

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044

Half Year Report

Period ended on 31 December 2015

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
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59 004 749 044	31 December 2015	31 December 2014
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Silence

Results for announcement to the market

			\$HKD'000
2.1 Revenues from ordinary activities	Up	34% to	18,460
2.2 Loss from ordinary activities after tax attributable to members	Down	13% to	(2,354)
2.3 Loss for the period attributable to members	Down	13% to	(2,354)
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			

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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	55 cents	57 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.

4.2 The date of the gain or loss of control.

	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			

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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 was 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

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT

Your directors submit the financial report of the Consolidated Group for the half-year ended 31 December 2015.

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

Dr. Kim Chan KOH

Mr. Hung Ngok WONG

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.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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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 2015.

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

Director



Wee Tiong CHIANG

Dated this 29th February 2016

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
ABN 59 004 749 044



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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 2015, I declare that to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) 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.

A handwritten signature in blue ink that reads "ShineWing Australia".

ShineWing Australia
Chartered Accountants

A handwritten signature in blue ink that reads "M. J. Schofield".

M J Schofield
Partner

29 February 2016

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 2015**

	Consolidated group	
	31 Dec 2015	31 Dec 2014
	HK\$000	HK\$000
Revenue	18,460	13,752
Cost of Sales	(18,265)	(13,215)
Gross Profit	195	537
Other income	507	311
Employee benefits expense	(1,193)	(1,587)
Depreciation	(72)	(81)
Finance costs	(74)	(82)
Other operation expenses	(1,717)	(1,815)
Loss before income tax expense	(2,354)	(2,717)
Loss for the period	(2,354)	(2,717)
Other comprehensive income / (loss)		
Other comprehensive income for the period, net income tax	-	-
Total comprehensive income for the period	(2,354)	(2,717)
Total comprehensive income attributable to:		
Owners of the company	(2,354)	(2,717)
Non-controlling interest	-	-
Total comprehensive income for the period	(2,354)	(2,717)
Overall Operations:		
Basic losses earnings per share (cents per share)	(4.65)	(5.69)
Diluted losses earnings per share (cents per share)	(4.65)	(5.69)

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Consolidated Group	
	31 Dec 2015	30 Jun 2015
	HK\$000	HK\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	2,155	2,801
Trade and other receivables	28,768	31,369
Financial assets	283	417
Other current assets	17	57
TOTAL CURRENT ASSETS	31,223	34,644
NON-CURRENT ASSETS		
Trade and other receivables	41,715	41,300
Other financial assets	53	53
Plant and equipment	274	343
Other non-current assets	760	760
TOTAL NON-CURRENT ASSETS	42,802	42,456
TOTAL ASSETS	74,025	77,100
CURRENT LIABILITIES		
Trade and other payables	43,389	42,311
Borrowings	2,771	2,604
Taxation	-	1,610
TOTAL CURRENT LIABILITIES	46,160	46,525
TOTAL LIABILITIES	46,160	46,525
NET ASSETS	27,865	30,575
EQUITY		
Issued capital	97,743	97,743
Reserves	23,258	23,615
Accumulated losses	(93,136)	(90,783)
TOTAL EQUITY	27,865	30,575

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	HK\$000	HK\$000	HK\$000			HK\$000
	Ordinary Share	Accumulated Losses	Share Option	Reserve		Total
Note				Capital Profits	Foreign Currency Translation	
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

	HK\$000	HK\$000	HK\$000			HK\$000
	Ordinary Share	Accumulated Losses	Share Option	Reserve		Total
Note				Capital Profits	Foreign Currency Translation	
Balance at 1 July 2014	96,744	(90,102)	2,002	7,100	14,433	30,177
Total comprehensive income for the period						
Loss for the period	-	(2,717)	-	-	-	(2,717)
Total comprehensive income for the period	-	(2,717)	-	-	-	(2,717)
Transactions with owners, recorded directly in equity						
Share bought back during the period	(10)	-	-	-	-	(10)
Share option expense	-	-	78	-	-	78
Total transaction with owners	(10)	-	78	-	-	68
Balance at 31 December 2014	96,734	(92,819)	2,080	7,100	14,433	27,528

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 2015**

	Consolidated Group	
	31 Dec 2015	31 Dec 2014
	HK\$000	HK\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	21,694	15,633
Payments to suppliers and employees	(21,902)	(15,042)
Interest received	4	9
Interest paid	(74)	(82)
Dividend received	4	4
Net cash (used in) /provided by operating activities	<u>(274)</u>	<u>522</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to related companies	(536)	(170)
Payment for property, plant and equipment	(3)	-
Net cash used in investing activities	<u>(539)</u>	<u>(170)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share buy back	-	(10)
Net cash used in financing activities	<u>-</u>	<u>(10)</u>
Net (decrease)/increase in cash held	(813)	342
Cash at the beginning of period	197	(560)
Cash at the end of period	<u>(616)</u>	<u>(218)</u>
Analysis of the balance of cash and cash equivalents		
Cash and cash equivalents in the statement of financial position:		
Cash and bank balances	2,155	2,662
Borrowings (Bank overdraft)	(2,771)	(2,880)
	<u>(616)</u>	<u>(218)</u>

The accompanying notes form part of these financial statements.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 2015 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 2015, 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\$14,937,712 (31 Dec 2014: HK\$14,902,933), reported a loss of HK\$2,353,526 (31 Dec 2014: HK\$2,717,242) and incurred negative operating cash flows of HK\$274,000 (31 Dec 2014: positive operating cash flow of HK\$522,000) 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.

As at 31 December 2015, the Group has a current assets deficiency of HK\$14,937,000 (30 June 2015: HK\$11,881,190). For the 6 months ended 31 December 2015, the Group has a loss after income tax of HKD 2,354,000 (31 December 2014: loss after income tax of HKD 2,717,000) from continuing operations and negative net cash balance of HKD 274,000.

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. The Directors have considered and noted the following with regards to the ability of the Group to continue as a going concern:

- (i) The proposed acquisition of 80% of Gold Lord Investments Inc. (“Gold Lord”) in consideration of Quest issuing shares to Mr. Lok Wai Ming;
- (ii) 80% securities interest in Gold Lard value not less than A\$124,168,000;
- (iii) Capital raising of not less than \$3 million after the approval by shareholders of the issue of consideration shares to Mr. Lok Wai Ming of which Mr. Lok has procured parties to take up not less than A\$2,000,000.
- (iv) Continuing financial support from its directors.

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.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

Going Concern - Continued

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. The review report for the half year ended 31 December 2015 therefore includes an emphasis of matter in this regard.

Recoverability of current and non-current receivables

As at 31 December 2015, non-current accounts receivable and current accounts receivable amounting to \$41,715,000 and \$9,730,000, respectively, were due from related parties and the recoverability of these receivables are supported by directors of the Company. However, without further supporting evidence being obtained in relation to realisation of the account receivables from related parties, there is material uncertainty relating to the recoverability of above mentioned accounts receivable. The review report for the half year ended 31 December 2015 therefore includes an emphasis of matter in this regard.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2015 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 2015 except for the adoption of new standards and interpretations effective 1 July 2015 noted below. The adoption of these standards did not have a significant impact on the group's results in the current and/or prior period.

The principal Australian Accounting Standards and interpretations that became effective since 30 June 2015 are set out in the following table.

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although, the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT – CONTINUED

Significant Accounting Policies - Continued

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2: LOSS FOR THE PERIOD

Consolidated Group	
31 Dec 2015	31 Dec 2014
HK\$000	HK\$000

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Interest income	4	9
Exchange loss	(21)	(192)
	<hr/>	<hr/>
	(17)	(183)

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 3 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Corporate Advisory		Total	
	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HKD\$000	2015 HK\$000	2014 HK\$000
Sales to customers outside the consolidated entity	10,968	6,533	711	1,020	6,781	6,199	-	-	18,460	13,752
Other revenue	403	203	73	108	-	-	31	-	507	311
Total segment revenue	11,371	6,736	784	1,128	6,781	6,199	31	-	18,967	14,063
Unallocated revenue	-	-	-	-	-	-	-	-	-	-
Total revenue from continuing operations	11,371	6,736	784	1,128	6,781	6,199	31	-	18,967	14,063
Segment result	(217)	(844)	(1,860)	(1,348)	(148)	(237)	(129)	(288)	(2,354)	(2,717)
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit before income tax	(217)	(844)	(1,860)	(1,348)	(148)	(237)	(129)	(288)	(2,354)	(2,717)
Income tax expense	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit after income tax	(217)	(844)	(1,860)	(1,348)	(148)	(237)	(129)	(288)	(2,354)	(2,717)
Segment Assets	37,000	37,194	30,464	34,668	258	358	6,303	1,722	74,025	73,942

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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 fair value of the shares as at 31 Dec 2015 was HK\$282,649 (30 Jun 2015: HK\$416,566).

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

As at 31 December 2015, the Group has a current assets deficiency of HK\$14,937,000 (30 June 2015: HK\$11,881,190). For the 6 months ended 31 December 2015, the Group has a loss after income tax of HKD 2,354,000 (31 December 2014: loss after income tax of HKD 2,717,000) from continuing operations and negative net cash balance of HKD 274,000.

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. The Directors have considered and noted the following with regards to the ability of the Group to continue as a going concern:

- (i) The proposed acquisition of 80% of Gold Lord Investments Inc. (“Gold Lord”) in consideration of Quest issuing shares to Mr. Lok Wai Ming;
- (ii) 80% securities interest in Gold Lard value not less than A\$124,168,000;
- (iii) Capital raising of not less than \$3 million after the approval by shareholders of the issue of consideration shares to Mr. Lok Wai Ming of which Mr. Lok has procured parties to take up not less than A\$2,000,000.
- (iv) Continuing financial support from its directors.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 6: EVENTS SUBSEQUENT TO REPORT DATE - CONTINUED

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. The review report for the half year ended 31 December 2015 therefore includes an emphasis of matter in this regard.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 7 to 15:
 - 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 2015 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 29th February 2016

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044



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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, which comprises the consolidated statement of financial position as at 31 December 2015, 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 17.

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 2015 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*.

QUEST INVESTMENTS LIMITED AND CONTROLLED ENTITIES

ABN 59 004 749 044



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 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 2015 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 to the finance statement which indicates that the Group has a current assets deficiency of HK\$14,937,000 (30 June 2015: HK\$11,881,190). The consolidated entity incurred a net loss of HK\$2,354,000 and had negative operating cash flow of HK\$274,000 during the 6 months period ended 31 December 2015. 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 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.

Emphasis of matter – valuation of current and non-current account receivables from related companies

Without modifying our opinion, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the valuation of current and non-current accounts receivable from related companies supported by directors of the Company. However, without further supporting evidence being provided in relation to realisation of the account receivables, there is material uncertainty related to recoverability of above mentioned account receivables.

A handwritten signature in blue ink that reads 'ShineWing Australia'.

ShineWing Australia
Chartered Accountants

A handwritten signature in blue ink that reads 'M J Schofield'.

M J Schofield
Partner

Melbourne, 29 February 2016