

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 2019. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2018.

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	Down	42%	to	4,200
Loss for ordinary activities after tax attributable to members	Up	10%	to	2,072
Loss for the year attributable to members	Up	10%	to	2,072
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.

Total Revenue has decreased by 42% to HKD4,200,000. The decrease 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 year ended 30 June 2019 increased by 10% to HKD2,072,000 as a result of the factors as described above.

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

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	HKD\$000	HKD\$000
Revenue	4,200	7,233
Other income	129	5,929
Administrative expenses	(6,869)	(15,209)
Finance costs	(43)	(27)
Loss before income tax	(2,583)	(2,074)
Tax benefit	511	187
Total comprehensive loss for the year	(2,072)	(1,887)
Net loss attributable to :		
Members of the parent entity	(2,072)	(1,887)
	<u>(2,072)</u>	<u>(1,887)</u>
Earning per share		
Basic losses per share (cents per share)	(4.18)	(3.84)
Diluted losses per share (cents per share)	(4.18)	(3.84)

The accompanying notes form part of these financial statements.

4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	2019	2018
	HKD\$000	HKD\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,037	5,875
Trade and other receivables	32,736	28,110
Other financial assets	12	31
Other current assets	17	20
TOTAL CURRENT ASSETS	36,802	34,036
NON-CURRENT ASSETS		
Trade and other receivables	12,802	14,237
Other financial assets	53	53
Deferred tax assets	22,089	21,578
Plant and equipment	15	29
Other non current assets	760	760
TOTAL NON-CURRENT ASSETS	35,719	36,657
TOTAL ASSETS	72,521	70,693
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	48,798	44,898
TOTAL LIABILITIES	48,798	44,898
NET ASSETS	23,723	25,795
EQUITY		
Issued capital	98,738	98,738
Reserves	23,784	23,784
Accumulated losses	(98,799)	(96,727)
TOTAL EQUITY	23,723	25,795

The accompanying notes form part of these financial statements

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	HK\$000	HK\$000	HK\$000			HK\$000
	Ordinary Share		Reserve			
Note		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation	Total
Balance at 30 June 2018	98,738	(96,727)	2,098	7,100	14,586	25,795
Total comprehensive loss for the year						
Loss for the year	-	(2,072)	-	-	-	(2,072)
Total comprehensive loss for the year	-	(2,072)	-	-	-	(2,072)
Balance at 30 June 2019	98,738	(98,799)	2,098	7,100	14,586	23,723

	HK\$000	HK\$000	HK\$000			HK\$000
	Ordinary Share		Reserve			
Note		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation	Total
Balance at 30 June 2017	97,743	(94,840)	1,912	7,100	14,586	26,501
Total comprehensive loss for the year						
Loss for the year	-	(1,887)	-	-	-	(1,887)
Total comprehensive loss for the year	-	(1,887)	-	-	-	(1,887)
Transactions with owners, recorded directly in equity						
Share issued during the year	995	-	-	-	-	995
Share option granted	-	-	186	-	-	186
Balance at 30 June 2018	98,738	(96,727)	2,098	7,100	14,586	25,795

6. CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	HKD\$000	HKD\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	13,541	4,249
Payments to suppliers and employees	(16,775)	(17,598)
Interest received	3	2
Finance costs	(43)	(27)
NET CASH USED IN OPERATING ACTIVITIES	(3,274)	(13,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	-	3
Proceeds received from disposal of plant and equipment	-	(19)
Payment to related companies	1,436	12,458
NET CASH USED IN INVESTING ACTIVITIES	1,436	12,442
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share	-	995
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	995
Net increase/(decrease) in cash held	(1,838)	63
Cash and cash equivalent at beginning of financial year	5,875	5,812
CASH AND CASH EQUIVALENT AT END OF FINANCIAL YEAR	4,037	5,875
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,037	5,875
	4,037	5,875

The accompanying notes form part of these financial statements.

7. ISSUED CAPITAL

a. Movement in share capital

	2019 HKD\$000	2018 HKD\$000
51,717,471 (2018: 51,717,471) fully paid ordinary shares	98,738	98,738
Balance at 1 July 2018: 51,717,471 shares (1 July 2017: 51,717,471 shares)	98,738	98,738
Balance at 30 June 2019: 51,717,471 shares (30 June 2018: 51,717,471 shares)	98,738	98,738

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 2019 and no dividends are presently proposed as being payable.

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

9. CONSOLIDATED ACCUMULATED LOSSES

	2019 HKD\$000	2018 HKD\$000
Accumulated losses at the beginning of the financial year	(96,727)	(94,840)
Losses attributable to the members of the parent entity	(2,072)	(1,887)
Accumulated losses at the end of the year	(98,799)	(96,727)

10. NET TANGIBLE ASSETS PER SECURITY

	2019 HKD	2018 HKD
Net tangible assets per security	46 cents	50 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 51,717,471)

11. LOSSES PER SHARE

	2019	2018
	Cents	Cents
Basic losses per share (a)	(4.18)	(3.84)
Diluted losses per share (b)	(4.18)	(3.84)
(a) Basic losses per share	HKD\$000	HKD\$000
Losses used to calculate losses per share	(2,072)	(1,887)
Weighted average number of ordinary shares used as the denominator in calculating Basic losses per share	49,539,148	49,176,094
(b) Diluted losses per share		
Losses used to calculate losses per share	(2,072)	(1,887)
Weighted average number of ordinary shares used as the denominator in calculating Diluted losses per share	49,539,148	49,176,094

12. CHANGES IN CONTROL OVER GROUP ENTITIES

During the financial year ended 30th June 2019, 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 2019

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 2019 annual report, the December 2018 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 30th August 2019.

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\$11,996,000 (2018: HK\$10,862,000), reported a loss of HK\$2,072,000 (2018: HK\$1,887,000) 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 2019 annual report.

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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	2019 HKD\$	2018 HKD\$	2019 HKD\$	2018 HKD\$	2019 HKD\$	2018 HKD\$	2019 HKD\$	2018 HKD\$	2019 HKD\$	2018 HKD\$
	000	000	000	000	000	000	000	000	000	000
External sales	214	-	695	1,005	-	-	3,291	6,228	4,200	7,233
Other (loss)/Income	(2)	5,678	81	112	(71)	(124)	121	263	129	5,929
Total segment revenue	212	5,678	776	1,117	(71)	(124)	3,412	6,491	4,329	13,162
Total group revenue	212	5,678	776	1,117	(71)	(124)	3,412	6,491	4,329	13,162
Segment net loss before tax from continuing operations	(175)	(1,161)	(3,134)	(3,154)	(1,851)	(1,674)	3,088	4,102	(2,072)	(1,887)
Net loss before tax from continuing operations	(175)	(1,161)	(3,134)	(3,154)	(1,851)	(1,674)	3,088	4,102	(2,072)	(1,887)

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

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

Primary Reporting — Business Segments (Cont'd)

In thousands of HKD	2019 HKD\$000	2018 HKD\$000
Reconciliation of reportable segment profit, assets and other material items		
Loss		
Total profit/(loss) for reportable segments	(2,072)	(1,887)
Unallocated amounts – other corporate expenses	-	-
Loss before income tax	<u>(2,072)</u>	<u>(1,887)</u>
Assets		
Total assets for reportable segments	72,521	70,693
Other unallocated amounts	-	-
Total assets	<u>72,521</u>	<u>70,693</u>

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	
	2019 HKD\$000	2018 HKD\$000	2019 HKD\$000	2018 HKD\$000	2019 HKD\$000	2018 HKD\$000
Geographical location:						
Australia	3,294	6,491	45,290	40,045	-	-
Hong Kong	1,035	6,671	27,231	30,648	-	-
	<u>4,329</u>	<u>13,162</u>	<u>72,521</u>	<u>70,693</u>	<u>-</u>	<u>-</u>

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.

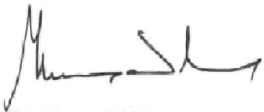
E: COMPARATIVE FIGURES

Certain previous year figures are re-classified to conform to 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



Wee Tiong CHIANG
Director
Date : 30th August 2019