the gain or loss of control.	NIL

	Current period	Previous corresponding Period
4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.	NIL	NIL

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

Dividend or distribution payments:	**Amount**	**Date on which each dividend or distribution is payable**	**Amount per security of foreign sourced dividend or distribution (if known)**
NIL			
Total			

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

NIL

7. Details of associates and joint venture entities including the name of the associate 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 profit 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 Marine Resources Ltd (i)	43.37	Nil	Nil	Nil	Nil

(i) Investment cost of Quest Marine Resources Limited has been fully written off.

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

Not applicable

DIRECTORS' REPORT

Your directors submit the financial report of Quest Investments Limited (the "Consolidated Group") for the half-year ended 31 December 2016.

Directors

The names of directors who held office during or since the end of the half-year:

Mr. Wee Tiong CHIANG
Mr. Grant Anthony ROBERTSON
Mr. Hung Ngok WONG
Ms. Melissa CHIANG

Review of Operations

Quest Investments Limited and its controlled entities continued to earn their income from their activities in the sectors of investments, stockbroking, nominee services, settlement services, electronics businesses and information. Our focus has continued to be markets in South East Asia, Australia, Europe and the USA.

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DIRECTORS' REPORT

Rounding of Amounts

The Consolidated Group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest $1,000.

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 6 for the half year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors.

Director

Wee Tiong CHIANG

Dated this 5th March 2017

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Quest Investments Limited

As lead auditor of the review of Quest Investments Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contravention of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Quest Investments Limited and the entities it controlled during the period.

ShineWing Australia

ShineWing Australia
Chartered Accountants

R B Morgan

R B Morgan
Partner

5 March 2017

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QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

CONSOLDIATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated group	
	31 Dec 2016 HK$000	31 Dec 2015 HK$000
Revenue	30,888	18,460
Cost of Sales	(30,582)	(18,265)
Gross Profit	306	195
Other income	150	507
Employee benefits expense	(1,405)	(1,193)
Depreciation	(24)	(72)
Finance costs	(263)	(74)
Other operating expense	(2,309)	(1,717)
Loss before income tax expense	(3,545)	(2,354)
Income tax expense	-	-
Loss for the period	(3,545)	(2,354)
Other comprehensive income / (loss)		
Other comprehensive income for the period, net income tax	-	-
Total comprehensive income for the period	(3,545)	(2,354)
Total comprehensive income attributable to:		
Owners of the company	(3,545)	(2,354)
Non-controlling interest	-	-
Total comprehensive income for the period	(3,545)	(2,354)
Overall Operations:		
Basic loss per share (cents per share)	(7.41)	(4.65)
Diluted loss per share (cents per share)	(7.41)	(4.65)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Consolidated Group	
	31 Dec 2016 HK$000	30 Jun 2016 HK$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,532	2,949
Trade and other receivables	26,644	26,777
Financial assets	851	8,561
Other current assets	17	31
TOTAL CURRENT ASSETS	30,044	38,318
NON-CURRENT ASSETS		
Trade and other receivables	40,306	41,324
Other financial assets	53	53
Plant and equipment	1,134	209
Other non-current assets	760	760
TOTAL NON-CURRENT ASSETS	42,253	42,346
TOTAL ASSETS	72,297	80,664
CURRENT LIABILITIES		
Trade and other payables	46,565	51,734
Borrowings	3,536	3,168
Taxation	1,610	1,610
TOTAL CURRENT LIABILITIES	51,711	56,512
TOTAL LIABILITIES	51,711	56,512
NET ASSETS	20,586	24,152
EQUITY		
Issued capital	97,743	97,743
Reserves	23,414	23,435
Accumulated losses	(100,571)	(97,026)
TOTAL EQUITY	20,586	24,152

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	HK$000 Ordinary Share	HK$000 Accumulated Losses	HK$000 Reserve: Share Option	Reserve: Capital Profits	Reserve: Foreign Currency Translation	HK$000 Total
Balance at 1 July 2015		97,743	(90,782)	2,082	7,100	14,433	30,576
Total comprehensive income for the period							
Loss for the period		-	(2,354)	-	-	-	(2,354)
Total comprehensive income for the period		-	(2,354)	-	-	-	(2,354)
Transactions with owners, recorded directly in equity							
Share Option lapsed		-	-	(543)	-	-	(543)
Share Option granted		-	-	186	-	-	186
Total transaction with owners		-	-	(357)	-	-	(357)
Balance at 31 December 2015		97,743	(93,136)	1,725	7,100	14,433	27,865

	Note	HK$000 Ordinary Share	HK$000 Accumulated Losses	HK$000 Reserve: Share Option	Reserve: Capital Profits	Reserve: Foreign Currency Translation	HK$000 Total
Balance at 1 July 2016		97,743	(97,026)	1,726	7,100	14,609	24,152
Total comprehensive income for the period							
Loss for the period		-	(3,545)	-	-	-	(3,545)
Total comprehensive income for the period		-	(3,545)	-	-	-	(3,545)
Transactions with owners, recorded directly in equity							
Share Option granted		-	-	(21)	-	-	(21)
Total transaction with owners		-	-	(21)	-	-	(21)
Balance at 31 December 2016		97,743	(100,571)	1,705	7,100	14,609	20,586

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Consolidated Group	
	31 Dec 2016 HK$000	31 Dec 2015 HK$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	38,863	21,694
Payments to suppliers and employees	(39,471)	(21,902)
Interest received	3	4
Interest paid	(264)	(74)
Dividend received	14	4
Net cash used in operating activities	(855)	(274)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts/(payments) to related companies	1,019	(536)
Payment for property, plant and equipment	(949)	(3)
Net cash provided by/(used in) investing activities	70	(539)
Net decrease in cash held	(785)	(813)
Cash at the beginning of period	(219)	197
Cash at the end of period	(1,004)	(616)
Analysis of the balance of cash and cash equivalents		
Cash and cash equivalents in the statement of financial position:		
Cash and bank balances	2,532	2,155
Borrowings (Bank overdraft)	(3,536)	(2,771)
	(1,004)	(616)

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Quest Investments Limited ("the Company" or "the Parent Entity") and its controlled entities ("the Consolidated Group" or "the Group") As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Consolidated Group for the year ended 30 June 2016, together with any public announcements made during the half-year.

Going Concern

The accounts have been prepared on a going concern basis. The Group has a current asset deficiency of HK$21,667,000 (30 Jun 2016: HK$18,194,000) reported a loss of HK$3,545,000 (31 Dec 2015 : HK$2,354,000) and incurred negative operating cash flows of HK$855,000 (31 Dec 2015 : HK$274,000) for the period, and its continuance in business as a going concern is dependent upon the Group having ongoing financial support from its major shareholder. The accounts have been prepared on a going concern basis as the Group's ultimate holding company has pledged to provide continuing financial support to the Group for a period of not less than twelve months from the date of the directors' declaration. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern and to be able to pay their debts as and when they fall due and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2016 annual report.

Recoverability of current and non-current receivables

As at 31 December 2016, non-current accounts receivable amounting to $40,306,000 (30 Jun 2016 : HK$41,324,000) were due from related parties and the recoverability of these receivables are supported by directors of the Company.

Significant Accounting Policies

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated entity's annual financial statements for the year ended 30 June 2016 except for the adoption of new standards and interpretations effective 1 July 2016. The adoption of these standards did not have a significant impact on the group's results in the current and/or prior period.

NOTE 2: LOSS FOR THE PERIOD

	Consolidated Group	
	31 Dec 2016 HK$000	31 Dec 2015 HK$000
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest income	3	4
Exchange loss	(28)	(21)
	(25)	(17)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 3 : BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Corporate Advisory		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	HK$000	HK$000	HK$000	HK$000	HK$000	HK$000	HK$000	HK$000	HK$000	HK$000
Sales to customers outside the consolidated entity	21,717	10,968	814	711	8,181	6,781	176	-	30,888	18,460
Other income	46	403	104	73	-	-	-	31	150	507
Total segment revenue	21,763	11,371	918	784	8,181	6,781	176	31	31,038	18,967
Unallocated revenue	-	-	-	-	-	-	-	-	-	-
Total revenue from continuing operations	21,763	11,371	918	784	8,181	6,781	176	31	31,038	18,967
Segment result	(2,097)	(217)	(1,531)	(1,860)	(45)	(148)	128	(129)	(3,545)	(2,354)
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit before income tax	(2,097)	(217)	(1,531)	(1,860)	(45)	(148)	128	(129)	(3,545)	(2,354)
Income tax expense	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit after income tax	(2,097)	(217)	(1,531)	(1,860)	(45)	(148)	128	(129)	(3,545)	(2,354)
Segment Assets	37,121	37,000	28,594	30,464	212	258	6,370	6,303	72,297	74,025

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 4: FAIR VALUE MEASUREMENTS

The only financial assets carried at fair value are listed shares. The directors consider the shares to be Level 1 financial instruments, which have quoted prices (unadjusted) in active markets for identical assets or liabilities. There have been no transfers between level 1, 2 and 3 for recurring fair value measurements during the half-year.

The fair value of the shares as at 31 Dec 2016 was HK$850,507 (30 Jun 2016: HK$8,560,760).

The directors consider that the carrying amount of the other financial assets and other financial liabilities recorded in the financial statements approximate their fair values.

NOTE 5: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 6: EVENTS SUBSEQUENT TO REPORT DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 7 to 14:
   a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
   b. give a true and fair view of the Consolidated Group's financial position as at 31 December 2016 and of its performance for the half year ended on that date.
2. In the directors' opinion 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 made in accordance with a resolution of the Board of Directors.

Director

Wee Tiong CHIANG

Dated this 5th March 2017

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF QUEST INVESTMENTS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Quest Investments Limited and controlled entities, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 end of the half-year or from time to time during the half-year as set out on pages 7 to 15.

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 gives a true and fair view and 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 company's financial position as at 31 December 2016 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 Quest Investments 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*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Quest Investments Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Significant Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the Consolidated Group incurred a net loss of HK$3,545,000 during the half-year ended 31 December 2016 and, as of that date, the Consolidated Group's current liabilities exceeded its current assets by HK$21,667,000. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Consolidated Group to continue as a going concern and therefore, the Consolidated Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

ShineWing Australia

ShineWing Australia
Chartered Accountants

R B Morgan

R B Morgan
Partner

Sydney, 5 March 2017