Quam
Financial Services Group

QUAM LIMITED

華富國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 952)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The board of directors (the "Board" or the "Directors") of Quam Limited (the "Company") presents the unaudited interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2007

	Notes	Six months ended 30 September 2007 HK$'000 Unaudited	Six months ended 30 September 2006 HK$'000 Unaudited
Revenue/Turnover	4	**217,492**	82,690
Fair value gain on financial assets at fair value through profit or loss		**5,800**	4,503
Other operating income	5	**10,817**	7,384
Cost of services provided		**(76,408)**	(23,361)
Staff costs		**(55,592)**	(36,161)
Depreciation and amortisation expenses		**(1,768)**	(1,756)
Provision for impairment of goodwill		**–**	(43)
Other operating expenses, net		**(35,548)**	(13,695)
Profit from operations	6	**64,793**	19,561
Finance costs		**(5,993)**	(4,416)
Share of results of an associate		**1,080**	258
Profit before income tax		**59,880**	15,403
Income tax expense	7	**(4,650)**	(2,587)
Profit for the period, attributable to equity holders of the Company		**55,230**	12,816
Dividends	8	**9,367**	4,389
Earnings per share for profit attributable to equity holders of the Company during the period	9		
– Basic		**9.26 cents**	2.46 cents**
– Diluted		**8.36 cents**	2.39 cents**

* *For identification purpose only*

** *Restated*

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2007

	Notes	30 September 2007 HK$'000 Unaudited	31 March 2007 HK$'000 Audited
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,192**	3,882
Goodwill		**14,695**	14,695
Other intangible assets		**4,097**	4,981
Available-for-sale financial assets		**32,408**	6,958
Interest in an associate		**1,730**	651
Other assets		**2,550**	2,450
		63,672	33,617
Current assets			
Trade receivables	*10*	**575,343**	488,981
Short term loan receivables		–	1,267
Prepayments, deposits and other receivables		**8,480**	6,625
Financial assets at fair value through profit or loss		**25,047**	17,064
Amount due from an associate		**689**	1,242
Trust time deposits held on behalf of customers		**109,366**	136,557
Trust bank balances held on behalf of customers		**184,059**	106,207
Cash and cash equivalents		**57,742**	62,445
		960,726	820,388
Current liabilities			
Trade payables	*11*	**431,127**	404,881
Borrowings		**251,301**	215,619
Provision for tax		**6,033**	1,383
Other payables and accruals		**91,760**	47,529
Finance lease payables		**894**	201
		781,115	669,613
Net current assets		**179,611**	150,775
Total assets less current liabilities		**243,283**	184,392
Non-current liabilities			
Finance lease payables		**2,436**	403
Deferred tax liabilities		**36**	36
		2,472	439
Net assets		**240,811**	183,953
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**2,061**	1,617
Reserves		**238,750**	182,336
Total equity		**240,811**	183,953

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2007

1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and complies with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with applicable requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared under the historical cost basis except for financial instruments classified as available-for-sale and at fair value through profit or loss which are stated at fair value.

The accounting policies adopted in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2007 except for the adoption of new standards, amendments to standards and interpretations which are effective for accounting periods beginning on or after 1 April 2007 as set out below:

Amendment to HKAS 1	"Presentation of Financial Statements" – Capital Disclosures
HKFRS 7	"Financial Instruments: Disclosures"
HK(IFRIC) Interpretation 7	"Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies"
HK(IFRIC) Interpretation 8	"Scope of HKFRS 2"
HK(IFRIC) Interpretation 9	"Reassessment of Embedded Derivatives"
HK(IFRIC) Interpretation 10	"Interim Financial Reporting and Impairment"
HK(IFRIC) Interpretation 11	"HKFRS 2 – Group and Treasury Share Transactions"

The adoption of the above has no material impact to the Group's condensed consolidated interim balance sheet and income statement.

The following new standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted. The directors of the Company is currently assessing the impact of these standards and interpretations but are not yet in position to state whether they would have material financial impact on the Group's financial statements.

HKAS 23 (Revised)	"Borrowing Costs"[1]
HKFRS 8	"Operating Segments"[1]
HK(IFRIC) Interpretation 12	"Service Concession Arrangements"[2]
HK(IFRIC) Interpretation 13	"Customer Loyalty Programmes"[3]
HK(IFRIC) Interpretation 14	"HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"[2]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 January 2008
[3] Effective for annual periods beginning on or after 1 July 2008

3. SEGMENT INFORMATION

(a) Primary reporting format – business segments

The Group's operating business are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risk and returns that are different to those of the other business segments.

Summary details of the business segments are as follows:

(i) the securities broking and placement segment engages in securities and futures dealing, provision of placement services and wealth management services;

(ii) the margin financing and money lending segment engages in margin financing services, money lending, arrangement and guarantee business;

(iii) the advisory segment engages in the provision of corporate finance advisory and general advisory services;

(iv) the asset management services segment engages in fund management, discretionary portfolio management and portfolio management advisory services;

(v) the website management segment engages in the management of a website, advertising and referral tools to online customers, research and credit information services; and

(vi) the investments segment engages in investment holding and securities trading.

The Group's inter-segment transactions were related to placement, margin financing, advisory and website management and related service income. Inter-segment revenue are determined by directors and are based on pricing policies similar to those contracted with independent third parties, where applicable.

Segment information for the six months ended 30 September 2007 and 2006 is as follows:

2007	**Securities broking and placement**	**Margin financing and money lending**	**Advisory**	**Asset management**	**Website management**	**Investments**	**Eliminations**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
Segment revenue								
Sales to external customers	**111,854**	**16,911**	**11,045**	**66,315**	**11,367**	**–**	**–**	**217,492**
Inter-segment sales	**–**	**–**	**1,068**	**–**	**5,670**	**–**	**(6,738)**	**–**
Total	**111,854**	**16,911**	**12,113**	**66,315**	**17,037**	**–**	**(6,738)**	**217,492**
Segment results	**10,765**	**4,986**	**4,379**	**32,127**	**2,565**	**3,388**		**58,210**
Unallocated income								**7,484**
Unallocated corporate income and expenses								**(6,894)**
Share of results of an associate								**1,080**
Profit before income tax								**59,880**
Income tax expense								**(4,650)**
Profit for the period								**55,230**

2006	Securities broking and placement	Margin financing and money lending	Advisory	Asset management	Website management	Investments	Eliminations	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Segment revenue								
Sales to external customers	41,650	11,281	14,904	3,570	11,285	–	–	82,690
Inter-segment sales	–	–	780	–	397	–	(1,177)	–
Total	41,650	11,281	15,684	3,570	11,682	–	(1,177)	82,690
Segment results	6,893	2,435	5,751	630	(3,721)	3,433		15,421
Unallocated income								4,105
Unallocated corporate income and expenses								(4,381)
Share of results of an associate								258
Profit before income tax								15,403
Income tax expense								(2,587)
Profit for the period								12,816

(b) Secondary reporting format – geographical segments

The Group's operations and assets are predominantly in Hong Kong and accordingly a geographical analysis has not been presented. The Group has minor activities in Shenzhen and Shanghai, the People's Republic of China, which account for less than 1% of the Group's revenue.

4. REVENUE/TURNOVER

Revenue, which is also the Group's turnover, represents:

	Six months ended 30 September 2007	Six months ended 30 September 2006
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Advertising and content fee income	**1,472**	1,483
Website management and related services fee income	**9,895**	8,018
Commission income on securities and futures broking	**84,085**	33,681
Advisory fee income	**11,045**	14,904
Placement and underwriting fee income	**25,639**	7,969
Income from margin financing and money lending operations	**16,911**	11,281
Fund management fee income	**66,315**	3,570
Credit information service fee income	**–**	1,784
Wealth management service income	**2,130**	–
	217,492	82,690

5. OTHER OPERATING INCOME

	Six months ended 30 September 2007	Six months ended 30 September 2006
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Interest income from banks and others	**7,484**	4,105
Exchange gains, net	**558**	704
Gain on disposal of available-for-sale financial assets	**–**	90
Bad debt written back	**183**	–
Sundry income	**2,592**	2,485
	10,817	7,384

6. PROFIT FROM OPERATIONS

Profit from operations is arrived at after charging/(crediting):

	Six months ended 30 September 2007	Six months ended 30 September 2006
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Amortisation of other intangible assets	**884**	905
Depreciation of property, plant and equipment		
Owned assets	**765**	851
Leased assets	**119**	–
	1,768	1,756
Staff costs (including directors' remuneration):		
Salaries and other allowances	**52,170**	33,505
Retirement benefits scheme contribution	**708**	575
Employee share-based compensation	**2,714**	2,081
	55,592	36,161
Consultancy fee for marketing and promotion #	**18,042**	6,483
Gain on disposal of property, plant and equipment	**(1)**	(152)
Provision for impairment of trade receivables	**10,034**	65
Provision for shortfall in collateral	**9,000**	–

\# *included in cost of services provided*

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2006 : 17.5%) on the estimated assessable profit for the period.

	Six months ended 30 September 2007	Six months ended 30 September 2006
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Current tax		
– Hong Kong		
Tax for the period	**4,650**	2,587

As at 30 September 2007, a provision was made for deferred tax liabilities of HK$36,000 (31 March 2007 : HK$36,000) calculated at the rate of 17.5% (31 March 2007 : 17.5%) in respect of the temporary differences arising from accelerated depreciation allowances.

As at 30 September 2007, the principal components of the Group's unrecognised deferred tax assets/(liabilities) calculated at 17.5% (31 March 2007 : 17.5%) on the cumulative temporary differences are analysed as follows:

	30 September 2007	31 March 2007
	HK$'000	*HK$'000*
	Unaudited	Audited
Accelerated depreciation allowances	**(429)**	(219)
Tax losses	**19,849**	20,332
Other temporary differences	**2,247**	498
	21,667	20,611

No deferred tax asset has been recognised due to the uncertainty of future profit streams against which the asset can be utilised.

8. DIVIDENDS

(a) Dividends attributable to the interim period

	Six months ended 30 September 2007	Six months ended 30 September 2006
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Interim dividend declared after the interim period of HK 1.50 cents per share (2006 : HK1.50 cents per share)	**9,367**	4,389

The interim dividend has not been recognised as a liability at the balance sheet date. The amount of interim dividend is based on 624,458,356 shares in issue on 6 December 2007 (2006 : 292,611,890 shares in issue on 20 December 2006).

(b) Dividends attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 September 2007	Six months ended 30 September 2006
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Final dividend in respect of the financial year ended 31 March 2007, approved and paid during the following interim period, of HK2.0 cents per share (31 March 2006 : Nil)	**6,776**	–

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to equity holders of the Company of approximately HK$55,230,000 (2006 : HK$12,816,000) and on the weighted average of 596,507,436 (2006 : 521,908,848, restated) ordinary shares in issue during the period.

During the period, the Company made a bonus issue of ordinary shares on the basis of one new share of par value of HK$0.005 each for every five existing shares of par value of HK$0.005 each on 21 August 2007 ("Bonus Issue"). On 30 August 2007, the Company subdivided two existing issued and unissued ordinary share of par value of HK$0.005 each into three ordinary shares of par value of HK one third of one cent each ("Share Subdivision"). The comparative figures of basic and diluted earnings per share have been restated for the effect of the Bonus Issue and the Share Subdivision.

The calculation of diluted earnings per share for the period is based on the unaudited profit for the period attributable to equity holders of the Company of HK$55,230,000 (2006 : HK$12,816,000) and the weighted average of 660,375,092 (2006 : 535,824,536, restated) ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential shares. The weighted average number of ordinary shares used in the calculation of diluted earnings per share is calculated based on the weighted average of 596,507,436 (2006 : 521,908,848, restated) ordinary shares in issue during the period, as used in the calculation of the basic earnings per share, plus the weighted average number of 63,867,656 (2006 : 13,915,688, restated) ordinary shares deemed to be issued at no consideration as if the share options have been exercised.

10. TRADE RECEIVABLES

	30 September 2007	31 March 2007
	HK$'000	*HK$'000*
	Unaudited	Audited
Trade receivables	**595,205**	498,809
Less: provision for impairment of receivables	**(19,862)**	(9,828)
Trade receivables – net	**575,343**	488,981

The Group's trade receivables as at 30 September 2007 mainly consisted of receivables of the securities and futures broking business and advisory and placement business. For the advisory and placement business, billings are normally due on presentation. For the securities and futures broking business, the Group allows a credit period up to the settlement dates of their respective transactions except for margin client receivables which are repayable on demand and therefore, no aging analysis is disclosed.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise the credit risk. Overdue balances are reviewed regularly by senior management.

The aging analysis of the trade receivables as at the balance sheet date, based on due date and net of provision, is as follows:

	30 September 2007 HK$'000 Unaudited	31 March 2007 HK$'000 Audited
Repayable on demand – margin clients receivable	**233,095**	204,938
Within 180 days	**341,857**	282,449
180 days – 360 days	**100**	1,467
Over 360 days	**291**	127
	575,343	488,981

Included in the Group's margin clients receivable were amounts due from directors of HK$4,581,000 (31 March 2007 : HK$3,298,000) in respect of transactions in securities as at 30 September 2007.

11. TRADE PAYABLES

The aging analysis of the trade payables of the Group is as follows:

	30 September 2007 HK$'000 Unaudited	31 March 2007 HK$'000 Audited
Repayable on demand:		
Securities transactions		
– margin clients payable	**130,515**	65,846
– cash clients payable	**214,021**	222,030
Futures and options contracts		
– clients payable	**52,919**	75,831
	397,455	363,707
Within 180 days	**33,618**	41,119
Over 180 days	**54**	55
	431,127	404,881

Accounts payable to cash clients attributable to dealing in securities transactions represents clients' undrawn monies/excess deposits placed with the Group. Accounts payable to clients attributable to dealing in futures and options contracts transactions includes margin deposits received from clients for their trading of futures and options contracts and clients' undrawn monies/excess deposits placed with the Group. All these accounts payable together with margin clients payable are repayable on demand and therefore, no aging analysis is disclosed.

Included in above, there was nil amount due to director (31 March 2007 : HK$7,000 for a director) in respect of transactions in securities as at 30 September 2007.

12. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform with changes in presentation in the current period when necessary.

The reclassification that has been made to the comparative figures in the condensed consolidated balance sheet as at 31 March 2007, to be consistent with the presentation in the current period's condensed balance sheet, is the "Other payables and accruals" of HK$2,253,000 being reclassified to "Trade Payables".

The reclassification that has been made to the comparative figures in the condensed consolidated income statement for the six months ended 30 September 2006, to be consistent with the presentation in the current period's condensed income statement, is the interest on bank loans and other borrowings of HK$4,416,000 being reclassified from "Interest expenses for financial services operations" to "Finance costs".

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group is very pleased to report an interim profit of HK$55.2 million (2006 : HK$12.8 million). The Group's revenue for the period significantly increased to HK$217.5 million (2006 : HK$82.7 million) representing an increase of over 163% comparing with the same period last year. Our Asset Management division also contributed significantly both in terms of performance and management fees. Securities and futures brokerage and placement services continue to be strong, reflecting the buoyant Hong Kong market. Growth in assets under management have increased substantially and now stand at US$127.6 million (equivalent to HK$995.0 million) as at 30 September 2007 (2006 : US$23.7 million (equivalent to HK$185.0 million)).

REVIEW OF OPERATIONS

The Group enjoyed strong growth in line with robust financial markets in Hong Kong and around the region. The asset management business and securities and futures brokerage business achieved good performance and were major contributors to the Group's interim profit, their segment results are HK$32.1 million and HK$10.8 million respectively. We also continued to see a healthy corporate finance advisory business and wealth management business. The website information and media business continued to grow, albeit, during the period, our major focus was on the revamp of the website which is to be launched in December 2007. In July 2007, we commenced our policy to build a regional presence as mentioned in our annual report 2007, by acquisition through the open market of a strategic stake in Seamico Securities Public Company Limited ("Seamico Securities") in Thailand. Seamico Securities is a full-fledged securities dealer, which the Group has had a long term business relationship. Both Messrs Pouliot and Lam sit on the board respectively in the capacity of Chairman of the board and executive director of Seamico Securities.

Asset management

Asset management revenues were HK$66.3 million (2006 : HK$3.6 million). Management and performance fees earned from managing an expanded asset base, have grown significantly. Assets under management at period end was close to HK$995.0 million (equivalent to US$127.6 million) (2006 : HK$185.0 million). Going forward, we expect further investment funds subscription on the back of the robust capital markets in Hong Kong and the region. The asset management team has grown to 12 staff with added strength on research and administration.

Securities and futures dealing and placement

Securities and futures dealing commissions were HK$84.1 million (2006 : HK$33.7 million), an increase of 150% comparing with the same period last year. This reflects the strength of the current market and also our continued growth in new accounts for both retail and institutional clients. Placement and underwriting fee income increased to HK$25.6 million (2006 : HK$8.0 million) while our futures dealing business continued to expand.

The margin lending portfolio at period end stood at HK$233.1 million (31 March 2007 : HK$204.9 million). We continued to monitor and assess the impact of lower repledge limits that became effective in October. Furthermore, as the market has achieved higher levels on the Hang Seng Index, we have taken additional steps to monitor our credit exposure.

Our newly set up wealth management business has enjoyed early success and has already reached profitability within the first year of operation, starting from November 2006. We have relocated their services to our new premises in the Fung House at Central, Hong Kong offering more space to our expanding sales team.

Corporate finance advisory services

During the period under review the corporate finance team closed fifteen transactions and embarked upon several new significant projects. The mergers and acquisitions practice reflected a period of high activity with several transactions closed with other member firms of M&A International Inc. ("M&A International"), subsequent to the M&A International's international spring conference held in Beijing in April 2007.

The financial advisory side of the business also continued to grow in terms of both business volumes and headcount. The continuing strengthening of our track record in the mid-market has resulted in an upturn in dealflow referred from the international Investment Banks in this sector. Specific examples of transactions to which our infrastructure and resources have proved well suited is the provision of ongoing compliance advisory services to companies newly listed on the Stock Exchange, and independent financial advice to these Investment Bank's regular clients.

Wealth management website

Revenue from the Quamnet website business was at HK$11.4 million (2006 : HK$9.5 million). Subscriptions unit registered steady growth in subscribers. Advertising and related media services revenue were soft in light of the total revamp occurring on the website.

Our average monthly ARPU (average revenue per user) now stands at HK$251 (2006 : HK$209) with close to 6,500 (2006 : 5,000 paying subscribers) paying subscribers. We continue to focus on broadening the content available on our website and extending our reach in China and have been successful in distributing our premium content on other major websites portals such as MSN Hong Kong and Sina.com.cn. We have set aside considerable capital expenditure this coming year for website revamp and systems and hardware upgrade. We expect the first phase and re-launch of our website in December 2007.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and bank balances and short term deposits as at 30 September 2007 amounted to approximately HK$57.7 million (31 March 2007 : HK$62.4 million).

The Group generally finances its operations with internally generated cash flow and banking and short-term loan facilities provided by its principal bankers in Hong Kong and short term loan from a third party. As at 30 September 2007, the Group had available aggregate banking facilities of approximately HK$212.0 million which are secured by legal charges on certain securities owned by the Group or its margin and money lending clients. The Group had pledged HK$5.6 million of its investment securities to secure banking facilities as at 30 September 2007. As at 30 September 2007, approximately HK$56.3 million was utilized on these banking facilities and short term funding of HK$40 million from a third party was utilized which is unsecured and bears interest at 8% per annum (31 March 2007 : 7.3% per annum) and matures on 31 July 2008.

The Group's gearing ratio, largely the result of the margin and money lending business and with the addition of initial public offerings ("IPO") financing facilities, is 105.7% as at 30 September 2007 (31 March 2007 : 117.2%). It should be noted that IPO facilities were utilised to the amount of HK$155.0 million as at 30 September 2007 (31 March 2007 : HK$151.1 million) and were fully repaid during 5 October 2007 to 8 October 2007.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2007, the Group has about 151 full time employees and 3 part time employees based in Hong Kong. There were 21 employees based in the People's Republic of China.

Competitive remuneration packages are offered to employees by reference to the prevailing market practices and standards and individual merit. Salaries are reviewed annually and bonuses paid on an annual basis with reference to individual performance appraisals and the market conditions and trends. Other benefits offered by the Group include mandatory provident fund scheme and medical and health insurance. In addition, the Group operates share option scheme with options granted to certain employees and directors of the Group on a discretionary basis.

PROSPECTS

During the six months under review, the financial markets in Hong Kong and in the region continued their robust activity. The asset management business will be exploring further development plans to grow assets under management. In addition, strategic development of cross border asset management alliances and licenses are being explored. Securities dealing continues to impress with good recurring turnover from both institutional clients and retails customers. Futures trading has also gathered momentum with solid recurring turnover and activity. Corporate finance is expected to continue its strong growth profile.

We shall continue with building our strategic regional footprint by making additional investments in strategic alliances in the second half of the year, having initiated with a stake in Seamico Securities.

We are excited with the imminent relaunch of the Quamnet website. Significant manpower, effort and capital have been dedicated to bring our readers and subscribers a new site with much richer information and more user friendly access to Quamnet's investing tools and proprietary professional independent research.

INTERIM DIVIDEND

The board of the Company has resolved to declare an interim dividend of HK1.50 cents per share for the six months ended 30 September 2007 (2006 : HK1.50 cents per share). The interim dividend will be payable on Wednesday, 9 January 2008 to shareholders whose name appear on the Register of Members of the Company on Friday, 28 December 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the period from Monday, 24 December 2007 to Friday, 28 December 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 21 December 2007.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2007, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules. Having made specific enquiry of all Directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 September 2007.

In addition, the Company also established written guidelines on terms no less exacting than the Model Code for relevant employees of the Company who are likely to be in possession of unpublished price-sensitive information regarding dealings of securities of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the Corporate Governance Report which was published in the Annual Report 2007 of the Company, we reported that the Company had adopted the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code on corporate governance practices, save for the deviations specified and explained therein.

The Board considered that the Company has applied the principles and complied with the code provisions of the CG Code throughout the six months ended 30 September 2007 except for the deviation from code provisions A.2.1 and A.4.1 which are explained as follow:

Code provision A.2.1

Mr. Bernard Pouliot is the Chairman of the Company since 19 April 2000 and the managing director of the Group. The Company does not have any office with the title "Chief Executive Officer". This constitutes a deviation from code provision A.2.1 of the CG Code which stipulates that the roles of the Chairman and the Chief Executive Officer should be separate and should not be performed by the same individual. However, the Board considers that in view of the current operation, structure, size and resources of the Group together with the substantial experience on financial services business, extensive management experience and leadership within the Group of Mr. Bernard Pouliot that it is currently most beneficial and efficient to maintain the existing leadership structure.

Code provision A.4.1

All the existing independent non-executive Directors of the Company do not have a specific term of appointment. This constitutes a deviation from code provision A.4.1 of the CG Code which stipulates that non-executive directors should be appointed for a specific term, subject to re-election. However, pursuant to the Bye-laws of the Company, at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation, provided that every director shall be subject to retirement at least once every three years. Therefore, no director has an effective term of appointment longer than three years.

AUDIT COMMITTEE REVIEW

The audit committee of the Company comprises three independent non-executive Directors. The audit committee has met with Messrs. Grant Thornton, the external auditor of the Group, to review the accounting policies and practices adopted by the Group, the internal control system and review the unaudited condensed consolidated financial results of the Company for the six months ended 30 September 2007.

In addition, Messrs. Grant Thornton, performed an independent review of the interim financial statements for the six months ended 30 September 2007 in accordance with Hong Kong Standard on Review Engagements 2410. On the basis of their review which does not constitute an audit, Messrs. Grant Thornton confirmed in writing that nothing has come to their attention that causes them to believe that the interim financial statements have not been prepared, in all material respect, in accordance with HKAS 34 "Interim Financial Reporting".

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement of unaudited interim results for the six months ended 30 September 2007 is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.quamlimited.com under "Corporate Communication" of "Investor Relations".

The Interim Report 2007 of the Company will be dispatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.quamlimited.com under "Financial Reports" of "Investor Relations" in due course.

On behalf of the Board
Quam Limited
Bernard Pouliot
Chairman

Hong Kong, 6 December 2007

As at the date of this announcement, the board of directors of Quam Limited comprises three executive directors, namely Mr. Bernard POULIOT, Mr. Kenneth LAM Kin Hing and Mr. Richard David WINTER; and four independent non-executive directors, namely Mr. Gordon KWONG Che Keung, Mr. Jeremy KING, Dr. TIAN Yuan and Mr. IP Shing Hing, J.P.