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 2008

The board of directors (the "Board" or "Directors") of Quam Limited (the "Company") is pleased to present the unaudited interim results of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2008, together with the comparative figures for the previous financial period, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2008

	Notes	**Six months ended 30 September 2008** *HK$'000* **Unaudited**	Six months ended 30 September 2007 *HK$'000* Unaudited
Revenue/Turnover	4	**156,915**	217,492
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(10,542)**	5,092
Other operating income	5	**12,623**	11,525
Cost of services provided		**(86,770)**	(76,408)
Staff costs	6	**(41,062)**	(55,592)
Depreciation and amortisation expenses		**(2,337)**	(1,768)
Other operating expenses, net		**(24,231)**	(35,548)
Finance costs		**(2,805)**	(5,993)
Share of results of an associate		**(723)**	1,080
Profit before income tax	6	**1,068**	59,880
Income tax expense	7	**—**	(4,650)
Profit for the period, attributable to equity holders of the Company		**1,068**	55,230
Dividends	8	**3,857**	9,367
Earnings per share for profit attributable to equity holders of the Company during the period	9		
— Basic		**0.14 cents**	8.42 cents**
— Diluted		**0.13 cents**	7.60 cents**

* *For identification purpose only*
** *Restated*

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2008

	Notes	30 September 2008 HK$'000 Unaudited	31 March 2008 HK$'000 Audited
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**9,581**	10,145
Goodwill		**14,695**	14,695
Other intangible assets		**2,328**	3,212
Available-for-sale financial assets		**61,817**	51,572
Interest in an associate		**37,738**	38,461
Other assets		**2,800**	2,800
		128,959	120,885
Current assets			
Trade receivables	10	**228,457**	357,766
Short term loan receivables		**1,191**	6,251
Prepayments, deposits and other receivables		**24,863**	13,396
Financial assets at fair value through profit or loss		**8,443**	25,411
Trust time deposits held on behalf of customers		**71,633**	63,117
Trust bank balances held on behalf of customers		**196,827**	209,474
Cash and cash equivalents		**125,229**	40,001
		656,643	715,416
Current liabilities			
Trade payables	11	**370,646**	350,107
Borrowings		**71,359**	90,671
Provision for tax		**1,746**	2,452
Other payables and accruals		**42,958**	72,828
Finance lease payables		**1,524**	1,329
		488,233	517,387
Net current assets		**168,410**	198,029
Total assets less current liabilities		**297,369**	318,914
Non-current liabilities			
Finance lease payables		**2,305**	2,692
Deferred tax liabilities		**36**	36
		2,341	2,728
Net assets		**295,028**	316,186
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**2,571**	2,221
Reserves		**292,457**	313,965
Total equity		**295,028**	316,186

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 2008 except for the adoption of the amendments to HKAS 39 and HKFRS 7 "Reclassification of Financial Assets" which were issued in October 2008 and effective from 1 July 2008. The impact to the Group's condensed consolidated interim balance sheet and income statement as a result of the adoption of the aforesaid amendments is included in the interim report for the six months ended 30 September 2008.

The following new interpretations are mandatory for the first time for the financial year beginning 1 April 2008 but are not relevant for the Group:

HK(IFRIC) — Int 12	Service Concession Arrangements
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The following new standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Share-based Payment — Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[3]
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate[1]
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation[4]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008

Among these new standards and interpretations, HKAS 1 (Revised) is expected to be relevant to the Group's financial statements.

HKAS 1 (Revised) Presentation of Financial Statements

This revised standard affects the presentation of owner changes in equity and introduces a statement of comprehensive income. Preparers will have the option of presenting items of income and expenses and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of other comprehensive income). This revised standard does not affect the financial position or results of the Group but will give rise to additional disclosures. Management is currently assessing the detailed impact of this revised standard on the Group's financial statements.

The directors of the Company are currently assessing the impact of the other new or revised HKFRSs but are not yet in a position to state whether they would have material financial impact on the Group's financial statements.

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, discretionary securities and futures dealing 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 and research; and

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

The Group's inter-segment transactions were related to advisory, asset management 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 2008 and 2007 is as follows:

2008	**Securities broking and placement** *HK$'000* **Unaudited**	**Margin financing and money lending** *HK$'000* **Unaudited**	**Advisory** *HK$'000* **Unaudited**	**Asset management** *HK$'000* **Unaudited**	**Website management** *HK$'000* **Unaudited**	**Investments** *HK$'000* **Unaudited**	**Eliminations** *HK$'000* **Unaudited**	**Total** *HK$'000* **Unaudited**
Segment revenue								
Sales to external customers	**118,059**	**8,795**	**11,156**	**6,444**	**12,461**	**—**	**—**	**156,915**
Inter-segment sales	**—**	**—**	**2,000**	**2,000**	**8,911**	**—**	**(12,911)**	**—**
Total	**118,059**	**8,795**	**13,156**	**8,444**	**21,372**	**—**	**(12,911)**	**156,915**
Segment results	**7,578**	**1,744**	**2,846**	**335**	**4,171**	**(11,677)**		**4,997**
Unallocated income								**3,607**
Unallocated corporate expenses								**(6,813)**
Share of results of an associate								**(723)**
Profit before income tax								**1,068**
Income tax expense								**—**
Profit for the period								**1,068**

2007	Securities broking and placement *HK$'000* Unaudited	Margin financing and money lending *HK$'000* Unaudited	Advisory *HK$'000* Unaudited	Asset management *HK$'000* Unaudited	Website management *HK$'000* Unaudited	Investments *HK$'000* Unaudited	Eliminations *HK$'000* Unaudited	Total *HK$'000* Unaudited
Segment revenue								
Sales to external customers	113,514	16,911	11,045	64,655	11,367	—	—	217,492
Inter-segment sales	—	—	1,068	—	5,670	—	(6,738)	—
Total	113,514	16,911	12,113	64,655	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 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

(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, Shanghai and Shengyang, 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 2008 *HK$'000* **Unaudited**	Six months ended 30 September 2007 *HK$'000* Unaudited
Advertising and content fee income	**1,882**	1,472
Website management and related services fee income	**10,579**	9,895
Commission and performance fee income on securities and futures broking	**107,252**	85,745
Advisory fee income	**11,156**	11,045
Placement and underwriting fee income	**9,479**	25,639
Income from margin financing and money lending operations	**8,795**	16,911
Fund management fee income	**6,444**	64,655
Wealth management service fee income	**1,328**	2,130
	156,915	217,492

5. OTHER OPERATING INCOME

	Six months ended 30 September 2008 *HK$'000* **Unaudited**	Six months ended 30 September 2007 *HK$'000* Unaudited
Interest income from banks and others	**2,044**	7,484
Exchange gains, net	**635**	558
Long outstanding trade and other payables written back	**1,887**	—
Write back of provision for impairment of trade receivables	**3,735**	183
Dividend income from listed securities	**1,563**	708
Sundry income	**2,759**	2,592
	12,623	11,525

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Six months ended 30 September 2008 *HK$'000* Unaudited	Six months ended 30 September 2007 *HK$'000* Unaudited
Amortisation of other intangible assets	**884**	884
Depreciation of property, plant and equipment		
Owned assets	**922**	765
Leased assets	**531**	119
	2,337	1,768
Staff costs (including directors' remuneration):		
Salaries and other allowances	**37,191**	52,170
Retirement benefits scheme contribution	**767**	708
Employee share-based compensation	**3,104**	2,714
	41,062	55,592
Consultancy fee for marketing and promotion#	**48,667**	18,042
Provision for impairment of trade receivables	**2,847**	10,034

included in cost of services provided

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rates of 16.5% (2007: 17.5%) on the estimated assessable profit for the period.

	Six months ended 30 September 2008 *HK$'000* Unaudited	Six months ended 30 September 2007 *HK$'000* Unaudited
Current tax		
— Hong Kong		
Tax for the period	**—**	4,650

As at 30 September 2008, a provision was made for deferred tax liabilities of HK$36,000 (31 March 2008: HK$36,000) calculated at the rate of 16.5% (31 March 2008: 17.5%) in respect of the temporary differences arising from accelerated depreciation allowances.

8. DIVIDENDS

(a) Dividends attributable to the interim period

	Six months ended 30 September 2008	Six months ended 30 September 2007
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Interim dividend declared after the interim period of HK0.50 cents per ordinary share (2007: HK1.50 cents per ordinary share)	**3,857**	9,367

The interim dividend has not been recognised as a liability at the balance sheet date. The amount of interim dividend is based on 771,371,541 shares in issue on 4 December 2008 (2007: 624,458,356 shares in issue on 6 December 2007).

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

	Six months ended 30 September 2008	Six months ended 30 September 2007
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Final dividend in respect of the financial year ended 31 March 2008, approved and paid during the following interim period, of HK2.50 cents per ordinary share (year ended 31 March 2007: HK2.00 cents per ordinary share)	**17,531**	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$1,068,000 (2007: HK$55,230,000) and on the weighted average of 751,909,385 (2007: 656,158,179, 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 one third of one cent each for every ten existing shares of par value of HK one third of one cent each on 30 September 2008 ("Bonus Issue"). The comparative figures of basic and diluted earnings per share have been restated for the effect of the Bonus Issue.

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$1,068,000 (2007: HK$55,230,000) as used in the calculation of the basic earnings per share and the weighted average of 797,578,255 (2007: 726,412,601, 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 751,909,385 (2007: 656,158,179, 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 45,668,870 (2007: 70,254,422, restated) ordinary shares deemed to be issued at no consideration as if the share options have been exercised.

10. TRADE RECEIVABLES

	30 September 2008 *HK$'000* **Unaudited**	31 March 2008 *HK$'000* Audited
Trade receivables	**262,464**	392,661
Less: provision for impairment of receivables	**(34,007)**	(34,895)
Trade receivables — net	**228,457**	357,766

The Group's trade receivables as at 30 September 2008 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 (normally two business days after the respective trade dates) 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. As the Group's trade receivables related to a large number of diversified customers, there is no significant concentration of credit risk.

The carrying amounts of the Group's trade receivables approximate to their fair values.

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 2008 *HK$'000* **Unaudited**	31 March 2008 *HK$'000* Audited
Repayable on demand		
— margin clients receivables	**102,444**	233,324
0–30 days	**122,350**	117,047
31–60 days	**1,220**	1,356
61–90 days	**149**	5,426
91–180 days	**859**	303
181–360 days	**1,189**	305
Over 360 days	**246**	5
	228,457	357,766

Included in the Group's margin clients receivable were amounts due from a director of HK$7,000 (31 March 2008: HK$12,831,000 for two directors) in respect of transactions in securities as at 30 September 2008.

11. TRADE PAYABLES

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

	30 September 2008 *HK$'000* **Unaudited**	31 March 2008 *HK$'000* Audited
Repayable on demand:		
Securities transactions		
— margin clients payable	**63,177**	89,646
— cash clients payable	**119,925**	119,922
Futures and options contracts		
— clients payable	**172,520**	126,816
	355,622	336,384
Within 180 days	**14,947**	13,642
Over 180 days	**77**	81
	370,646	350,107

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 were amounts due to directors of HK$2,622,000 (31 March 2008: HK$15,000 for a director) in respect of transactions in securities as at 30 September 2008.

Included in above, there was an amount due to a director of HK$8,664,000 (31 March 2008: HK$5,581,000 for a director) in respect of transactions in futures as at 30 September 2008.

12. COMPARATIVE FIGURES

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the period from 1 April 2008 to 30 September 2008 (the "Period"), the Group earned profit after tax of HK$1.1 million (2007: HK$55.2 million). The Group's revenue for the Period declined to HK$156.9 million (2007: HK$217.5 million) reflecting the impact of the global financial crisis. A significant mark-to-market unrealised loss of approximately HK$8.1 million in the Group's stake in Seamico Securities Public Company Limited ("Seamico") and the recent stock market turmoil combined to adversely affect results for the Period. However, securities and futures brokerage, placement services and corporate advisory businesses were positive contributors to the Group. The Group's asset management business, a significant contributor in the prior period, was negatively affected by the market resulting in lower management and performance fees. Assets under management declined as a result of lower market valuations and redemptions.

Hong Kong Accounting Standard HKAS 39 and amendments to Hong Kong Accounting Standard HKAS 39/HKFRS 7, which came into effect on 15 October 2008, allows balance sheet reclassification of certain financial assets. After careful consideration, the Directors resolved that the portion of the Group's investment in Seamico that was classified as "Financial Asset at Fair Value through Profit or Loss" be reclassified as "Available-for-sale Financial Assets" as allowable under the amendment in HKAS 39. As a result of adopting this policy, the entire investment holding in Seamico has been classified as "Available-for-sale Financial Assets".

REVIEW OF OPERATIONS

The Group has been taking a cautious view of the markets since autumn 2007 and has been making appropriate adjustments to its operations and investments to reduce risk, decrease current and capital expenditures and maximise cash reserves and liquidity (which stood at HK$125 million as at 30 September 2008).

The Group's operations and execution capabilities inside and outside the Greater China region have been significantly enhanced as a result of the further cooperation and integration with the Group's "Global Alliance Partners" in Thailand, Japan and Dubai. The Group intends to build strategic alliances in London and New York to further add to its private equity and capital market activity.

During the Period, Mr. Garry Stein, was appointed as Managing Director for the Group's new private equity business. The structuring and operational set up of the first private equity fund, which will focus on natural resources and minerals, is well under way.

The latter part of the Period was affected by the intense global financial crisis. However, with the timely adoption of prudent risk management, the Group reduced its exposure early to counter the continuing downturn in worldwide financial markets and economic activity.

Securities and futures dealing and placement

Securities and futures dealing commissions were HK$107.3 million (2007: HK$85.7 million, restated), an increase of 25% over the same period last year. The futures business continued to show some resilience to the market as volatility on certain products gave investors appetite for such trading. However, the volume of equity trading was substantially down as a result of negative market sentiment and the global financial crisis. Placement and underwriting fee income stood at HK$9.5 million (2007: HK$25.6 million), a reflection of the current market sentiment.

Margin lending at the end of the Period was substantially reduced to HK$102.4 million (31 March 2008: HK$233.3 million), a result of which has been a continuing reduction of outstanding loans in light of actual and expected market conditions.

The Wealth Management business expanded its sales team with the addition of 10 agents all of whom have experience in the wealth management field. Our objective is to build up a team to focus on medium to high net worth individuals that require diligent wealth management services. The full team now consists of 15 agents.

Corporate financial advisory services

Corporate finance and advisory services revenue for the Period increased to HK$13.2 million, including inter-company services of HK$2.0 million (2007: HK$12.1 million, including inter-company services of HK$1.1 million). Work undertaken during the Period covered a wide range of activities including takeover and financial restructuring related activities, general financial advisory, independent financial advisory, fundraising and merger and acquisition.

Whilst the current turbulent financial markets are impacting the type of corporate finance advisory services being provided, the reduction in some activities such as fundraising and cross border merger and acquisition is, to a large extent, being substituted by other types of mandates such as public company takeovers, distressed asset purchases and financial restructuring work.

Asset management

The Period resulted in a significant decrease in asset management revenues to HK$6.4 million (2007: HK$64.7 million, restated) as a result of the market conditions that have impacted the entire asset management industry. The Group considers it is in better shape than its peers in light of only moderate redemption of funds during the Period reflecting the division's focus on generating good performance. Operations have been strengthened including enhancing liquidity of the portfolio, reviewing of counter-party risks, hiring external economists and enhancing the investment team. These changes will position the division for continued success in the future.

Wealth management and investment website — www.Quamnet.com and QuamIR

Revenue from the Quamnet website and investor relations business for the Period was HK$12.5 million (2007: HK$11.4 million), reflecting a modest increase in subscription services despite the challenging market environment and a growth in advertising revenues of approximately 28%, resulting from the successful revamp of the technology platform and content on www.Quamnet.com. Average monthly ARPU for our subscription services increased slightly to HK$269 (2007: HK$251).

The focus on developing additional distribution channels has led to Quamnet content appearing prominently in major Internet portals in Hong Kong, including Yahoo! Finance, MSN and Sina Finance. Distribution of Quamnet content in China continues to grow with Quamnet becoming a prominent provider of Hong Kong equities and warrants markets information and commentary to several leading finance portals, including Hexun.com and Sina. During the Period, Quamnet also launched a number of new initiatives including mobile.quamnet.com, a version of the Quamnet website specifically tailored to the needs of mobile phone users. During the Period, Quamnet partnered with one of Hong Kong's major mobile carriers, Hutchison's 3 network, to launch Quamnet Mobile as a preferred mobile content site for their third generation GSM subscribers.

The division's offline and online investor relations business continues to grow. Online investor relations services have also benefited from the new technology platform put into place in January 2008 (www.QuamIR.com).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash and short term deposits at 30 September 2008 stood at approximately HK$125 million (31 March 2008: HK$40 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 loans from a third party. At 30 September 2008, the Group had available aggregate banking facilities of approximately HK$293.0 million which are secured by legal charges on certain securities owned by the Group or its margin and money lending clients and as of 30 September 2008, the Group had pledged HK$3.4 million of its investment securities to secure banking facilities. On 30 September 2008, approximately HK$17.6 million of these banking and short-term loan facilities was utilized.

The Group's gearing ratio, largely the result of the margin and money lending business, was 25.5% at 30 September 2008 (31 March 2008: 29.9%), being calculated as borrowings and finance lease payables over net assets.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 September 2008, the Group had approximately 188 full time employees based in Hong Kong. There were 24 full time employees and 2 part time employees based in the People's Republic of China.

Competitive remuneration packages are offered to employees by reference to 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 prevailing 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 a share option scheme with options granted to certain employees and directors of the Group on a discretionary basis.

PROSPECTS

The remaining period of this financial year and beyond will pose new challenges in view of the current global financial situation. The Group has reacted early by maximising its cash reserves and reducing margin loan exposure. As a result, the Group is confident of weathering this financial tsunami.

We see opportunities in institutional dealing and placement business, corporate financial advisory and the newly developed private equity business, arising from enterprises in need of fresh capital.

"Global Alliance" members have been working well together since the Group's investment in them and deal flow and deal networking between Global Alliance Partners was initiated during the Period. This has given all parties a broad global information perspective and substantially expanded the distribution channels for offerings.

Despite the mark-to-market unrealised loss in Seamico, we are confident in Seamico's prospects and they have reported a positive 9-month result for the period ending 30 September 2008. Seamico recently announced the acquisition of an approximately 50% stake in KTB Securities Company Limited, a Thai securities operation controlled by Krung Thai Bank Public Company Limited. Seamico also acquired a brokerage operation in Vietnam under Thanhcong Securities Joint-Stock Company, and has announced a share buyback program for up to 10% of issued share capital, or up to THB100 million. With this news, we are confident in the long-term strategy of Seamico and our strategic investment.

The asset management business has been strategically expanding by setting up its third fund, a fund of funds, that is expected to be launched in early 2009.

We believe the Group is sufficiently capitalised for the medium term to ride out the present financial crisis. Our rental lease cycle for office space is favorable and should give us flexibility in managing future overheads and commitments. The Group is in a good position to adjust to any further adverse or unpredictable effects the financial crisis may deliver.

We have built a business model that is able to absorb fluctuations in the market without the burden of undue fixed cost.

INTERIM DIVIDEND

The Board of the Company has resolved to declare an interim dividend of HK0.50 cents per share for the six months ended 30 September 2008 (2007: HK1.50 cents per share). The interim dividend will be payable on Thursday, 15 January 2009 to shareholders whose name appear on the Register of Members of the Company on Wednesday, 24 December 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the period from Monday, 22 December 2008 to Wednesday, 24 December 2008, 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, Hong Kong not later than 4:30 p.m. on Friday, 19 December 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2008, 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. The code of conduct has also been extended to specific employees of the Company who are likely to be in possession of unpublished price-sensitive information in respect of their dealings in the securities of the Company.

Having made specific enquiry of all the Directors, 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 2008.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the Corporate Governance Report which was published in the Annual Report 2008 of the Company, we reported that the Company had applied the principles and complied with the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules, 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 2008 except for the deviation from code provisions A.2.1 and A.4.1 which are explained below:

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 substantial experience of 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 2008.

In addition, Messrs. Grant Thornton, performed an independent review of the interim financial statements for the six months ended 30 September 2008 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 2008 is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the website of the Company at www.quamlimited.com.

The Interim Report 2008 of the Company will be dispatched to the shareholders of the Company and made available on the above websites in due course.

On behalf of the Board
Quam Limited
TSANG Chung Him
Company Secretary

Hong Kong, 4 December 2008

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 three independent non-executive directors, namely Mr. Gordon KWONG Che Keung, Mr. Jeremy KING and Mr. Robert Stephen TAIT.