

Half Year Report

Period ended on 31 December 2018

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 2018	31 December 2017

Results for announcement to the market

				\$HKD'000
2.1 Revenues from ordinary activities	Up	16%	to	24,016
2.2 Loss from ordinary activities after tax attributable to members	Down	16%	to	(3,091)
2.3 Loss for the period attributable to members	Down	16%	to	(3,091)
2.4 Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend	NIL		NIL	
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				

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

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	44 cents	47 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

- 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.

Current period	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	NIL		

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044

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).

International Accounting Standards

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

DIRECTORS' REPORT

Your directors submit the financial report of the Consolidated Group for the half-year ended 31 December 2018.

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.

Total Revenue has increased by 16% to HKD24,016,000. The increase is largely due to the following factors:

- Extremely low interest rates and recovering earning of US corporations ensured that funds previously invested in emerging market were flowing back to the US markets. The group is in the emerging market of China and subject to it, as a result reported a loss from operations during the financial year.

Net loss for half year ended 31 December 2018 decreased by 16% to HKD3,091,000 as a result of the factors as described above.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

DIRECTORS' REPORT

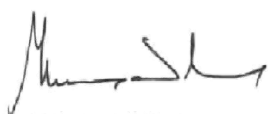
Rounding of Amounts

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 HKD1,000.

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 2018.

Director



Wee Tiong CHIANG

Dated this 15th July 2019

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

A.B.N. 59 004 749 044

TO THE MEMBERS OF QUEST INVESTMENTS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION

To: The Board of Directors
Quest Investments Limited
C/- 7 Dallas Street
Mount Waverley Vic. 3149

Dear Board Members,

Re: QUEST INVESTMENTS LIMITED

In accordance with Section 307C of the *Corporations Act 2001*, we are pleased to provide the following declaration of independence to the directors of Quest Investments Limited A.B.N. 59 004 749 044.

As lead Auditors for the audit of the consolidated financial statements of Quest Investments Limited for the financial half-year ended 31 December 2018, we declare to the best of our knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) 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 half-year ended 31 December 2018.

National Audits Pty Ltd.

National Audits Pty Ltd

Chartered Accountants



Mr Jeffrey D Cannings, FCA, CTA

Registered Company Auditor

Also, Director of National Audits Pty Ltd,
An Authorised Audit Company by ASIC

Dated this 15th Day of July 2019

Chartered Accountants, Auditors & Business Advisors

National Audits Pty Ltd T/A Super Audits Central ABN: 23 161 483 094

Liability limited by a scheme approved under the Professional Standards Legislation.

Director: Jeffrey D Cannings, MBA, Dip Tech (Comm), Dip Ed, FCA, CTA, Registered Company Auditor, SMSF Auditor & Tax Agent

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QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Consolidated group	
	31 Dec 2018 HK\$000	31 Dec 2017 HK\$000
Revenue	24,016	20,677
Cost of Sales	(23,689)	(14,422)
Gross Profit	327	6,255
Other income	227	520
Employee benefits expense	(2,197)	(1,808)
Depreciation	(9)	(11)
Finance costs	(28)	(13)
Other operating expense	(1,411)	(8,605)
Loss before income tax expense	(3,091)	(3,662)
Taxation	-	-
Loss for the period	(3,091)	(3,662)
Other comprehensive loss		
Other comprehensive loss for the period, net income tax	-	-
Total comprehensive loss for the period	(3,091)	(3,662)
Total comprehensive loss attributable to:		
Owners of the company	(3,091)	(3,662)
Total comprehensive loss for the period	(3,091)	(3,662)
Overall Operations:		
Basic losses earnings per share (cents per share)	(6.26)	(7.50)
Diluted losses earnings per share (cents per share)	(6.26)	(7.50)

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Consolidated Group	
	31 Dec 2018	30 Jun 2018
	HK\$000	HK\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,840	5,875
Trade and other receivables	49,577	28,110
Financial assets	11	31
Other current assets	7	20
TOTAL CURRENT ASSETS	55,435	34,036
NON-CURRENT ASSETS		
Trade and other receivables	11,857	14,237
Other financial assets	53	53
Deferred tax assets	21,578	21,578
Plant and equipment	19	29
Other non-current assets	760	760
TOTAL NON-CURRENT ASSETS	34,267	36,657
TOTAL ASSETS	89,702	70,693
CURRENT LIABILITIES		
Trade and other payables	66,998	44,898
TOTAL CURRENT LIABILITIES	66,998	44,898
TOTAL LIABILITIES	66,998	44,898
NET ASSETS	22,704	25,795
EQUITY		
Issued capital	98,738	98,738
Reserves	23,784	23,784
Accumulated losses	(99,818)	(96,727)
TOTAL EQUITY	22,704	25,795

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	HK\$000	HK\$000		HK\$000		HK\$000
	Ordinary Share		Reserve			
		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation	Total
Balance at 1 July 2017	97,743	(94,840)	1,912	7,100	14,586	26,501
Total comprehensive income for the period						
Loss for the period	-	(3,662)	-	-	-	(3,662)
Total comprehensive loss for the period	-	(3,662)	-	-	-	(3,662)
Transactions with owners, recorded directly in equity						
Share issue during the period	928	-	-	-	-	928
Total transaction with owners	928	-	-	-	-	928
Balance at 31 December 2017	98,671	(98,502)	1,912	7,100	14,586	23,767

	HK\$000	HK\$000		HK\$000		HK\$000
	Ordinary Share		Reserve			
		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation	Total
Balance at 1 July 2018	98,738	(96,727)	2,098	7,100	14,586	25,795
Total comprehensive income for the period						
Loss for the period	-	(3,091)	-	-	-	(3,091)
Total comprehensive loss for the period	-	(3,091)	-	-	-	(3,091)
Transactions with owners, recorded directly in equity						
Share issue during the period	-	-	-	-	-	-
Share Option granted	-	-	-	-	-	-
Total transaction with owners	-	-	-	-	-	-
Balance at 31 December 2018	98,738	(99,818)	2,098	7,100	14,586	22,704

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 2018**

	Consolidated Group	
	31 Dec 2018	31 Dec 2017
	HK\$000	HK\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from (payments to) customers	(3,390)	12,759
Payments to suppliers and employees	(1,947)	(32,472)
Interest received	1	2
Interest paid	(28)	(14)
Dividend received	-	3
Net cash used in operating activities	(5,364)	(19,722)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments from related companies	5,062	24,777
Proceeds from property, plant and equipment	43	1,052
Net cash inflows from investing activities	5,105	25,829
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issued	68	928
Net cash inflows from financing activities	68	928
Net increase/(decrease) in cash held	(191)	7,035
Cash at the beginning of period	6,031	(1,004)
Cash at the end of period	5,840	6,031
Analysis of the balance of cash and cash equivalents		
Cash and cash equivalents in the statement of financial position:		
Cash and bank balances	5,840	6,031
	5,840	6,031

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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 2018 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 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 2018, 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\$11,563,000 (30 Jun 2018: HK\$10,862,000) reported a loss of HK\$3,091,000 (31 Dec 2017: HK\$3,662,000) 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. If the ultimate holding company withdraws its ongoing financial support then these conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company and 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 company and the consolidated entity may be unable to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

On the basis of these factors, the Directors believe that the going concern basis of preparation is appropriate and the Group will be able to repay its debts as and when they fall due. In the event that the Group cannot continue as a going concern, it may not realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

As a result of those matters, there is material uncertainty related to events or conditions that may cast significant doubt on the Group’s ability to continue as going concern and therefore, it may not realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

Recoverability of current and non-current receivables

As at 31 December 2018, non-current accounts receivable amounting to \$11,857,000 (30 Jun 2018 : HK\$14,237,000) were due from related parties and the recoverability of these receivables are supported by directors of the Company.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2018 annual report.

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 2018 except for the adoption of new standards and interpretations effective 1 July 2018. 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 2018	31 Dec 2017
	HK\$000	HK\$000
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest income	-	2
Exchange loss	(35)	(46)
	<u>(35)</u>	<u>(44)</u>

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 3 : BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Corporate Advisory		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	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	17,995	7,175	557	510	5,464	6,764	-	6,228	24,016	20,677
Other revenue	82	306	52	75	-	-	93	139	227	520
Total segment revenue	18,077	7,481	609	585	5,464	6,764	93	6,367	24,243	21,197
Unallocated revenue	-	-	-	-	-	-	-	-	-	-
Total revenue from continuing operations	18,077	7,481	609	585	5,464	6,764	93	6,367	24,243	21,197
 Total segment expenses	 (18,678)	 (14,740)	 (2,120)	 (2,111)	 (6,414)	 (7,383)	 (122)	 (625)	 (27,334)	 (24,859)
Segment result	(601)	(7,259)	(1,511)	(1,526)	(950)	(619)	(29)	5,742	(3,091)	(3,662)
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
Loss before income tax	(601)	(7,259)	(1,511)	(1,526)	(950)	(619)	(29)	5,742	(3,091)	(3,662)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Loss after income tax	(601)	(7,259)	(1,511)	(1,526)	(950)	(619)	(29)	5,742	(3,091)	(3,662)
 Segment Assets	 44,164	 35,033	 38,756	 21,945	 5	 102	 6,777	 7,304	 89,702	 64,384

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 4: FAIR VALUE MEASUREMENTS

The only financial assets carried at fair value are 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 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.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 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 2018 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.
3. On the date set out at Column 1 of the Table below, the Guarantor set out at Column 2 thereof guaranteed the due and punctual performance and observance of the various obligations of the Beneficiaries set out Column 3 thereof (being Quest Investments Limited and its controlled entities)

Column 1 Date of Deed	Column 2 Guarantor	Beneficiaries of Guarantee
15 May 2019	Quest Investments Limited ACN 004 749 044	Quest Securities (Australia) Limited ACN 066 242 245 MQ Holdings Limited Company Number 271351 Quest Stockbrokers (HK) Limited CR 0351177 Quest Nominees Limited CR 0328511 Quest Investments Limited CR 0563455 Quest Telecom Limited CR 1016144
17 May 2019	Murchison Holdings Limited ACN 004 707 260	Quest Securities (Australia) Limited ACN 066 242 245 MQ Holdings Limited Company Number 271351

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

DIRECTORS' DECLARATION

Quest Stockbrokers
(HK) Limited
CR 0351177
Quest Nominees Limited
CR 0328511
Quest Telecom Limited
CR 1016144

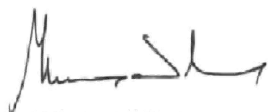
17 May 2019

Chiang Wee Tiong

Quest Investments
Limited
ACN 004 749 044
Quest Securities
(Australia) Limited
ACN 066 242 245
MQ Holdings Limited
Company Number
271351
Quest Stockbrokers
(HK) Limited
CR 0351177
Quest Nominees Limited
CR 0328511
Quest Investments
Limited
CR 0563455

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Wee Tiong CHIANG

Dated this 15th July 2019

**INDEPENDENT AUDITOR'S REVIEW REPORT -
TO THE MEMBERS OF QUEST INVESTMENTS LIMITED**

Opinion

We have reviewed the financial half-year report of Quest Investments Limited (the Company) and its controlled entities (collectively the "Group"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

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 is not in accordance with the *Corporations Act 2001*, even after considering the following key review matters, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance for the half-year ended on that date; and
- (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Our Review Opinion

We conducted our review to express our conclusions on the financial report of the Company for the half-year ended 31 December 2018 based on our review procedures.

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report by the Independent Auditor of the Entity*, in order to state whether, on the basis of our prescribed review procedures whether we have become aware of any matter for us to believe that the half-year financial report:

- 1. Is not in accordance with the *Corporations Act 2001*;
- 2. Does not give a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year half-year ended on that date ;and
- 3. Not complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

As the auditor of Quest Investments Limited, ASRE 2410 requires us to comply with the ethical requirements appropriate with the audit of the annual financial report of the Company.

We believe the review evidence we have obtained, which is not an audit, is sufficient and appropriate to provide a basis for our review opinion.

Key Review Matters

Key review matters are those matters that, in our professional judgment, were of most significance in our review of the financial report of the current half-year. These matters were addressed in the context of our review of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on those matters. For each matters below, our description of how our

review addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's Review Responsibilities for the Review of the Financial Report section of our report, including in relation to those matters. Accordingly, our review included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our review procedures, including the procedures performed to address the following matters below, provide the basis for our review opinion on the accompanying financial report:

- a. Cash receipts, if any, are only available for our review on the Company's books-of accounts once they are first entered into the initial books of first entry, for example, in the cash book or in bank accounts. We cannot address this matter other than to state this key review matter applies to all businesses, we believe, wherever collection of cash is involved and even where electronic surveillance equipment is installed to record physical security and handling. Thus, this is an inherent insoluble issue for all cash collecting businesses in general ;
- b. At 31 December 2018 balance date, the Company consolidated *working capital* was deficient by HK\$11,563,000. Working capital normally represents current assets *exceeding* current liabilities and a deficiency in working capital indicates a likely future event when there may be an inability for the Company to be able to pay its debts as when they may become due and payable or in other words becoming *insolvent*. This important matter was subsequently addressed by directors since balance date of 31 December 2018 by;
 - (i) Some of the liabilities or debts of the Company were converted into fully paid issued shares in the Company;
 - (ii) The Company received a pledge of 25 shares in a gold mine in the People's Republic of China from a third party company "Gold Lord Investments Inc.", estimated to have a market value of HK\$44,318,475;
 - (iii) Signing a binding '*Term Sheet*' with a company domiciled in Malaysia to purchase all the shares in the Company's two subsidiary stockbroking companies *MQ Holdings Limited* and *Quest Stockbrokers (HK) Limited* for a sales price of about HK\$19,210,479. This transaction is subject to the approval of all relevant authorities;
 - (iv) Recently approving and signing a *Deed of Cross Guarantee* between all the companies within the Group and a *Deed Poll* being signed by the Chairman of the Company guaranteeing **all** the liabilities or debts of each company within the Group;
 - (v) For further information about these transactions or events, please refer to Pages 9,10 and 78 of the Company's Financial Report for the year ended 30 June 2017; and
 - (vi) We addressed the Company's working capital deficiency issue at balance date of *30 June 2017* by requiring the Company's directors to sign a *Deed of Cross Guarantee* between Quest investments Limited and its wholly owned subsidiary companies and also signing a *Deed Poll* to ensure the Company remains as a going concern for the next twelve months, even though through the passage of time since 30 June 2017 the Company and its subsidiaries have remained as goings concerns, to at least to the date of our auditor's review report and also concerning the half-year ended 31 December 2018. We believe the above transactions and/or events are important by providing some substantial means to ensure, but not totally, the Company's continued solvency and hence shareholders' confidence in their Company.

Information Other than the Financial Statements and Auditor's Review Report

The directors are responsible for the other information. The other information comprises the information included in the Group's 2018 Half-Yearly Annual Report and our auditor's review report thereon. We obtained the Directors' Report that is to be included in the Annual Report, prior to the date of our auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our review of the financial

report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the review or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of our auditor's review report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities

The Directors of the Company are responsible for the preparation of its financial report so 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Report

Our objectives were to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's *review* report that includes our opinion thereon. Reasonable assurance is a high level of assurance, but is *not* a guarantee that a review conducted say in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of our review which was conducted in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout our review. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform review procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our review opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to our review in order to design review procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the review evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's review report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient or appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group review. We remain solely responsible for our review opinion. We communicate with the Directors regarding, among other matters, the planned

scope and timing of the review and significant review findings, including any significant deficiencies in internal control that we identify during our review. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated to the Directors, we have determined those matters that were of most significance to us in our review of the Company's financial report for the half- year ended 31 December 2018 and therefore *again* the key past matters previously stated in our Auditor's Report for the year ended 30 June 2018 are significant to our review. We have describe those matters in our auditor's report for the year ended 30 June 2018, unless the law or legal regulations precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A review of a half-year financial report consists of applying various analytical reviews and procedures, such as making enquiries with those persons who have primary responsible to perform financial and accounting matters. A financial 'review' is therefore less substantial in scope than a financial audit which is conducted in accordance with Australian Auditing Standards and therefore cannot be relied upon to provide the same level of assurance as that of an audit. Accordingly, we *do not* express an audit opinion on the financial statements enclosed in this financial report for the year ended 31 December 2018.

Our Procedural Audit Comments

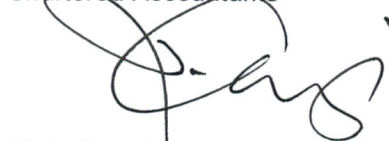
We were provided with the Company's Financial Report and its Financial Statements for the half-year ended 31 December 2018 by its directors on or about the 9 June 2019 for our auditor's review thereon.

The Financial Statements for the year ended 31 December 2018, as presented to us for our review, contained these important final key financial amounts in the Statement of Financial Position as at 31 December 2018: Total Consolidated Assets HK\$89,702,000, Total Consolidated Liabilities HK\$66,998,000 and Consolidated Equity/Net Assets HK\$22,704,000 as shown in the Company's 'Statement of Financial Position' as at 31 December 2018 on page 8.

National Audits Pty Ltd

National Audits Pty Ltd

Chartered Accountants



Mr Jeffrey David Cannings, FCA, CTA

Registered Company Auditor

Also, Director of National Audits Pty Ltd,

An Authorised Audit Company by ASIC

Dated this 15 Day of July 2019

Chartered Accountants, Auditors & Business Advisors

National Audits Pty Ltd T/A SuperAudits Central ABN: 23 161 483 094

Liability limited by a scheme approved under the Professional Standards Legislation

Director: Jeffrey D Cannings, MBA, Dip Tech (Comm), Dip Ed, FCA, CTA, Registered Company Auditor, SMSF Auditor & Tax Agent

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