

# 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 2016.  
Comparative amount, unless otherwise indicated, are for the year ended 30 June 2015.

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

				\$HKD'000
Revenues from ordinary activities	Up	162%	to	63,407
Loss for ordinary activities after tax attributable to members	Up	493%	to	4,039
Loss for the year attributable to members	Up	493%	to	4,039
Dividends (distributions)	It does not propose to pay a dividend.			

#### Review of Operation

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

### **3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

#### **FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b> HKD\$000	<b>2015</b> HKD\$000
Revenue	63,407	24,208
Cost of Sales	(61,937)	(16,720)
Gross profits	1,470	7,488
Other income	1,497	2,252
Employee benefits expenses	(3,216)	(3,202)
Depreciation	(138)	(153)
Finance costs	(668)	(158)
Other operation expenses	(2,984)	(5,298)
Impairment of Investment	-	-
Loss before income tax expenses	(4,039)	929
<b>Income tax expenses</b>	-	(1,610)
<b>Loss for the year</b>	(4,039)	(681)
<b>Other comprehensive income</b>		
Foreign currency translation differences for foreign operation:	-	-
<b>Other comprehensive income for the year, net income tax</b>	-	-
<b>Total comprehensive loss for the year</b>	(4,039)	(681)
<b>Total comprehensive income attributable to :</b>		
Owners of the company	(4,039)	(681)
Non-controlling interest	-	-
<b>Total comprehensive loss for the year</b>	(4,039)	(681)
<b>Earning per share</b>		
Basic losses per share (cents per share)	(8.53)	(1.44)
Diluted losses per share (cents per share)	(8.53)	(1.44)

The accompanying notes form part of these financial statements.

#### **4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

##### **AS AT 30 JUNE 2016**

	<b>2016</b> HKD\$000	<b>2015</b> HKD\$000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,949	2,801
Trade and other receivables	30,893	31,369
Financial assets	8,561	417
Other current assets	30	57
<b>TOTAL CURRENT ASSETS</b>	<b>42,433</b>	<b>34,644</b>
<b>NON-CURRENT ASSETS</b>		
Financial assets	53	53
Plant and equipment	209	343
Trade and other receivables	41,330	41,300
Other non current assets	760	760
<b>TOTAL NON-CURRENT ASSETS</b>	<b>42,352</b>	<b>42,456</b>
<b>TOTAL ASSETS</b>	<b>84,785</b>	<b>77,100</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	55,437	42,311
Financial liabilities	3,168	2,604
Taxation	-	1,610
<b>TOTAL CURRENT LIABILITIES</b>	<b>58,605</b>	<b>46,525</b>
<b>NET ASSETS</b>	<b>26,180</b>	<b>30,575</b>
<b>EQUITY</b>		
Issued capital	97,743	97,743
Reserves	23,259	23,615
Accumulated losses	(94,822)	(90,783)
<b>TOTAL EQUITY</b>	<b>26,180</b>	<b>30,575</b>

The accompanying notes form part of these financial statements.

## **5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

### **FOR THE YEAR ENDED 30 JUNE 2016**

	HK\$000	HK\$000		HK\$000		HK\$000
	Ordinary Share			Reserve		
Note		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation	Total
<b>Balance at 30 June 2015</b>	97,743	(90,783)	2,082	7,100	14,433	30,575
<b>Total comprehensive income for the year</b>						
(Loss) for the year	-	(4,039)	-	-	-	(4,039)
Foreign currency translation difference	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	(4,039)	-	-	-	(4,039)
<b>Transactions with owners, recorded directly in equity</b>						
Share bought back	-	-	-	-	-	-
Share issued	-	-	-	-	-	-
Share option granted/(lapsed)	-	-	(356)	-	-	(356)
Total transaction with owners	-	-	(356)	-	-	(356)
<b>Balance at 30 June 2016</b>	97,743	(94,822)	1,726	7,100	14,433	26,180

  

	HK\$000	HK\$000		HK\$000		HK\$000
	Ordinary Share			Reserve		
Note		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation	Total
<b>Balance at 30 June 2014</b>	96,744	(90,102)	2,002	7,100	14,433	30,177
<b>Total comprehensive income for the year</b>						
(Loss) for the year	-	(681)	-	-	-	(681)
Total comprehensive (loss) for the year	-	(681)	-	-	-	(681)
<b>Transactions with owners, recorded directly in equity</b>						
Prior year adjustments	-	-	-	-	-	-
Share bought back	(10)	-	-	-	-	(10)
Share issued	1,009	-	-	-	-	1,009
Share option granted	-	-	80	-	-	80
Total transaction with owners	999	-	80	-	-	1,079
<b>Balance at 30 June 2015</b>	97,743	(90,783)	2,082	7,100	14,433	30,575

## **6. CONSOLIDATED STATEMENT OF CASH FLOWS**

### **FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b> HKD\$000	<b>2015</b> HKD\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	57,218	25,074
Interest received	10	14
Finance costs	(668)	(158)
Dividends received	7	5
Payments to suppliers	(53,733)	(21,829)
Payments to employees	(3,216)	(3,202)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(382)</b>	<b>(96)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Disposal/(Purchase) of plant and equipment	(4)	4
Payment to related companies	(30)	(150)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(34)</b>	<b>(146)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share	-	1,009
Share buy-back payment	-	(10)
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>999</b>
Net increase/(decrease) in cash held	(416)	757
Cash at beginning of financial year	197	(560)
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>(219)</b>	<b>197</b>
<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	2,949	2,801
Borrowings	(3,168)	(2,604)
	<b>(219)</b>	<b>197</b>

The accompanying notes form part of these financial statements.

## 7. ISSUED CAPITAL

### a. Movement in share capital

	2016 HKD\$000	2015 HKD\$000
50,630,639 (2015: 50,630,639) fully paid ordinary shares	97,743	97,743
Balance at 1 July 2015: 50,630,639 shares (1 July 2014: 47,764,107 shares)	97,743	96,744
Shares issued by placing during the year: Nil ordinary shares (2015: Nil)	-	-
Shares issued: Nil (2015: 2,899,568)	-	1,009
Shares buyback during the year: Nil (2015: 33,036)	-	(10)
Balance at 30 June 2016: 50,630,639 shares (30 June 2015: 50,630,639 shares)	97,743	97,743

### b. Ordinary shares

All capital consists of fully paid ordinary shares which are listed on the ASX and carry one vote per share and the right to receive dividends.

## 8. DIVIDENDS

The Company did not pay any dividends during the year ended 30 June 2016 and no dividends are presently proposed as being payable.

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

## 9. CONSOLIDATED ACCUMULATED LOSSES

	2016 HKD\$000	2015 HKD\$000
Accumulated losses at the beginning of the financial year	(90,783)	(90,102)
Losses attributable to the members of the parent entity	(4,039)	(681)
Accumulated losses at the end of the year	(94,822)	(90,783)

## 10. NET TANGIBLE ASSETS PER SECURITY

	2016 HKD	2015 HKD
Net tangible assets per security	51.7 cents	60.5 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 50,630,639)

## 11. LOSSES PER SHARE

	2016	2015
	Cents	Cents
Basic losses per share (a)	(8.53)	(1.44)
Diluted losses per share (b)	(8.53)	(1.44)
(a) Basic losses per share	HKD\$000	HKD\$000
Losses used to calculate losses per share	(4,039)	(681)
Weighted average number of ordinary shares used as the denominator in calculating Basic losses per share	47,341,470	47,341,470
(b) Diluted losses per share		
Losses used to calculate losses per share	(4,039)	(681)
Weighted average number of ordinary shares used as the denominator in calculating Diluted losses per share	47,341,470	47,341,470

## 12. CHANGES IN CONTROL OVER GROUP ENTITIES

During the financial year ended 30<sup>th</sup> June 2016, there is no change in control over group entities.

## 13. 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 Marine Resources Limited	43.37	Nil	Nil	Nil	Nil

## **14. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2016**

### **A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES**

The significant accounting policies are set out below.

#### **Statement of Compliance**

The preliminary financial report is a financial report that has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

It is recommended that this financial report be read in conjunction with the 2016 annual report, the December 2015 half year report and any public announcements made by Quest Investments Limited and its controlled entities during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The Board of Directors approved the preliminary financial report on 31<sup>st</sup> August 2016.

#### **Basis of preparation**

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The Group is a for-profit entity for financial reporting purpose under Australian Accounting Standards.

The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available in ASIC Class Order 98/100.

The Group has adopted all of the new and revised standards and Interpretations issued by the Australian Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.



## **14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

### **A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES (Cont'd)**

#### **Accounting Policies**

The same accounting policies and methods of computation have been followed in this financial report as were applied in the most recent interim and annual financial statements.

#### **Going Concern**

The accounts have been prepared on a going concern basis. The Group has a current asset deficiency of HK\$16,171,791 (2015: HK\$11,881,190), reported a loss of HK\$4,038,884(2015: HK\$681,796) for the year. 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.

#### **Critical Accounting Estimates and Judgements**

The critical estimates and judgements are consistent with those applied and disclosed in the June 2014 annual report.

## **14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

### **B. 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.

#### **Corporate Advisory**

Provision of corporate advisory 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 and stockbroking.

#### **Hong Kong**

The major operations are carried out in Hong Kong.

## 14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### B. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

#### Segment Reporting

The Company has two reportable segments. The business is organised based on investment, Stockbroking & Telecom. The following summary describes the operations in each of the Company's reportable segments.

Investments are investment in marketable securities.

Stockbroking is provision of share trading services to clients.

Provision of telecom services to clients.

Corporate advisory is provision of corporate restructuring and related services to clients.

Reportable segments consist of the aggregation of a number of operating segments in accordance with AASB 8 Operating Segments.

Information regarding the operations of each reportable segment is included below in the manner reported to the chief operating decision maker as defined in AASB 8. Performance is measured based on segment earnings before interest and tax (EBIT). Inter-segment transactions are not recorded as revenue. Instead a cost allocation relating to the transactions is made based on negotiated rates.

#### Primary Reporting — Business Segments

	Investment		Stockbroking		Telecom		Corporate Advisory		Economic Entity	
In thousands of HKD	2016 HKD\$	2015 HKD\$	2016 HKD\$	2015 HKD\$	2016 HKD\$	2015 HKD\$	2016 HKD\$	2015 HKD\$	2016 HKD\$	2015 HKD\$
	000	000	000	000	000	000	000	000	000	000
External revenue	44,397	8,699	1,555	2,640	18,810	7,992	142	7,129	64,904	26,460
Depreciation and amortisation	-	6	36	40	98	98	4	9	138	153
Reportable segment (losses) before tax	(2,367)	(1,782)	(3,516)	(2,448)	1,911	(384)	(67)	5,543	(4,039)	929
Reportable segment assets	46,563	36,956	30,412	33,392	1,416	302	6,394	6,450	84,785	77,100
Capital expenditure	-	-	-	-	-	-	-	8	-	8
Share of net profits /(losses) of equity accounted associates and joint venture entities	-	-	-	-	-	-	-	-	-	-

## 14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

### B. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

#### Primary Reporting — Business Segments (Cont'd)

	2016 HKD\$000	2015 HKD\$000
In thousands of HKD		
Reconciliation of reportable segment profit, assets and other material items		
<b>Loss</b>		
Total profit/(loss) for reportable segments	(4,039)	929
Unallocated amounts – other corporate expenses	-	-
<b>Loss before income tax</b>	(4,039)	929
<b>Assets</b>		
Total assets for reportable segments	84,785	77,100
Other unallocated amounts	-	-
<b>Total assets</b>	84,785	77,100
<b>Capital Expenditure</b>		
Capital expenditure – reportable segments	-	-
Other unallocated amounts	-	-
<b>Total</b>	-	-
<b>Other material items</b>		
Share of net profits of equity accounted associates and joint venture entities	-	-
Other unallocated amounts	-	-
<b>Total assets</b>	-	-

#### Secondary Reporting — Geographical Segments

The Company operates predominately in Hong Kong.

	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment	
	2016 HKD\$000	2015 HKD\$000	2016 HKD\$000	2015 HKD\$000	2016 HKD\$000	2015 HKD\$000
Geographical location:						
<b>Australia</b>	967	7,189	31,528	31,535	-	-
<b>Hong Kong</b>	63,937	19,271	53,257	45,565	-	-
	64,904	26,460	84,785	77,100	-	-

## **14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**

### **C: CONTINGENT LIABILITIES**

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

### **D: EVENTS SUBSEQUENT TO REPORT DATE**

There has been no event subsequent to report date.

### **E: COMPARATIVE FIGURES**

Certain previous year figures are re-classified to conform with current year financial year presentation.

## **15. STATUS OF AUDIT**

The information contained in this Appendix 4E is based upon accounts that are in the 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<sup>st</sup> August, 2016