



HALF YEAR REPORT

31 December 2015

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE [2015 ANNUAL REPORT](#) OF THE COMPANY
LODGED ON ASX ON 14 OCTOBER 2015



ASX Code: QUE

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BOARD

Farooq Khan (Chairman and Managing Director)
Victor Ho (Executive Director)
Yaqoob Khan (Non-Executive Director)

COMPANY SECRETARY

Victor Ho

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ASX CODE

QUE

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APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.2A.3.

Current Reporting Period: 1 July 2015 to 31 December 2015
 Previous Corresponding Period: 1 July 2014 to 31 December 2014
 Balance Date: 31 December 2015
 Company: Queste Communications Ltd (**QUE**)
 Consolidated Entity: The Company and controlled entities, being ASX-listed Orion Equities Limited (A.C.N. 000 742 843) (**Orion** or **OEQ**) and controlled entities of Orion (**Queste**).

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	Dec 2015	Dec 2014	Change	Up/Down
	\$	\$	%	
Total revenues	903,949	266,817	239%	Up
Total expenses	(564,221)	(684,659)	18%	Down
Profit/(Loss) before tax	339,728	(417,842)	181%	Up
Income tax expense	-	-	N/A	N/A
Profit/(Loss) for the half year	339,728	(417,842)	181%	Up
Net loss attributable to non-controlling interest	(200,511)	(88,460)	327%	Up
Profit/(Loss)s after tax attributable to owners of the Company	139,217	(329,382)	142%	Up
Basic and diluted earnings/(loss) per share (cents)	0.47	(1.12)	142%	Earnings Up

Consolidated Entity	Dec 2015	Jun 2015	Change	Up/Down
			%	
Diluted NTA backing per share (cents)	19.2	18.7	3%	Up

BRIEF EXPLANATION OF RESULTS

The Consolidated Entity's results incorporate the results of controlled entity, ASX-listed investment company, Orion Equities Limited (**OEQ**) and controlled entities of OEQ (**Orion**).

At the Consolidated Entity level:

Revenues were up 239% from the previous financial half year.

Expenses were down 18% from the previous financial half year.

Queste has generated a net profit of \$339,728 for the financial half year, principally as a consequence of its share investment and trading activities.

Please refer to the attached Directors' Report and Financial Report for further information on a review of the Queste's operations and the financial position and performance of the Queste for the financial half year ended 31 December 2015.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2015.

APPENDIX 4D HALF YEAR REPORT

ASSOCIATE ENTITY

Orion has accounted for the following share investment at the Balance Date as an investment in an Associate entity (on an equity accounting basis):

- (1) 27.32% interest (20,513,783 shares) in [Bentley Capital Limited](#) (ASX:BEL) (30 June 2015: 27.42%; 20,513,783 shares).

The Company also has a 2.32% (1,740,625 shares) direct interest in BEL (30 June 2015: 2.32%; 1,740,625 shares).

Accordingly, the Consolidated Entity has equity accounted for a 29.64% total interest in BEL (30 June 2015: 29.75%).

CONTROLLED ENTITIES

The Consolidated Entity did not gain or cease control of any entities during the Current Reporting Period.

For and on behalf of the Directors,



Victor Ho
Executive Director and Company Secretary
Telephone: (08) 9214 9777

Date: 25 February 2016

Email: cosec@queste.com.au

DIRECTORS' REPORT

The Directors present their report on Queste Communications Ltd (**Company** or **QUE**) and its controlled entities (the **Consolidated Entity** or **Queste**) for the financial half year ended 31 December 2015 (**Balance Date**).

Queste is a public company limited by shares that is incorporated and domiciled in Western Australia and has been listed on the Australian Securities Exchange (**ASX**) since November 1998 (ASX Code: QUE).

The Consolidated Entity's results incorporates the results of controlled entity, ASX listed investment company, [Orion Equities Limited](#) (**Orion** or **OEQ**). The Company holds 9,367,653 shares (59.86%) in Orion (30 June 2015: 9,367,653 shares (59.06%)).

FINANCIAL POSITION

Consolidated Entity	31 Dec 2015	30 Jun 2015
	\$	\$
Cash	479,343	269,805
Current investments - equities	1,167,781	1,523,346
Investments in Associate entity	4,341,454	3,705,212
Property held for development or resale	1,350,000	1,350,000
Receivables	72,500	70,291
Deferred tax assets	210,916	216,374
Other assets	2,073,163	2,084,669
Total Assets	9,695,157	9,219,697
Tax liabilities (current and deferred)	(210,916)	(216,374)
Other payables and liabilities	(300,546)	(278,967)
Net Assets	9,183,695	8,724,356
Issued capital	6,434,743	6,268,445
Reserves	3,256,983	3,200,408
Non-controlling interest	3,410,348	3,298,709
Accumulated losses	(3,918,379)	(4,403,206)
Total Equity	9,183,695	8,724,356

OPERATING RESULTS

Consolidated Entity	Dec 2015	Dec 2014
	\$	\$
Total revenues	903,949	266,817
Total expenses	(564,221)	(684,659)
Profit/(Loss) before tax	339,728	(417,842)
Income tax expense	-	-
Profit/(Loss) for the half year	339,728	(417,842)
Net loss attributable to non-controlling interest	(200,511)	(88,460)
Profit/(Loss) after tax attributable to owners of the Company	139,217	(329,382)

Queste has generated a net profit of \$339,728 for the financial half year, principally as a consequence of its share investment and trading activities.

DIRECTORS' REPORT

EARNINGS PER SHARE

Consolidated Entity	Dec 2015	Dec 2014
Basic and diluted earnings/(loss) per share (cents)	0.47	(1.12)
Weighted average number of fully paid ordinary shares in the Company outstanding during the half year used in the calculation of basic loss per share.	29,722,550	29,502,441

The Company's 8,100,000 partly paid ordinary shares, to the extent that they have been paid (1.5225 cent per share), have been included in the determination of the basic earnings/(loss) per share.

DIVIDENDS

The Directors have not declared a dividend in respect of the financial half year ended 31 December 2015.

CAPITAL MANAGEMENT

Securities in The Company

At the Balance Date and the date of this report, the Company has the following securities on issue:

- (a) 29,717,316 listed fully paid ordinary shares (30 June 2015: 28,817,316 fully paid ordinary shares); and
- (b) 8,100,000 unlisted partly paid ordinary shares¹; each paid to 1.5225 cents with 18.4775 cents per partly paid ordinary share outstanding (representing the equivalent of 616,613 voting shares²) (30 June 2015: 9,000,000 unlisted partly paid ordinary shares).

making a total of 30,333,929 voting shares on issue (30 June 2015: 29,502,441 voting shares)

Save for the conversion of partly paid shares (as outlined below), there have been no securities issued or granted by the Company during or since the Current Reporting Period.

Call and Conversion of Partly Paid Shares

On 3 December 2015, there was a conversion of 900,000 partly paid shares into fully paid shares upon payment of a call made by the Company in relation to 100% of the outstanding balance (being \$0.184775 each or \$166,298 in total) due and payable in respect of these 900,000 partly paid shares.³

1 The terms of issue of the partly paid shares are disclosed in the Prospectus for the initial public offering of shares in the Company dated 6 August 1998 and also more recently, in the Company's [Information Memorandum for a General Meeting](#) dated 27 January 2016 and released on ASX on 12 February 2016.

2 Each partly paid share is treated for voting purposes as being a proportion of a fully paid share, equal to the proportion to which it has been paid up - 1.5225 cents per share, representing 7.61% of the \$0.20 issue price

3 Refer Queste's [ASX Appendix 3B – Application for Quotation of Additional Securities](#) dated 11 December 2015

DIRECTORS' REPORT

Equal Access Share Buy-Back

Queste has convened a General Meeting for 17 March 2016 to seek shareholder approval for the Company to undertake an equal access scheme off-market share buy-back, which is proposed to operate in the following manner (**Buy-Back**):

- (a) Subject to a maximum Buy-Back consideration of \$300,000 (**Buy-Back Cap**):
 - (i) Queste will offer to buy back 100% of the fully paid, ordinary shares in the Company of each shareholder at a price of 9 cents per share; and
 - (ii) Queste will offer to buy back 100% of the partly paid ordinary shares in the Company of the holder thereof at a price of 0.45 cent per share; and
- (b) If the value of Buy-Back acceptances were to exceed the Buy-Back Cap (\$300,000) Queste will scale back the number of shares to be bought back on a pro-rata basis (determined by reference to the value of the Buy-Back consideration in respect of acceptances received for fully paid and partly paid ordinary shares).

Queste completed a similar equal access scheme off-market share buy-back⁴ in 2014⁵ and noted at that time that the Company may consider undertaking further/annual equal access scheme share buy-backs depending on the Company's financial position and the liquidity of trading in Queste shares on ASX shares at the relevant time.

Queste has reviewed the Company's financial position and the lack of liquidity in trading of Queste shares and believes that it is in the best interests of shareholders for the proposed Buy-Back to be put to shareholders for approval and that it is appropriate to allow shareholders an opportunity to realise their investment in the Company in an otherwise relatively illiquid market for Queste shares at a price (in respect of the fully paid ordinary shares) at a premium to the current and recent Queste share price on ASX.

The proposed Buy-Back will be open to all shareholders on an equal basis and participation by shareholders is entirely voluntary. It is also a cost-effective way for shareholders to dispose of their interests as there are no brokerage costs associated with the Buy-Back.

The Company refers to its [Information Memorandum for a General Meeting](#) (which includes the Notice of General Meeting, Explanatory Statement and Independent Expert's Report) dated 27 January 2016 (and released on ASX on 12 February 2016) for further details in relation to the proposed Buy-Back.

REVIEW OF OPERATIONS

1. [Orion Equities Limited](#) (ASX:OEO)

1.1. Current Status of Investment in Orion

Orion is a listed investment company.

The Company holds 9,367,653 shares in Orion, being 59.86% of its issued ordinary share capital (30 June 2015: 9,367,653 shares (59.06%)). Orion has been recognised as a controlled entity and included as part of the Queste Consolidated Entity's results since 1 July 2002.

Queste shareholders are advised to refer to the 31 December 2015 Half Year Report, [2015 Annual Report](#) and monthly NTA disclosures lodged by Orion for further information about the status and affairs of such company.

Information concerning Orion may be viewed from its website: www.orionequities.com.au

Orion's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "OEO".

Sections 1.2 to 1.4 below contain information extracted from Orion's public statements.

⁴ Refer [Share Buy-Back Offer Booklet](#) dated 11 December 2013 and released on ASX on 17 December 2013

⁵ Refer Queste's ASX Announcement: [Results of Equal Access Buy-Back and ASX Appendix 3F \(Final Share Buy-Back Notice\)](#) dated 22 January 2014

DIRECTORS' REPORT

1.2. Orion's Portfolio Details as at 31 December 2015

Asset Weighting

	% of Net Assets		
	Dec 2015	Jun 2015	Dec 2014
Australian equities	58%	58%	59%
Agribusiness ⁶	24%	25%	20%
Property held for development and resale	16%	17%	18%
Net tax liabilities (current year and deferred tax assets/liabilities)	-	-	-
Net cash/other assets and provisions	2%	<1%	3%
Total	100%	100%	100%

Equities	Fair Value \$'million	% of Net Assets	ASX Code	Industry Sector Exposures
Bentley Capital Limited	2.87	33.80%	BEL	Diversified Financials
Strike Resources Limited	0.52	6.12%	SRK	Materials
CBG Australian Equities Fund (Wholesale) (CBG Fund)	0.29	3.37%	N/A	Diversified
Other ASX listed securities	0.07	0.80%	Various	Various
Total	3.75	44.09%		

1.3. Orion's On-Market Share Buy-Backs

During the financial half year, Orion bought back 211,300 shares on-market at a total cost of \$46,686 and at an average buy-back cost (including brokerage) of \$0.22 per share, pursuant to on-market share buy-back announced on 5 June 2015.⁷

1.4. Orion's Assets

(a) [Bentley Capital Limited](#) (ASX:BEL)

Bentley is a listed investment company.

Queste holds 2.32% (1,740,625 shares) of Bentley's issued ordinary share capital with Orion holding 27.32% (20,513,783 shares) of Bentley's issued ordinary share capital (30 June 2015: Queste held 1,740,625 shares (2.33%) and Orion held 20,513,783 shares (27.42%)).

Bentley's asset weighting as at 31 December 2015 was 61.8% Australian equities (30 June 2015: 94.2%), 3.7% intangible assets (30 June 2015: 3.9%) and 34.5% net cash/other assets (30 June 2015: 0.9%).

Bentley had net assets of \$18.60 million as at 31 December 2015 (30 June 2015: \$16.43 million) and generated an after tax net profit of \$2.51 million for the financial half year (31 December 2014: \$0.79 million net profit).

Bentley paid a 0.50 cent fully franked dividend distributed in September 2015 at a total cost of \$0.374 million (December 2015: 0.95 cent fully franked dividend totalling \$0.70 million).

Queste and Orion received a total of \$8,703 and \$102,569 respectively from this dividend during the financial half year (6 months to 30 June 2015: \$9,573 and \$112,826 dividends respectively).

Bentley has announced its intention to pay a further fully-franked dividend of 0.5 cent per share in March 2016. Queste and Orion's entitlement to such dividend would be \$8,703 and \$0.103 million respectively.

⁶ Agribusiness net assets include olive grove land, olive trees, buildings, plant and equipment and inventory (bulk and packaged oils)

⁷ Refer Orion's ASX [Appendix 3C – Announcement of Buy-Back](#) dated 5 June 2015

DIRECTORS' REPORT

Bentley has a long distribution track record, as illustrated below⁸:

Rate per share	Nature	Queste's Entitlement	Orion's Entitlement	Payment Date
0.50 cent	Dividend	\$8,703	\$102,569	25 September 2015
0.55 cent	Dividend	\$9,573	\$112,826	20 March 2015
0.95 cent	Dividend	\$16,535	\$194,881	26 September 2014
One cent	Dividend	\$17,406	\$205,138	21 March 2014
One cent	Return of capital	\$17,406	\$205,138	12 December 2013
One cent	Return of capital	\$17,406	\$205,138	18 April 2013
One cent	Return of capital	\$17,406	\$205,138	30 November 2012
One cent	Return of capital	\$17,406	\$205,138	19 April 2012
5.0 cents	Return of capital	\$87,031	\$1,025,689	14 October 2011
2.4 cents	Dividend (Special)	\$41,775	\$492,331	26 September 2011
One cent	Dividend	\$17,406	\$205,138	26 September 2011
One cent	Dividend	\$17,406	\$205,138	17 March 2011
One cent	Dividend	\$17,406	\$205,138	30 September 2010
One cent	Dividend	\$17,406	\$205,138	15 March 2010

Shareholders are advised to refer to the 31 December 2015 Half Year Report, [30 June 2015 Annual Report](#) and monthly NTA disclosures lodged by Bentley for further information about the status and affairs of the company.

Information concerning Bentley may be viewed from its website: www.bel.com.au

Bentley's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "BEL".

(b) [Strike Resources Limited \(ASX:SRK\)](#)

Strike is a resources company with iron ore exploration and development projects in Peru. Strike has announced that it has examined a range of new strategies for the company in light of the poor outlook for the iron ore sector and the resources sector in general and in particular, that it has been investigating a number of technology related ventures which could form the foundation for a new strategy for the company (which will be subject to Strike shareholder approval and compliance with the ASX Listing Rules and Corporations Act).⁹

On 2 September 2015, Bentley successfully closed its off-market 5.5 cent per share cash takeover bid¹⁰ for Strike with acceptances received totalling 52,553,493 Strike shares (36.16%), making Bentley the largest shareholder in Strike.

Orion accepted into the Strike bid in respect of 6,690,802 Strike shares and received the bid consideration of \$367,994 on 14 September 2015.

Orion retains 10,000,000¹¹ shares (6.88%) (30 June 2015: 16,690,802 shares (11.48%)).

Information concerning Strike may be viewed from its website: www.strikeresources.com.au

Strike's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "SRK".

⁸ Bentley has advised that it has paid a distribution to shareholders every year (save on 4 occasions) since its admission to ASX in 1986. Please also refer to Bentley's website for its full distribution history.

⁹ Refer SRK's [31 December 2015 Half Year Report](#) released on ASX on 22 February 2016

¹⁰ Refer Bentley's ASX Announcement: [Despatch of Bidders Statement to Holders of Strike Resources Limited](#) dated 31 July 2015

¹¹ Refer Orion's ASX announcement: [Change of Substantial Holding Notice](#) dated 4 September 2015

DIRECTORS' REPORT

(c) Other Assets

Orion also owns:

- a 143 hectare commercial olive grove operation (with approximately 64,500, 16 year old olive tree plantings) located in Gingin, Western Australian; and
- a property held for redevelopment or sale but currently rented out located in Mandurah, Western Australia.

2. Queste's Other Assets

In addition to the investment in controlled entity, Orion, Queste has:

- a direct share investment in Associate entity, Bentley, being 1,740,625 shares (or 2.32% of Bentley's issued ordinary share capital) (June 2015: 1,740,625 shares and 2.33%);
- other investments of \$293,352 (30 June 2015: \$361,227); and
- a cash holding of \$237,212 (30 June 2015:\$128,998).

Queste will continue to look at undertaking investments in listed securities where appropriate to endeavour to achieve a return on investments beyond that afforded by the interest rates applicable on term deposits.

The Company notes that it lodges Monthly and Quarterly Cash Flow Reports on ASX, which may be viewed and downloaded from the Company's website: www.queste.com.au or the ASX website (www.asx.com.au) under ASX Code: QUE.

DIRECTORS

Information concerning Directors in office during or since the half year:

Farooq Khan	Executive Chairman and Managing Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sectors. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	5,899,944 shares ¹²
<i>Other current directorships in listed entities</i>	(1) Executive Chairman of Bentley Capital Limited (ASX:BEL) (since 2 December 2003) (2) Executive Chairman of Orion Equities Limited (ASX:OEO) (since 23 October 2006) (3) Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015)
<i>Former directorships in other listed entities in past 3 years</i>	None

¹² Refer Farooq Khan's [Change of Director's Interest Notice](#) dated 20 November 2014

DIRECTORS' REPORT

Victor P. H. Ho	Executive Director and Company Secretary
<i>Appointed</i>	Executive Director since 3 April 2013; Company Secretary since 30 August 2000
<i>Qualifications</i>	BCom, LLB (<i>Western Australia</i>), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 15+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Relevant interest in shares</i>	17,500 shares
<i>Other current positions held in listed entities</i>	(1) Executive Director and Company Secretary of Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015) (3) Company Secretary of Bentley Capital Limited (ASX:BEL) (since 5 February 2004)
<i>Former positions in other listed entities in past 3 years</i>	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

Yaqoob Khan	Non-Executive Director
<i>Appointed</i>	10 March 1998
<i>Qualifications</i>	BCom (<i>Western Australia</i>), Master of Science in Industrial Administration (<i>Carnegie Mellon</i>)
<i>Experience</i>	After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been an integral member of the team responsible for the pre-IPO structuring and IPO promotion of a number of ASX floats and has been involved in the management of such companies. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments.
<i>Relevant interest in shares</i>	68,345 shares
<i>Other current directorships in listed entities</i>	Non-Executive Director of Orion Equities Limited (ASX:OEQ) (since 5 November 1999).
<i>Former directorships in other listed entities in past 3 years</i>	None

At the Balance Date, Yaqoob Khan is a resident overseas.

CHANGE OF AUDITORS

On 12 February 2016, Queste announced that it had changed Auditors from [BDO](#) to Rothsay Auditing (a firm of Chartered Accountants with offices in [Perth](#) and [Sydney](#)), with effect on 12 February 2016.¹³ The transition of Auditor occurred as part of a review of the Company's corporate administration costs – Rothsay was selected after considering proposals received from BDO and a number of other audit firms. Rothsay will hold office as Auditor until the next annual general meeting of the Company, at which time shareholder approval will be sought for their re-appointment and continuation as Auditor.

¹³ Refer Queste's ASX announcement: [Change of Auditors](#) dated 12 February 2016

DIRECTORS' REPORT

AUDITORS' INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 12. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Farooq Khan
Chairman

25 February 2016



Victor Ho
Executive Director

ROTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Queste Communications Ltd
Level 2 23 Ventnor Ave
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit review of the 31 December 2015 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Graham R Swan (Lead auditor)

Rothsay Auditing

Dated *25th* February 2016



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2015

	Note	31 Dec 15 \$	31 Dec 14 \$
Revenue	3	28,065	31,959
Other			
Share of net profit of associate		747,514	234,259
Net gain on financial assets at fair value through profit or loss		128,237	-
Other revenue		133	599
Total revenue		903,949	266,817
Expenses	3		
Net loss on financial assets at fair value through profit or loss		-	(750)
Olive grove operation expenses		(30,048)	(38,533)
Land operation expenses		(8,437)	(11,065)
Personnel expenses		(339,430)	(375,365)
Occupancy expenses		(38,497)	(73,929)
Corporate expenses		(42,375)	(42,620)
Finance expenses		(2,240)	(5,036)
Administration expenses		(103,194)	(137,361)
Profit/(Loss) before income tax		339,728	(417,842)
Income tax expense		-	-
Profit/(Loss) for the half year		339,728	(417,842)
Other comprehensive income			
Revaluation of assets, net of tax		-	-
Total comprehensive loss for the half year		339,728	(417,842)
Profit/(Loss) attributable to:			
Owners of Queste Communications Ltd		139,217	(329,382)
Non-controlling interest		200,511	(88,460)
		339,728	(417,842)
Total comprehensive income for the half year is attributable to:			
Owners of Queste Communications Ltd		139,217	(329,382)
Non-controlling interest		200,511	(88,460)
		339,728	(417,842)
Basic and diluted earnings/(loss) per share (cents) attributable to the ordinary equity holders of the Company	4	0.47	(1.12)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	31 Dec 15	30 Jun 15
		\$	\$
Current assets			
Cash and cash equivalents		479,343	269,805
Financial assets at fair value through profit or loss	5	1,167,781	1,523,346
Trade and other receivables		15,380	13,171
Other current assets		21,001	8,417
Total current assets		1,683,505	1,814,739
Non current assets			
Trade and other receivables		57,120	57,120
Property held for development or resale		1,350,000	1,350,000
Investment in Associate entity	6	4,341,454	3,705,212
Property, plant and equipment		1,986,662	2,010,752
Olive trees		65,500	65,500
Deferred tax asset		210,916	216,374
Total Non current assets		8,011,652	7,404,958
Total assets		9,695,157	9,219,697
Current liabilities			
Trade and other payables		188,687	161,957
Provisions		111,859	117,010
Total current liabilities		300,546	278,967
Non current liabilities			
Deferred tax liability		210,916	216,374
Total non current liabilities		210,916	216,374
Total liabilities		511,462	495,341
Net assets		9,183,695	8,724,356
Equity			
Issued capital	7	6,434,743	6,268,445
Reserves	8	3,256,983	3,200,408
Accumulated losses		(3,918,379)	(4,057,596)
Parent interest		5,773,347	5,411,257
Non-controlling interest		3,410,348	3,313,099
Total equity		9,183,695	8,724,356

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2015

	Issued capital \$	Reserves \$	Accumulated losses \$	Non- controlling interest \$	Total \$
Balance at 1 July 2014	6,268,445	3,106,232	(3,313,407)	3,520,654	9,581,924
Loss for the half year	-	-	(329,382)	(88,460)	(417,842)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(329,382)	(88,460)	(417,842)
Transactions with owners in their capacity as owners:					
Transactions with non-controlling interest	-	1,526	-	(4,257)	(2,731)
Balance at 31 December 2014	6,268,445	3,107,758	(3,642,789)	3,427,937	9,161,351
Balance at 1 July 2015	6,268,445	3,200,408	(4,057,596)	3,313,099	8,724,356
Profit for the half year	-	-	139,217	200,511	339,728
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	139,217	200,511	339,728
Transactions with owners in their capacity as owners:					
Partly paid shares	166,298	-	-	-	166,298
Transactions with non-controlling interest	-	56,575	-	(103,262)	(46,687)
Balance at 31 December 2015	6,434,743	3,256,983	(3,918,379)	3,410,348	9,183,695

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2015

	Note	31 Dec 15 \$	31 Dec 14 \$
Cash flows from operating activities			
Receipts from customers		22,234	22,100
Dividends received		115,158	214,346
Interest received		2,079	6,929
Payments to suppliers and employees		(533,309)	(702,767)
Interest paid		(36)	(98)
Sale of financial assets at fair value through profit or loss		603,086	178,077
Purchase of financial assets at fair value through profit or loss		(119,286)	(459,237)
Net cash provided by/(used in) continuing operations		89,926	(740,650)
Net cash provided by/(used in) discontinued operations		-	8,319
Net cash provided by/(used in) operating activities		89,926	(732,331)
Cash flows from investing activities			
Proceeds from sale of olive oil operations		-	101,993
Net cash provided by investing activities		-	101,993
Cash flows from financing activities			
Proceeds from calls on partly paid shares	7	166,298	-
Orion on-market share buy back	8	(46,686)	(2,730)
Net cash provided by/(used in) financing activities		119,612	(2,730)
Net increase /(decrease) in cash held		209,538	(633,068)
Cash and cash equivalents at beginning of financial year		269,805	1,169,619
Cash and cash equivalents at end of financial half year		479,343	536,551

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2015 to the date of this report.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2015.

2. RELATED PARTY DISCLOSURES

The Company has control of Orion Equities Limited (ASX:OEQ) (**Orion**) as it holds 59.86% (9,367,653 shares) of Orion's issued capital (30 June 2015: 59.06% and 9,367,653 shares). During the financial half year there were transactions between the Company, Orion and Associate Entity, Bentley Capital Limited (ASX:BEL) (**Bentley**), pursuant to shared office and administration expense arrangements. There were no outstanding amounts at the reporting date.

	31 Dec 15	31 Dec 14
Bentley Capital Limited	\$	\$
Dividends Received	111,272	211,416

3. PROFIT/(LOSS) FOR THE HALF YEAR

The Consolidated Entity's operating profit/(loss) before income tax includes the following items of revenue and expense:

	31 Dec 15	31 Dec 14
(a) Revenue	\$	\$
Rental revenue	22,100	22,100
Dividend revenue	3,886	2,930
Interest revenue	2,079	6,929
	<u>28,065</u>	<u>31,959</u>
Other		
Share of net profit of Associate	747,514	234,259
Net gain on financial assets at fair value through profit or loss	128,237	-
Other revenue	133	599
	<u>903,949</u>	<u>266,817</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

3. PROFIT/(LOSS) FOR THE HALF YEAR (continued)

	31 Dec 15	31 Dec 14
	\$	\$
(b) Expenses		
Net loss on financial assets at fair value through profit or loss	-	750
Olive grove operations		
Depreciation of olive grove assets	20,535	25,539
Other expenses	9,513	12,994
Land operations		
Other expenses	8,437	11,065
Salaries, fees and employee benefits	339,430	375,365
Occupancy expenses	38,497	73,929
Finance expenses	2,240	5,036
Corporate expenses		
ASX fees	32,546	34,283
Share registry	7,440	7,480
Other corporate expenses	2,389	857
Administration expenses		
Professional fees	11,459	8,812
Audit fees	21,500	48,560
Legal fees	18,487	21,840
Depreciation	3,554	4,849
Other administration expenses	48,194	53,300
	564,221	684,659

4. EARNINGS/(LOSS) PER SHARE

	31 Dec 15	31 Dec 14
	cents	cents
Basic and diluted earnings/(loss) per share	0.47	(1.12)

The following represents the profit/(loss) and weighted average number of shares used in the earnings/(loss) per share calculations:

Profit/(loss) after income tax	139,217	(329,382)
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	Number of shares	
Weighted average number of ordinary shares	29,722,550	29,502,441

Under AASB 133 (Earnings per Share), potential ordinary shares such as partly paid shares will only be treated as dilutive when their conversion to ordinary shares would increase the earnings/(loss) per share. Diluted loss per share is not calculated as it does not increase the earnings/(loss) per share.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 Dec 15	30 Jun 15
	\$	\$
Current		
Listed securities at fair value	594,802	1,001,185
Unlisted managed fund at fair value	572,979	522,161
	1,167,781	1,523,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

6. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Carrying Amount	
	Dec 2015	Jun 2015	31 Dec 15	30 Jun 15
			\$	\$
Bentley Capital Limited	29.64%	29.75%	4,341,454	3,705,212
Movements in carrying amounts				
Opening balance			3,705,212	4,119,071
Share of net profit/(loss) after tax			747,514	(80,044)
Dividends received			(111,272)	(333,815)
Closing balance			4,341,454	3,705,212
Fair value of listed investment in Associate			3,115,617	2,893,073
Net asset value of investment			5,514,720	4,887,071
Summarised statement of profit or loss and other comprehensive income				
Revenue			4,224,528	2,398,085
Expenses			(1,712,401)	(2,665,385)
Profit/(Loss) before income tax			2,512,127	(267,300)
Income tax expense			-	-
Profit/(Loss) after income tax			2,512,127	(267,300)
Other comprehensive income			-	-
Total comprehensive income			2,512,127	(267,300)
Summarised statement of financial position				
Current assets			15,755,741	6,565,383
Non-current assets			3,618,460	10,524,117
Total assets			19,374,201	17,089,500
Current liabilities			661,552	304,394
Non-current liabilities			107,950	358,969
Total liabilities			769,502	663,363
Net assets			18,604,699	16,426,137
Lease commitments				
Not longer than one year			55,000	56,035
Longer than one year but not longer than five years			4,583	32,083
			59,583	88,118

7. ISSUED CAPITAL

	31 Dec 15	30 Jun 15	31 Dec 15	30 Jun 15
	Number	Number	\$	\$
Fully paid ordinary shares	29,717,316	28,817,316	6,209,170	6,029,170
Partly paid ordinary shares	8,100,000	9,000,000	225,573	239,275
			6,434,743	6,268,445
Movement in fully paid ordinary shares				
At 1 July 2014		28,817,316		6,029,170
At 30 June 2015		28,817,316		6,029,170
At 1 July 2015		28,817,316		6,029,170
Issue of shares	03-Dec-15	900,000	0.20	180,000
At 31 December 2015		29,717,316		6,209,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

7. ISSUED CAPITAL (continued)

	Number of shares	Issue price \$	\$
Movement in partly paid ordinary shares At 1 July 2014	9,000,000		239,275
At 30 June 2015	<u>9,000,000</u>		<u>239,275</u>
At 1 July 2015	9,000,000		239,275
Call on partly paid shares - refer (c)	-		166,298
Partly paid shares cancelled	(900,000)		(180,000)
At 31 December 2015	<u>8,100,000</u>		<u>225,573</u>

(a) Ordinary shares

At any meeting, each shareholder present in person or by proxy, attorney, or representative has one vote for each fully paid ordinary share held either upon a show of hands or by a poll. Holders of partly paid ordinary shares have a fraction of a vote for each partly paid share held, with the fractional vote of each share being equivalent to the proportion of the total amount paid and payable (excluding amounts credited) that has actually been paid (not credited) for each share. Amounts paid in advance of a call are ignored when calculating proportions. The holder of a partly paid ordinary share is not entitled to vote at a meeting in respect of those shares on which calls are outstanding.

The profits of the Consolidated Entity, which the Directors may from time to time determine to distribute to shareholders by way of dividends, will be divisible amongst the shareholders in proportion to the amounts paid on the shares. An amount paid in advance of a call is not to be included as an amount paid on a share for the purposes of calculating an entitlement to dividends.

(c) Call on partly paid ordinary shares

On 3 December 2015, there was a conversion of 900,000 partly paid shares into fully paid shares upon payment of a call made by the Company in relation to 100% of the outstanding balance (being \$0.184775 each or \$166,298 in total) due and payable in respect of these 900,000 partly paid shares.

(d) Capital risk management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share Buy-backs, capital reductions and the payment of dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

8. RESERVES	31 Dec 15	30 Jun 15
	\$	\$
Option premium reserve	<u>2,138,012</u>	<u>2,138,012</u>
Asset revaluation reserve		
Revaluations of freehold land	623,775	623,775
Deferred tax on revaluations	(187,132)	(187,132)
Non-controlling interest	<u>(175,267)</u>	<u>(178,749)</u>
	261,376	257,894
Other reserve		
Dilution movement	1,071,663	949,247
Non-controlling Interest	<u>(214,068)</u>	<u>(144,745)</u>
	857,595	804,502
	<u>3,256,983</u>	<u>3,200,408</u>

The movement in the Asset Revaluation Reserve relates to the revaluation of the olive grove land from \$1,342,030 to \$1,741,664, as assessed by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015.

The "Other reserve" relates to the gain the Company generated from increasing its shareholding interest in OEQ by 7.28% (30 June 2015: 6.48%) as a consequence of OEQ cancelling a total of 2,165,161 (30 June 2015: 1,953,861) shares bought-back pursuant to an on-market share buy-back at a cost of \$565,978 (30 June 2015: \$519,293). This reserve is also used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

9. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker". The "Chief Operating Decision Maker", who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Board has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only within Australia, with the main segments being Investments and Olive Grove. Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

31 Dec 15	Investments	Olive grove	Corporate	Total
Segment revenues	\$	\$	\$	\$
Revenue	28,065	-	-	28,065
Other	875,751	-	133	875,884
Total segment revenues	903,816	-	133	903,949
Personnel expenses	-	-	339,430	339,430
Finance expenses	-	132	2,683	2,815
Administration expenses	-	(525)	79,642	79,117
Depreciation expenses	-	20,535	3,554	24,089
Other expenses	11,130	9,906	97,734	118,770
Total segment profit/(loss)	892,686	(30,048)	(522,910)	339,728

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

9. SEGMENT INFORMATION (continued)

	Investments	Olive grove	Corporate	Total
	\$	\$	\$	\$
Segment assets				
Cash	-	-	479,343	479,343
Financial assets	1,167,781	-	-	1,167,781
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in associate	4,341,454	-	-	4,341,454
Property, plant and equipment	-	1,961,894	24,768	1,986,662
Other assets	-	66,182	303,735	369,917
Total segment assets	6,859,235	2,028,076	807,846	9,695,157
Segment liabilities	-	26,470	484,992	511,462
31 Dec 14				
Segment revenues				
Revenue	25,629	-	6,929	32,558
Other	234,259	-	-	234,259
Total segment revenues	259,888	-	6,929	266,817
Personnel expenses	-	2,811	375,365	378,176
Finance expenses	-	251	5,166	5,417
Administration expenses	-	1,156	103,683	104,839
Depreciation expenses	-	25,539	4,849	30,388
Other expenses	10,133	8,776	146,930	165,839
Total segment profit/(loss)	249,755	(38,533)	(629,064)	(417,842)
30 Jun 15				
Segment assets				
Cash	-	5,632	264,173	269,805
Financial assets	1,523,346	-	-	1,523,346
Property held for development or resale	1,350,000	-	-	1,350,000
Investment in associate	3,705,212	-	-	3,705,212
Property, plant and equipment	-	1,982,430	28,321	2,010,751
Other assets	-	67,785	292,798	360,583
Total segment assets	6,578,558	2,055,847	585,292	9,219,697
Segment liabilities	-	27,033	468,308	495,341

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

31 Dec 15	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:	\$	\$	\$	\$
Listed securities at fair value	594,802	-	-	594,802
Unlisted managed fund at fair value	-	572,979	-	572,979
Land at independent valuation	-	-	1,741,664	1,741,664
Olive trees	-	-	65,500	65,500
Total	594,802	572,979	1,807,164	2,974,945

30 Jun 15	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:	\$	\$	\$	\$
Listed securities at fair value	1,001,185	-	-	1,001,185
Unlisted managed fund at fair value	-	522,161	-	522,161
Land at independent valuation	-	-	1,741,664	1,741,664
Olive trees	-	-	65,500	65,500
Total	1,001,185	522,161	1,807,164	3,330,510

There have been no transfers between the levels of the fair value hierarchy during the financial half year.

(b) Valuation techniques

The fair value of the listed securities traded in active markets is based on closing bid prices at the end of the reporting period. These investments are included in Level 1.

The fair value of any assets that are not traded in an active market are determined using certain valuation techniques. The valuation techniques maximise the use of observable market data where it is available, or independent valuation and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The fair value of the unlisted managed fund investment is valued at the audited unit price published by the investment manager and as such this financial instrument is included in Level 2.

At Level 3, the land was valued by an independent qualified valuer (a Certified Practising Valuer and Associate Member of the Australian Property Institute) as at 30 June 2015. These assets have been valued based on similar assets, location and market conditions or Direct Comparison or Comparative Sales Approach. The land value per hectare based on rural land sold in the general location provided a rate which included ground water licence. A 4% change would increase or decrease the land's fair value change by \$69,500 respectively. There has been no unusual circumstances that may affect the value of the trees.

At Level 3 the olive trees' value was assessed as at 30 June 2015 by the Directors. The fair value of the trees is at the Directors' valuation having regard to, amongst other matters, replacement cost and the trees commercial production qualities. The significant unobservable input is the replacement cost of 17 year old fruiting trees. There are no age limits to the commercial viability of an olive grove. A 1% change in the minimum replacement cost would result in an increase or decrease by \$3,500. There has been no unusual circumstances that may affect the value of the property.

There has been no change in the value of Level 3 assets during the year.

(c) Level 3 assets

	Land	Olive trees	Total
	\$	\$	\$
At 1 July 2014	1,342,030	65,500	1,407,530
Revaluation	399,634	-	399,634
At 30 June 2015	1,741,664	65,500	1,807,164
Revaluation	-	-	-
At 31 December 2015	1,741,664	65,500	1,807,164

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 December 2015

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(d) Fair values of other financial instruments

	31 Dec 15	30 Jun 15
Financial assets	\$	\$
Cash and cash equivalents	479,343	269,805
Trade and other receivables	15,380	13,171
	<u>494,723</u>	<u>282,976</u>
Financial liabilities		
Trade and other payables	<u>(188,687)</u>	<u>(161,957)</u>

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

11. COMMITMENTS

	31 Dec 15	30 Jun 15
	\$	\$
Not longer than one year	110,000	106,976
Longer than one year but not longer than five years	9,167	61,250
	<u>119,167</u>	<u>168,226</u>

On or about 19 May 2015, the Consolidated Entity renewed its non-cancellable operating lease agreement for shared office accommodation. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST). The lease is for a further 18 month term expiring on or about 30 January 2017.

12. CONTINGENCIES

(a) Directors' Deeds

The Company has entered into Deeds of Indemnity with each of its Directors indemnifying them against liability incurred in discharging their duties as Directors/Officers of the Consolidated Entity. At the end of the financial period, no claims have been made under any such indemnities and accordingly, it is not possible to quantify the potential financial obligation of the Consolidated Entity under these indemnities.

(b) Tenement Royalties

The Consolidated Entity is entitled to receive a royalty of 2% of gross revenues (exclusive of GST) from any commercial exploitation of any minerals from the Paulsens East (Iron Ore) Project tenements (EL47/1328 and PL47/1170) in Western Australia currently held by Strike Resources Limited (ASX:SRK).

13. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Associate entity, Bentley Capital Limited (ASX:BEL), has announced its intention to pay a fully-franked dividend of 0.5 cent per share in March 2016. The Company's and Orion's entitlement to such dividend would be \$8,703 and \$102,569 respectively.

No other matter or circumstance has arisen since the end of the financial half year that 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 periods.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Queste Communications Ltd made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the Directors:

- (1) The financial statements and notes of the Consolidated Entity are 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 financial half year ended on that date; and
 - (b) complying with Accounting Standards AASB 134 "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman



Victor Ho
Executive Director

25 February 2016

ROTH SAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

Independent Review Report to the Members of Queste Communications Ltd

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Queste Communications Ltd for the half-year ended 31 December 2015.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2015 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Queste Communications Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Queste Communications Ltd is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2015 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Rothsay Auditing



Graham R Swan
Registered Company Auditor 4153
Partner

Dated 25th February 2016



Chartered Accountants

SECURITIES INFORMATION

as at 31 December 2015

DISTRIBUTION OF LISTED ORDINARY FULLY PAID SHARES

Spread	of	Holdings	Number of Holders	Number of Units	% of Total Issue Capital
1	-	1,000	11	7,227	0.024%
1,001	-	5,000	48	137,053	0.461%
5,001	-	10,000	59	550,425	1.852%
10,001	-	100,000	100	2,839,840	9.556%
100,001	-	and over	24	26,182,771	88.106%
Total			242	29,717,316	100.00%

DISTRIBUTION OF UNLISTED PARTLY PAID ORDINARY SHARES

Name	No. of Partly Paid Shares	% Voting Power *
Chi Tung Investments Ltd	8,100,000	2.03%

These 8,100,000 ordinary shares were issued at a price of 20 cents per share and have been partly paid to 1.5225 cent each and have an outstanding amount payable of 18.4775 cents per share. These shares carry *voting rights proportional to the amount paid up per share. This is equivalent to 616,613 total voting shares.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Shares/Voting Shares Held as at 31 Dec 2015	%Voting Power ⁶
Bell IXL Investments Limited and associates	CLEOD PTY LTD	2,748,490	24.40% ¹
	BELL IXL INVESTMENTS LIMITED	2,599,747	
	CELLANTE SECURITIES PTY LIMITED	2,053,282	
Azhar Chaudhri, Renmuir Holdings Limited and Chi Tung Investments Ltd	RENMUIR HOLDINGS LTD	3,277,780	27.30% ²
	CHI TUNG INVESTMENTS LTD ³	2,950,000	
	MR AZHAR CHAUDHRI	1,436,001	
	CHI TUNG INVESTMENTS LTD	616,613	
Farooq Khan and associates	ISLAND AUSTRALIA PTY LTD	3,668,577	19.45% ⁴
	FAROOQ KHAN	2,231,367	
Manar Nominees Pty Ltd and Zelwar Superannuation Pty Ltd	MANAR NOMINEES PTY LTD	1,825,663	6.61% ⁵
	ZELWER SUPERANNUATION PTY LTD	180,500	

Notes:

- (1) Based on the [substantial shareholding notice](#) filed by Bell IXL Investments Limited dated 28 January 2014
- (2) Based on the [substantial shareholding notice](#) filed by Azhar Chaudhri and associates dated 15 December 2015
- (3) Voting shares attributable to 8,100,000 partly paid ordinary shares (issued at a price of 20 cents per share) which have been partly paid to 1.5225 cent each
- (4) Based on the [Change of Interests of Substantial Holder](#) notice filed by Farooq Khan and associates dated 20 November 2014
- (5) Based on the [substantial shareholding notice](#) filed by Manar Nominees Pty Ltd dated 29 December 2003 (updated to reflect current percentage voting power)
- (6) Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (29,717,316) plus the equivalent voting shares associated with the partly paid shares on issue based on the amount paid up per partly paid share (616,613).
- (7) Movements of less than 1% in voting power are not required to be disclosed to ASX via an update substantial shareholding notice and accordingly, there may be variances between the shareholdings recorded in the table above and the most recent substantial shareholding notices lodged on ASX.

SECURITIES INFORMATION

as at 31 December 2015

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares	% Issued Capital	% Voting Power*
1	RENMUIR HOLDINGS LTD CHI TUNG INVESTMENTS LTD MR AZHAR CHAUDHRI	3,277,780 2,950,000 1,436,001			
		Sub-total	7,663,781	25.789%	25.265%
2	CLEOD PTY LTD BELL IXL INVESTMENTS LIMITED CELLANTE SECURITIES PTY LIMITED	2,748,490 2,599,747 2,053,282			
		Sub-total	7,401,519	24.906%	24.400%
3	ISLAND AUSTRALIA PTY LTD FAROOQ KHAN	3,668,577 2,231,367			
		Sub-total	5,899,944	19.854%	19.450%
4	MANAR NOMINEES PTY LTD ZELWER SUPERANNUATION PTY LTD	1,825,663 180,500			
		Sub-total	2,006,163	6.751%	6.614%
5	COWOSO CAPITAL PTY LTD		1,150,000	3.87%	3.791%
6	DONALD GORDON MACKENZIE & GWENNETH EDNA MACKENZIE		346,003	1.164%	1.141%
7	MS ROSANNA DE CAMPO		268,100	0.902%	0.884%
8	GLENVIEW SERVICES PTY LTD		250,000	0.841%	0.824%
9	GIBSON KILLER PTY LTD		220,000	0.740%	0.725%
10	MR AYUB KHAN		215,000	0.723%	0.709%
11	MRS AFIA KHAN		215,000	0.723%	0.709%
12	MR SIMON KENNETH CATO ROSEMONT ASSET PTY LTD	118,000 75,000			
		Sub-total	193,000	0.649%	0.636%
13	TOMATO 2 PTY LTD		185,019	0.623%	0.610%
14	MR JOHN CHENG-HSIANG YANG & MS PEGA PING PING MOK		136,125	0.458%	0.449%
15	MR ANTHONY NEALE KILLER & MRS SANDRA MARIE KILLER		130,000	0.437%	0.429%
16	MR EUGENE RODRIGUEZ		110,000	0.37%	0.363%
17	MRS MARY THERESE CAMILLERI		100,000	0.337%	0.330%
18	MR KEITH FRANCIS OATES & MRS LINDA ANN OATES		100,000	0.337%	0.330%
19	DR SIEW NAM UN		87,500	0.294%	0.288%
20	CITICORP NOMINEES PTY LIMITED		85,296	0.294%	0.281%
Total			26,762,450	90.06%	88.226%

* Total Voting Power is equivalent to the total number of fully paid ordinary shares on issue (29,717,316) plus the equivalent voting shares associated with the 8,100,000 partly paid shares on issue based on the amount paid up per partly paid share (616,613).

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	7,141	67	193,605	0.651%
7,142	-	over	175	29,523,711	99.349%
TOTAL			242	29,717,316	100.00%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 7,141 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 31 December 2015 of \$0.05 per share.