QUAM LIMITED

華富國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 952)

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

The board of directors (the "Board" or "Directors") of Quam Limited (the "Company") hereby announces the audited consolidated financial results of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2016, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	**2016** **HK$'000**	2015 HK$'000
Revenue	4	**532,527**	423,686
Fair value (loss)/gain on financial assets measured at fair value through profit or loss		**(5,302)**	1,086
Other operating income and gains	5	**16,948**	10,147
Cost of services provided		**(244,155)**	(167,248)
Staff costs		**(151,413)**	(134,146)
Depreciation and amortisation expenses		**(7,132)**	(6,967)
Other operating expenses		**(85,567)**	(57,965)
Finance costs	6	**(20,334)**	(25,131)
Loss on disposal of an associate		**—**	(177)
Share of results of joint ventures		**1,156**	(2,946)
Profit before income tax	7	**36,728**	40,339
Income tax expense	8	**(12,040)**	(4,302)
Profit for the year, attributable to owners of the Company		**24,688**	36,037

* *For identification purpose only*

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Other comprehensive income, including reclassification adjustments			
Item that may be reclassified subsequently to profit or loss			
— Exchange (loss)/gain on translation of financial statements of foreign operations		**(1,397)**	1,494
Item that will not be reclassified subsequently to profit or loss			
— Changes in fair value of financial assets measured at fair value through other comprehensive income		**(11,379)**	6,050
Other comprehensive income for the year, including reclassification adjustments and net of tax		**(12,776)**	7,544
Total comprehensive income for the year, attributable to owners of the Company		**11,912**	43,581
		HK cents	*HK cents* (Restated)
Earnings per share for profit attributable to owners of the Company for the year	10		
— Basic		**1.671**	2.916
— Diluted		**1.626**	2.908

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**17,245**	17,126
Goodwill		**14,695**	14,695
Development costs		**3,845**	2,854
Other intangible assets		**212**	272
Financial assets measured at fair value through other comprehensive income		**15,380**	26,759
Other financial assets measured at amortised cost		**16,145**	24,144
Interests in joint ventures		**42,200**	42,447
Other assets		**7,684**	17,790
Deposits for intangible assets		**1,820**	—
Deferred tax assets		**445**	445
		119,671	146,532
Current assets			
Trade receivables	11	**1,622,201**	2,131,904
Loan receivables		**—**	306
Prepayments, deposits and other receivables		**18,209**	17,381
Financial assets measured at fair value through profit or loss		**64,831**	9,059
Tax recoverable		**714**	31
Trust time deposits held on behalf of clients		**513,740**	345,956
Trust bank balances held on behalf of clients		**824,408**	811,316
Cash and cash equivalents		**83,382**	67,102
		3,127,485	3,383,055
Current liabilities			
Trade payables	12	**2,171,798**	1,884,355
Borrowings		**263,948**	1,050,203
Accruals and other payables		**93,825**	70,942
Finance lease payables		**—**	455
Tax payables		**7,880**	1,162
Provision		**3,100**	—
		2,540,551	3,007,117
Net current assets		**586,934**	375,938
Total assets less current liabilities		**706,605**	522,470

	Notes	**2016**	2015
		HK$'000	*HK$'000*
Non-current liabilities			
Borrowings		**98,564**	95,612
		98,564	95,612
Net assets		**608,041**	426,858
EQUITY			
Equity attributable to Company's owners			
Share capital		**5,038**	4,017
Reserves		**603,003**	422,841
Total equity		**608,041**	426,858

NOTES TO THE ANNUAL RESULTS

For the year ended 31 March 2016

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The financial statements have been prepared on the historical cost basis except for certain financial assets which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

2.1 Adoption of new and amended HKFRSs

During the year, the Group has adopted all the new and amended HKFRSs which are first effective for the reporting period and relevant to the Group. Except as explained below, the adoption of these new and amended HKFRSs did not result in material changes to the Group's accounting policies.

Annual Improvements to HKFRSs 2010–2012 Cycle and 2011–2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24 (Revised), Related Party Disclosures, has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

2.2 Amendments to the Listing Rules

The Company has adopted the amendments to the Listing Rules relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance, Cap. 622, during the current financial year.

There is no impact on the Group's financial position or financial performance, however the amendments impact the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

2.3 New and amended HKFRSs that have been issued but are not yet effective

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been issued but are not yet effective. The Group had not adopted early any new and amended HKFRSs that are not yet effective for the year ended 31 March 2016. The directors of the Company anticipated that these new and amended HKFRSs will be adopted for the first period beginning after their effective date.

Information on new and amended HKFRSs that have not been adopted early by the Group but expected to have impact on the Group's consolidated financial statements is provided below. Other new and amended HKFRSs that have been issued but are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 1, Disclosure Initiative

Amendments to HKAS 1 will be effective for accounting period beginning on or after 1 January 2016. The amendments to HKAS 1 are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements. In addition, an amendment is made to HKAS 1 to clarify the presentation of an entity's share of other comprehensive income from its equity accounted interests in associates and joint ventures. The amendment requires an entity's share of other comprehensive income to be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

HKFRS 9 (2014), Financial Instruments

HKFRS 9 issued in November 2009, i.e. HKFRS 9 (2009), introduced new requirements for the classification and measurement of financial assets and was early adopted by the Group on 31 March 2010. HKFRS 9 was subsequently amended in October 2010, i.e. HKFRS 9 (2010), to introduce requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013, i.e. HKFRS 9 (2013), to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014, i.e. HKFRS 9 (2014), which incorporate these previous versions of HKFRS 9 and also include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements of financial assets by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments. Entities that have adopted a previous version by 31 January 2015 may continue to apply that version until the mandatory effective date of HKFRS 9 (2014) of 1 January 2018.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of financial liability that is attributable to change in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 (2014) requires an expected credit loss models, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9 (2014), greater flexibility has been introduced to the types of transaction eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's management activities have also been introduced.

The directors of the Company anticipate that the application of HKFRS 9 (2014) in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide reasonable estimate of the effect of HKFRS 9 (2014) until the Group has completed a detailed review.

HKFRS 15, Revenue from Contracts with Customers

HKFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Furthermore, extensive disclosures are required by HKFRS 15.

HKFRS 15 will be effective for accounting period beginning on or after 1 January 2018. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group has completed a detailed review.

HKFRS 16, Leases

The HKICPA has published the new lease standard in May 2016. The new standard will have a significant impact on many entities across various industries. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations.

From the perspective as a lessee, under the existing standard, leases are classified as either finance lease or operating lease, resulting in different accounting treatment. Finance leases are required to be accounted for "On Balance Sheet" (i.e. lease asset and corresponding liabilities are recognised in the statement of financial position); while operating lease is accounted for "Off Balance Sheet" where no asset or liabilities are recognised and the lease expenses are recognised on a straight-line basis along the lease period. Under the new standard, "On Balance Sheet" accounting treatment is required for all leases, except for certain short-term leases and leases of low-value assets.

From the perspective as a lessor, HKFRS 16 substantially carried forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will be effective for accounting period beginning on 1 January 2019. The directors of the Company anticipate that the application of HKFRS 16 in the future will have impact on the amounts reported in respect of the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 16 until the Group has completed a detailed review.

3. SEGMENT INFORMATION

The executive directors have identified the Group's five service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Brokerage *HK$'000*	Advisory *HK$'000*	Asset management *HK$'000*	Website management *HK$'000*	Investments *HK$'000*	Total *HK$'000*
2016						
Revenue						
From external customers	**401,634**	**54,823**	**59,311**	**16,759**	**—**	**532,527**
From other segments	**—**	**4,646**	**195**	**4,978**	**—**	**9,819**
Reportable segment revenue	**401,634**	**59,469**	**59,506**	**21,737**	**—**	**542,346**
Reportable segment result	**38,800**	**(235)**	**7,788**	**(100)**	**(3,283)**	**42,970**
Interest income from margin financing and money lending services	**59,812**	**—**	**—**	**—**	**—**	**59,812**
Interest income from banks and other financial assets measured at amortised cost	**5,264**	**—**	**1**	**1**	**28**	**5,294**
Depreciation and amortisation	**6,012**	**382**	**223**	**192**	**—**	**6,809**
Finance costs	**20,334**	**—**	**—**	**—**	**—**	**20,334**
Impairment of trade receivables	**10**	**1,946**	**—**	**—**	**—**	**1,956**
Reversal of impairment of trade and other receivables	**2,500**	**—**	**—**	**—**	**—**	**2,500**
Share awards expense	**359**	**139**	**78**	**36**	**—**	**612**
Reportable segment assets	**3,056,552**	**17,356**	**10,953**	**7,708**	**90,688**	**3,183,257**
Additions to non-current assets*	**9,364**	**220**	**59**	**259**	**—**	**9,902**
Reportable segment liabilities	**2,574,282**	**4,123**	**6,276**	**9,224**	**30,045**	**2,623,950**

	Brokerage *HK$'000*	Advisory *HK$'000*	Asset management *HK$'000*	Website management *HK$'000*	Investments *HK$'000*	Total *HK$'000*
2015						
Revenue						
From external customers	312,216	66,374	26,678	18,418	—	423,686
From other segments	—	—	—	5,056	—	5,056
Reportable segment revenue	312,216	66,374	26,678	23,474	—	428,742
Reportable segment result	31,715	11,272	2,173	(1,548)	287	43,899
Interest income from margin financing and money lending services	66,854	—	—	—	—	66,854
Interest income from banks and other financial assets measured at amortised cost	5,720	—	1	1	—	5,722
Depreciation and amortisation	5,820	339	216	200	—	6,575
Finance costs	25,131	—	—	—	—	25,131
Impairment of trade receivables	12	1,914	—	15	—	1,941
Share awards expense	214	89	31	14	—	348
Reportable segment assets	3,393,838	31,048	15,498	3,391	35,818	3,479,593
Additions to non-current assets*	5,344	166	28	203	—	5,741
Reportable segment liabilities	3,066,027	12,631	6,870	7,842	—	3,093,370

The totals presented for the Group's operating segments are reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2016	2015
	HK$'000	*HK$'000*
Reportable segment revenue	**542,346**	428,742
Elimination of inter-segment revenue	**(9,819)**	(5,056)
Consolidated revenue	**532,527**	423,686
Reportable segment result	**42,970**	43,899
Other operating income and gains	**1,575**	703
Loss on disposal of an associate	**—**	(177)
Share of results of joint ventures	**1,156**	(2,946)
Unallocated corporate expenses**	**(8,973)**	(1,140)
Consolidated profit before income tax	**36,728**	40,339
Reportable segment assets	**3,183,257**	3,479,593
Interests in joint ventures	**42,200**	42,447
Unallocated corporate assets	**21,699**	7,547
Consolidated assets	**3,247,156**	3,529,587
Reportable segment liabilities	**2,623,950**	3,093,370
Unallocated corporate liabilities	**15,165**	9,359
Consolidated liabilities	**2,639,115**	3,102,729

	Reportable segment total		**Unallocated**		**Consolidated**	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other material items						
Interest income from banks and other financial assets measured at amortised cost	**5,294**	5,722	**1**	1	**5,295**	5,723
Depreciation and amortisation	**6,809**	6,575	**323**	392	**7,132**	6,967
Share awards expense	**612**	348	**72**	29	**684**	377
Additions to non-current assets	**9,902**	5,741	**115**	141	**10,017**	5,882

** *included in unallocated corporate expenses are HK$7,363,000 (2015: Nil) incurred in connection with the agreements entered into with CMBC International Holdings Limited*

The following table sets out information about the geographical location of the Group's revenue from external customers and the Group's non-current assets*. The geographical location of customers is based on the location at which services were provided. The geographical location of non-current assets* is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of goodwill, development costs, other intangible assets and deposits for intangible assets, and the location of the operations, in the case of interests in joint ventures.

	Revenue from external customers		**Non-current assets***	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (domicile)#	**512,374**	397,008	**37,570**	34,604
Mainland China	**—**	—	**42,447**	42,790
Others	**20,153**	26,678	**—**	—
	532,527	423,686	**80,017**	77,394

* *Non-current assets exclude financial assets measured at fair value through other comprehensive income, other financial assets measured at amortised cost, other assets and deferred tax assets.*

\# *The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities. The Group has the majority of its operations in Hong Kong, and therefore, Hong Kong is considered as the Group's place of domicile for the purpose of disclosures as required by HKFRS 8 "Operating Segments".*

4. REVENUE

	2016	2015
	HK$'000	*HK$'000*
Advertising, banner and events fee income	**1,838**	2,883
Advisory fee income	**54,823**	66,374
Asset management and performance fee income	**59,311**	26,678
Commission and brokerage income on securities, futures and options dealing	**321,256**	223,964
Financial information service fee income	**13,653**	13,893
Interest income from margin financing and money lending services	**59,812**	66,854
Investor relations service fee income	**1,268**	1,642
Loan arrangement fee income	**—**	3,090
Placing and underwriting fee income	**18,318**	13,828
Wealth management service fee income	**2,248**	4,480
	532,527	423,686

5. OTHER OPERATING INCOME AND GAINS

	2016	2015
	HK$'000	*HK$'000*
Changes in net assets attributable to other holders of a consolidated investment fund	**1,897**	—
Dividend income from financial assets measured at fair value through other comprehensive income held at the end of the reporting period	**924**	—
Exchange gains, net	**4,119**	2,606
Gain from derecognition of financial assets measured at amortised cost	**221**	—
Interest income from banks and other financial assets measured at amortised cost	**5,295**	5,723
Reversal of impairment of trade and other receivables	**2,500**	—
Sundry income	**1,992**	1,818
	16,948	10,147

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Finance charges on finance lease payables	**13**	52
Interest on bank loans and other borrowings for margin financing and money lending services	**20,321**	25,079
Interest expense on financial liabilities not at fair value through profit or loss	**20,334**	25,131

7. PROFIT BEFORE INCOME TAX

	2016	2015
	HK$'000	*HK$'000*
Profit before income tax is arrived at after charging:		
Auditors' remuneration	**1,697**	1,509
Amortisation of development costs and other intangible assets	**1,288**	1,333
Depreciation of property, plant and equipment	**5,844**	5,634
	7,132	6,967
Impairment of trade receivables	**1,956**	1,941
Minimum lease payments under operating leases in respect of land and buildings	**27,686**	25,650
Net losses on disposals of property, plant and equipment	**4**	23

8. INCOME TAX EXPENSE

For the years ended 31 March 2016 and 2015, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits for the years.

Tax on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2016	2015
	HK$'000	*HK$'000*
Current tax — Hong Kong profits tax		
— Current year	**4,410**	5,020
— Under/(Over) provision in prior year	**7,630**	(237)
	12,040	4,783
Deferred tax		
— Origination and reversal of temporary differences	**—**	(376)
— Deductible temporary differences previously not recognised	**—**	(105)
	—	(481)
Total income tax expense	**12,040**	4,302

The Inland Revenue Department ("IRD") issued a notice to the Group to commence a group tax audit and in January 2013, management together with its tax advisors had a meeting with IRD to provide an overview of the Group's affairs and understand the possible scope of enquiries. On 14 March 2013, the IRD issued a specific enquiry letter to the Group pertaining to several operating entities and their scope of review which includes mainly the affairs of the asset management operation and the operations of website management.

As the IRD's enquiries may date back to earlier tax periods, the IRD has issued protective assessments on certain group entities for the years of assessment 2005/06 to 2009/10 and the Group has lodged objections to these assessments. Holdovers of the tax claimed for these assessments were agreed by the IRD and the Group purchased tax reserve certificates of HK$3,000,000 in the prior years, HK$250,000 during the year and HK$786,000 subsequent to the year end.

For the year ended 31 March 2015, the IRD's enquiries were still at the fact-finding stage, which were subject to further submission of information by the Group and IRD had not yet expressed any formal opinion on the potential tax liability, if any. Management also believed that the profits tax computations relating to the prior years were properly calculated and the tax liability was properly accrued and recorded. Accordingly, management concluded that no additional tax provision and/or tax charge was required for the year ended 31 March 2015.

Further to the latest discussion with its tax advisors and having taken their advice, management has revised the estimated assessable profits of those entities and, based on such estimates, the Group has recognised a provision for additional tax of approximately HK$7.6 million for the year ended 31 March 2016. The Group has also submitted to the IRD a settlement proposal on an entirely without prejudice basis in May 2016 in order to expedite the settlement of the tax position in respect of prior years' assessments.

Up to the date of approving these financial statements, the IRD is still in the process of reviewing the settlement proposal and therefore the final settlement amount in respect of those tax assessments were not yet concluded. As such, the amount of income tax provision maybe different, however, the directors of the Company are of the view that a necessary tax provision based on the best estimated possible outcome to the tax audit has been made in the financial statements.

As a related matter, the IRD is reviewing the salaries tax positions of the executive directors and some senior management of the Group and has indicated that it may impose a penalty on the Group for any incorrect filing of Employer's Returns after their review. Since the salaries tax positions are under review by the IRD, the total penalty exposure for the Group on any incorrect filing of the Employer's Returns cannot be ascertained at this stage.

9. DIVIDENDS

Dividends payable to owners of the Company attributable to the year:

	2016	2015
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK1.0 cent (2015: HK0.5 cent) per ordinary share	**15,110**	5,972
Proposed final dividend of HK0.5 cent (2015: HK0.5 cent) per ordinary share	**7,557**	6,027
	22,667	11,999

During the period from 1 October 2015 to 17 November 2015 (i.e. the record date for interim dividend), new shares had been issued and allotted. The actual interim dividend paid in respect of the year ended 31 March 2016 was HK$15,110,000 as compared to HK$15,106,000 that was disclosed as "proposed interim dividend" in the interim financial statements for the six months ended 30 September 2015.

The final dividend proposed after the end of each reporting period has not been recognised as a liability at the end of the respective reporting period.

Dividend payable to owners of the Company attributable to the previous financial year:

	2016	2015
	HK$'000	*HK$'000*
Final dividend declared, approved and paid of HK0.5 cent (2015: HK0.5 cent) per ordinary share	**7,551**	5,972

During the period from 1 April 2015 to 17 August 2015 (i.e. the record date for final dividend), new shares had been issued and allotted. The actual final dividend paid in respect of the year ended 31 March 2015 was HK$7,551,000 as compared to HK$6,027,000 that was disclosed as "proposed final dividend" in the consolidated financial statements for the year ended 31 March 2015.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the year ended 31 March 2016 is based on profit attributable to owners of the Company for the year of approximately HK$24,688,000 (2015: HK$36,037,000) and on the weighted average number of ordinary shares in issue less shares held for Share Award Scheme during the year of 1,477,502,458 (2015, restated: 1,235,630,853).

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 March 2016 is based on profit attributable to owners of the Company for the year of approximately HK$24,688,000 (2015: HK$36,037,000) and on the weighted average number of 1,518,586,167 (2015, restated: 1,239,308,360) ordinary shares outstanding during the year, after adjusting for the effects of all dilutive potential shares, calculated as follows:

	Weighted average number of ordinary shares	
	2016	2015 (Restated)
For purpose of basic earnings per share	**1,477,502,458**	1,235,630,853
Effect of share awards	**4,841,942**	2,040,827
Effect of share options	**3,120,367**	1,636,680
Effect of Warrants	**33,121,400**	—
For the purpose of diluted earnings per share	**1,518,586,167**	1,239,308,360

The Company has outstanding share options during the years ended 31 March 2016 and 2015, which were granted on 9 June 2006, 29 February 2008 and 6 June 2008 with exercise price of HK$0.1296, HK$0.8340 and HK$0.7623 respectively. The Company also has outstanding Warrants during the years ended 31 March 2016 and 2015, which were issued on 4 April 2014. The calculation of diluted earnings per share for the year ended 31 March 2015 does not assume an exercise of those share options granted on 29 February 2008 and 6 June 2008 and Warrants because their exercise price was higher than the average market price for shares for that year.

Note: The basic and diluted earnings per share for the years ended 31 March 2016 and 2015 have been adjusted to reflect the bonus element in the placing of shares of the Company during the year.

11. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Accounts receivable from dealings in securities, futures and options contracts		
— Brokers and clearing houses	**906,834**	756,044
— Cash clients	**9,748**	14,819
— Margin clients	**711,328**	865,285
— Clients for subscription of securities	**1,473**	480,274
Accounts receivable from asset management, advisory and other services		
— Clients	**15,329**	38,240
	1,644,712	2,154,662
Less: Provision for impairment	**(22,511)**	(22,758)
	1,622,201	2,131,904

Notes:

(a) Amounts due from cash clients, brokers and clearing house for the dealings in securities are required to be settled on the settlement dates of their respective transactions (normally two or three business days after the respective trade dates) and the amounts due from clients for subscription of securities are required to be settled upon the allotment of the securities subscribed. Amounts due from brokers and clearing houses for the dealings in futures and options contracts are repayable on demand except for the required margin deposits for the trading of futures and options contracts. There are no credit terms granted to clients for its asset management, advisory and other services. The amounts due from cash clients after the settlement dates bear interest at commercial rates (normally at Hong Kong Dollar Prime Rate plus a spread) and the amounts due from clients for subscription of securities bear interest at a fixed rate of 2.1% (2015: 1.7%) per annum.

(b) Margin clients are required to pledge securities collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them is determined based on a discount on the market value of securities accepted by the Group. Any excess in the lending ratio will trigger a margin call which the clients have to make good the shortfall. As at 31 March 2016, the market value of securities pledged by margin clients to the Group as collateral was HK$3,876,538,000 (2015: HK$4,790,009,000) and the Group is permitted to sell these collaterals if the client defaults in payments. The amounts due from margin clients are repayable on demand and bear interest at commercial rates (normally at Hong Kong Dollar Prime Rate plus a spread).

(c) The ageing analysis of the trade receivables based on due date and net of provision is as follows:

	2016	2015
	HK$'000	*HK$'000*
Repayable on demand	**697,691**	851,552
0–30 days	**913,708**	1,258,524
31–60 days	**930**	3,261
61–90 days	**1,056**	2,198
91–180 days	**1,594**	13,492
181–360 days	**3,106**	711
Over 360 days	**4,116**	2,166
	1,622,201	2,131,904

12. TRADE PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Accounts payable from dealings in securities, futures and options contracts		
— Brokers and clearing house	**6,509**	5,298
— Cash clients	**802,160**	715,932
— Margin clients	**1,361,517**	1,161,475
Accounts payable from financial information and other services		
— Clients	**1,612**	1,650
	2,171,798	1,884,355

Notes:

(a) Accounts payable to cash clients, brokers and clearing house are repayable on demand up to the settlement dates of their respective transactions (normally two or three business days after the respective trade dates).

(b) Accounts payable to margin clients are repayable on demand except for the required margin deposits received from clients for their trading of futures and options contracts.

(c) No ageing analysis in respect of accounts payable from dealing in securities, futures and options contracts is disclosed as, in the opinion of the directors, the ageing analysis does not give additional value in view of the business nature. The ageing analysis of the accounts payable from financial information and other services is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 180 days	**1,555**	1,593
Over 180 days	**57**	57
	1,612	1,650

FINAL DIVIDEND

The Board has proposed to recommend, at the forthcoming annual general meeting of the Company to be held on Friday, 19 August 2016 (the "2016 AGM"), a final dividend of HK0.5 cent per share (for the year ended 31 March 2015: HK0.5 cent per share) for the year ended 31 March 2016.

It is expected that the proposed final dividend, if approved by the shareholders of the Company (the "Shareholders") at the 2016 AGM, will be payable on or about Thursday, 15 September 2016 to Shareholders whose name appear on the register of members of the Company on Friday, 26 August 2016.

The register of members of the Company will be closed during the following periods, within which no transfers of shares will be effected:

(i) from Wednesday, 17 August 2016 to Friday, 19 August 2016, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2016 AGM. In order to be entitled to attend and vote at the 2016 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 16 August 2016; and

(ii) from Thursday, 25 August 2016 to Friday, 26 August 2016, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 24 August 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Chief Executive Officer's Review

The past year has certainly felt as though we were sitting in a roller coaster where our destiny was in the hands of third parties. It has been very frustrating especially after having lived a very exciting first quarter of our financial year. At that point of time, we were enjoying a China provoked bull market while being approached by a third party for a change of control, catapulting our share price to over HK$2.50 per share. What a start of a year!

But then politics and economy inter-mingled, and the markets were in free fall again and continued to be very soft for the remainder of the year. Despite all this, your company is reporting a 26% increase in turnover, year on year, while our profit before tax was down slightly, by 9%. However our after tax profit was hit by a onetime non recurrent tax expense of approximately HK$7,600,000 following an Inland Revenue Department tax investigation that has lasted over two years. Nevertheless, your company is more solid than ever. Over the last year, we have increased our capital base by 42%, expanded our banking relationships, increased our client base, diversified our products offering and have remained very liquid by exercising our usual prudent approach to business. So in light of this solid financial state, the Board has recommended that a final dividend of HK0.5 cent per share be paid out to Shareholders bringing the total for the financial year to HK1.5 cents per share. This is the highest pay-out we have done for a long time.

Now for a more detailed review of the events that have occurred during the year, let's start with the markets.

As we all know the Shanghai-Hong Kong Stock Connect scheme really started to heat up by the first quarter of the calendar year 2015 and the frenzy gathered pace until early July when it started to cool down dramatically. This period was a major contributor to our revenues and profits. It is also when we were approached by CMBC International Holdings Limited ("CMBCI"), a wholly-owned subsidiary of China Minsheng Bank, for a potential change of control that would involve an equity injection of approximately HK$13,000,000,000, including the co-investors, and a general offer at HK$1.38 per share. The documentation to that effect was completed in August 2015 with the final board approval from China Minsheng Bank.

However, from July 2015, storms were brewing in China and the financial markets fell off the cliff. This lead to various government sponsored market interventions compounded with a number of other government initiatives such as the Anti-Corruption drive, the clampdown on "wealth management" products, the adjustments to reserve ratios to the banks, the adjustment of the renminbi resulting, at the end, in capital flight and loss of confidence. In other words, a perfect storm. During that time as a large number of China based listed companies had their shares suspended, the Hong Kong Stock Exchange became an ATM machine, proving again to the markets its resilience and good governance.

Despite the Hong Kong market resisting the perfect storm, we suffered significant collateral damage. This ranged from a drop in real estate prices, fall in tourist numbers from China, drop in sales of luxury consumer products compounded by local politics that lacked our "can do" attitude that has always been the soul of Hong Kong in the past. Thus an expected sunny summer turned to a cold and wet winter that sadly is still upon us, symbolically, despite the return of warm weather.

Where do we stand now.

With the financials now available to you, we have taken this opportunity to clear the deck of a number of pending liabilities, which have been hanging over our head over the past years. We have recognised over HK$33,000,000 to cover, among others, the costs of the tax audit by Inland Revenue Department, the costs of legal actions and the costs of closing the file with CMBCI. Had we not had to recognise for these non recurrent events, our profit could have reached over HK$50,000,000 despite the horrible trading conditions in the second half of the year. The books are now clear and we are ready to move ahead and have much to report to you on a unit by unit basis.

Quam Securities:

Overall turnover was up by 29% and despite reduced equity trading contribution, the bulk of the revenues were generated by our global futures platform. Our average share margin book increased by 12% from HK$743,000,000 to HK$835,000,000. During the year, we were admitted to become the first offshore trading member of the Singapore Stock Exchange (the "SGX") for both equities and derivatives. We are excited by this prospect and are planning to roll this initiative out before September. We now have a presence as a member in three trading centers including Chicago Mercantile Exchange (CME) in Chicago. We are also in the initial phase of getting access to the Intercontinental Exchange (ICE) market in United Kingdom. This will enlarge the spectrum of our activities. The long awaited launch of our Quam Direct project, held back during the protracted discussion with our potential suitor, will be launched by September and will address the requirements of the new wave of young investors that trade directly through Apps. It is important that we have a presence in the mobile market and Quam Direct will position us accordingly. Our Equity Capital Market (ECM) group made substantial contribution to the distribution platform while our institutional sales team added new clients.

Quam Asset Management:

Revenue for Quam Asset Management doubled from HK$26,678,000 to HK$59,311,000 largely as a result of the first half bull market. The amount of Assets Under Management (the "AUM") remained static. However with the launch of our newly set-up UCITS (Undertakings for the collective investment in transferable securities) fund in Europe, we will tap into the European market which has shown great interest as a result of our road shows there. Despite incurring marked to market losses during this financial year, we are confident that the fund will bounce back and be popular with European investors by giving them access to an approved fund dedicated to investing in China. The establishment of this UCITS structure will lead to the addition of a number of different theme funds generated either through our Global Alliance Partners (GAP) network or internally with the setting up of a China fixed income fund. During the year we have closed our Mongolia Fund as well as our Global Alpha Fund and are about to close as well the Middle East Fund with a view to concentrate on the China region.

Quam Capital:

The results of our corporate finance division was affected by both external factors and internal factors. The macro events and the subsequent slowdown in the market affected the timing of a number of initial public offerings and corporate activities in general. Furthermore, on the internal front, we suffered a loss of talents as some of our professionals decided to seek their own course or join the competition. Clearly, the prolonged discussion with the potential new investor created much anxiety amongst the team resulting in this situation. Although we expect a slow recovery in the corporate finance division, high hopes are placed on the merger and acquisition team that should be closing a number of profitable transactions in the first half of the year. We are pleased to say that despite this set back, the actual team in place is well placed to meet the new challenges and serve our clients as we have done in the past. The drop of 17% in revenues to HK$54,823,000 from HK$66,374,000 in the previous year, was acceptable given the circumstances.

Quam.net:

The results of the company have stabilized and incurred a slight loss during the year. The team has been very pro-active in developing new products and working very closely with other Group divisions and particularly with the wealth management division of Quam Securities. It has been exciting in seeing the evolution of the team that is morphing into a media group that offers both online and offline capability. Major events hosted by them were the Giant Financial Forum, the Outstanding Enterprise Award and the Outstanding Investor Relations Award.

Financial Review

For the year ended 31 March 2016 (the "Year"), the Group reports an after tax profit of HK$24,688,000 (2015: HK$36,037,000) and recommends a final dividend of HK0.5 cent per share (2015: HK0.5 cent per share).

Operationally, the Year resulted in a significant increase in total Group revenue from HK$423,686,000 last year to HK$532,527,000, a 26% increase. This came as a result of the solid first half performance in the securities and asset management units coupled with robust markets and high market turnover in Hong Kong. However as we have seen, such momentum was short lived and since August 2015, these markets have languished, thereby affecting overall global market sentiment.

A placement of new shares raising HK$112,500,000 in April 2015, combined with conversion of share options and unlisted warrants has helped in increasing our capital base by 42%. Our margin loan book benefited from this increase in capital and the Company was therefore in a position to capture higher interest income generated from margin loans.

Our futures business was solid despite the market correction and it is pleasing this providing us with a steady recurrent income. We kept our focus in furthering our plans to building our asset management operations and launching the UCITS funds in December. The first portfolio launched being the China focus fund which strategy mirrors the existing Quam China Focus Fund. Due to poor market and staff departure, the corporate finance division contributed less than the previous year.

The Company, despite its 13 months of proposed integration and stalled activity, is back on its feet with a healthy balance sheet ready to expand and assist our client base.

Review of Operations

Securities, futures and bonds dealing

Securities and futures dealing commissions for the Year amounted to HK$321,256,000 (2015: HK$223,964,000), an increase of 43% over the same period last year. Although both securities and futures experienced a reduction in business trading volume during the Year, we were able to capture better margins from a growing core of high net worth and institutional customers. The average securities margin loan book continued to grow, at 12% year on year, with average margin loan book of HK$835,000,000 as compared to HK$743,000,000 last year. This contributed to an increase in overall interest revenue generated from margin loans from HK$54,644,000 to HK$59,812,000. The interest income from margin financing and money lending services in previous year amounted to HK$66,854,000 included HK$54,644,000 and HK$12,210,000 generated from margin loans and loan related to general offer respectively. Our cost of funds remains low as our bank utilization has been reduced by virtue of our higher capital base and better portfolio management.

In order to support all of our business activities, we need to invest heavily in IT infrastructure and architecture. To that effect, we have relocated our strategic data centers and have taken advantage of the new Tseung Kwan O site of Hong Kong Exchanges and Clearing Limited (HKEX) to have last meter advantage and lower latency. This enables us to offer better service to our clients whose trades are based on algorithms.

We were successful in being accepted as SGX trading member for securities this year, adding to the SGX derivative membership obtained earlier. By offering both products, we are able to expand our reach with clients. With regards to our retail strategy, we target to launch user friendly Quam Direct in last quarter of year 2016. The management time and costs spent on all these products should put us a step ahead of the competition.

ECM business activity including placement and underwriting fee income for the Year was HK$18,318,000 (2015: HK$16,918,000). Most of the contribution happened in the first half of the year.

Corporate financial advisory services

The revenue of corporate finance and advisory services amounted to HK$54,823,000 (2015: HK$66,374,000) down by 17%. In the course of the Year, a total of 32 (2015: 47) transactions were completed, 3 (2015: 2) were IPOs and 29 (2015: 45) were corporate advisory and merger and acquisition mandates.

Asset Management

Revenue from management and performance fees for the Year amounted to HK$59,311,000 (2015: HK$26,678,000), an increase of 122% as compared to last year. This result was achieved in the first half as a result of the buoyant market. We successfully obtained approval to launch the UCITS fund in December 2015, a platform to introduce European based investors into our key portfolio strategies. We launched the China focus portfolio strategy in December which is a similar strategy as that of our Quam China Focus Fund. Total AUM, comprising of managed funds and discretionary accounts, was steady US$130,700,000 (2015: US$129,300,000) as at 31 March 2016. In light of these developments, we have decided to close our smaller portfolios such as the Mongolia Fund, the Middle East Fund, as well as our fund of fund, the Global Alpha Fund in order to concentrate on our core products focusing in China.

Quamnet

Quamnet's revenue for the Year was HK$16,759,000 (2015: HK$18,418,000), a decrease of 9% compared to last year.

With the restructure of our subscription service revenue in the previous year, there were noticeable improvements in the contribution margin from these services, and as such the marketing team has carried out joint marketing of existing and new columnist and service contributors to extend the subscription level of our products. Furthermore, we have been carrying out the usual annual events such as Giant Financial Forum, Quam Outstanding Enterprise Awards and the recent Quam Outstanding Investor Relations Awards, which has given an extended reach in our corporate clients. Revenue from our subscription services was HK$13,653,000 (2015: HK$13,893,000). Advertising, banner and events revenue was HK$1,838,000 (2015: HK$2,883,000). Investor relations services revenue was HK$1,268,000 (2015: HK$1,642,000).

Capital Resources and Funding

Capital Structure, Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow as well through the use of banking facilities and short term loans from independent third parties. From time to time, the Company may raise capital by issuing new shares either by placement or issuance of debt instruments. Currently a note instrument issued in April 2014 to the principal amount of HK$100,229,000 remains outstanding and will mature in April 2017. Furthermore in mid-April 2015 we completed a top up share placing raising approximately HK$112,500,000 before expenses. All fund raising exercise is primarily applied to working capital for the securities operation, in particular the securities margin loan business as well as to ensure liquidity for our trading and underwriting activities.

We monitor carefully the asset quality of our loan portfolio. As at 31 March 2016, the Group had available aggregate banking facilities of approximately HK$1,157,200,000 (2015: HK$984,400,000), mostly secured through legal charges on certain securities owned by the Group's margin and money lending clients. As at 31 March 2016, approximately HK$263,948,000 (2015: HK$541,127,000) of these banking facilities were utilized.

The Group's cash and short term deposits as at 31 March 2016 stood at approximately HK$83,382,000 (2015: HK$67,102,000).

Gearing Ratio

The Group's gearing ratio was 60% as at 31 March 2016 (2015: 269%), being calculated as borrowings and financial lease payable over net assets. The borrowings are attributable mainly to the facilitation of securities margin lending business. The management has applied prudent risk and credit management on the increased lending to clients and borrowings from banks. In addition, the Group is required to strictly follow regulatory re-pledging ratios and prudent bank borrowing benchmarks that govern the extent of borrowings in the securities margin lending business.

Employees and Remuneration Policies

As of 31 March 2016, the Group had 198 full time employees and 4 part time employees in Hong Kong (2015: 173 full time employees and 1 part time employee in Hong Kong), together with 49 full time employees based in the Mainland China (2015: 52 full time employees based in the Mainland China). In addition, the Group has 147 commission sales representatives (2015: 178). The total headcount of the Group as at 31 March 2016 is 398 (2015: 404).

Competitive total remuneration packages are offered to employees by reference to prevailing market practices and standards and individual merit. Salaries are reviewed annually and bonuses are paid with reference to individual performance appraisals, prevailing market conditions and the Group's financial performance. Other benefits offered by the Group include a mandatory provident fund scheme and medical and health insurance. In addition, the Group has maintained a share option scheme and a restricted share award scheme as a means for reward and staff retention.

Risk Management

The Group adopts stringent risk management policies and monitoring systems to contain exposure associated with credit, liquidity, market and IT systems in all its major operations. In addition, compliance and regulatory risk is continually monitored. We do appoint yearly outside parties to monitor different aspects of our business such as money-laundering, treasury control and systems, staff procedure and compliance. The Management believes it is of utmost importance that every aspect of our business be regularly probed and tested by outside parties.

Credit Risk

The Group's Credit Committee within the securities and futures operation meets regularly to review credit limits for clients and identify and assess risks associated with financial products. The Credit Committee, which is appointed by the Executive Committee of the Company and ultimately reporting to the Board, is responsible for the approval of individual stocks acceptable for margin lending. The stock list is revised as and when deemed necessary by the Committee. The Committee will prescribe from time to time lending limits on individual stocks and/or for each individual client, taking into account loan and stock concentration exposures.

The credit control department is responsible for monitoring and making margin calls to clients when limits have been exceeded and when concentration risks for particular counters have been reached and posed a strategic risk. Failure to meet margin calls can result in liquidation of the customer's positions. The credit control department runs stress tests on loan portfolios to determine the impact on the firm's financial position and exposure.

Liquidity Risk

The Group's operating units are subject to various liquidity requirements as prescribed by the authorities and financial market regulators. The Group has put in place monitoring systems to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant rules including Financial Resources Rules.

As a further safeguard, the Group has maintained banking facilities to meet contingencies in its operations. The Company will consider the need to raise capital whenever the business operations growth justify these periods of high market volatility, the management believes the Group's working capital is adequate to meet its financial obligations.

Market Risk

The Group offers margin trading in securities and futures and options products. Clients are required to maintain a margin in order to hold positions and meet margin calls when there are changes in value of the underlying interest. The margins to be maintained for futures and options products are based on requirements set by the exchanges and counter party brokers. The margin ratios for securities margin loans are based on a combination of factors including indicative acceptable lending rates from our bankers, the quality of the company represented by the securities, the liquidity of the securities, and the concentration level of securities held. All margin ratios are reviewed and assessed by the Credit Committee. In situations where there may be sudden volatile market movement (e.g. market gap opening) affecting client's positions, the liquidation of these positions can be compromised due to market liquidity and therefore, expose the Group to credit and delivery risk.

The Group's exposure to underwriting commitments is subject to market volatility and sentiment. In that respect, the Group follows strict limits as to the maximum exposure to any underwriting commitment. The Board has established prudent guidelines in respect to net exposure commitment per issue and aggregate exposure commitment at any one time as measured against the net asset value of the Group.

IT Risk

The Group is very conscious of data security and access control risk associated with client data and trading platforms that allow clients access to trading systems. The Group deploys industry best practice in its IT architecture, implementing firewalls, intrusion surveillance, and the prevention of denial of service attacks. Furthermore, a full on back up and contingency plan is established to ensure continuity in case of systems fall over.

Legal and Regulatory Risk

As a financial group operating the regulated businesses, we endeavor to meet the stringent and evolving regulatory requirements, including but not limited to those related to investor protection, market integrity and anti-money laundering. Our compliance team working together with third party professionals continually review and scrutinize our internal control processes to reduce the legal and regulatory risk that can impact the Group's operation.

Prospects

The recent Brexit event has shaken the world capital markets and brought up questions regarding the future of United Kingdom, the survival of the European Union and its impact on world order. In addition to this fragile state, we are facing a number of elections which results could be disruptive.

We expect greater volatility and thus a need for greater prudence in managing our assets and resources. But then, as the Chinese so rightly suggest, changes equals opportunity. Out of all this uncertainty, we should be able to benefit from some of the products we offer, such as our global futures platform.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Board considers that the Company has applied the principles and complied with the code provisions set out in Appendix 14 of the Listing Rules, titled "Corporate Governance Code and Corporate Governance Report" (the "CG Code"), throughout the Year and subsequent period up to the date of this announcement, save for the deviations from code provision A.5.1 which is explained as follow:

The Company does not establish a Nomination Committee. This constitutes a deviation from code provision A.5.1 of the CG Code which stipulate that a Nomination Committee should be established. In view of the existing size of the board and business operation of the Group, it is considered more beneficial and effective to have the relevant function performed by the Board as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the 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") under Appendix 10 of the Listing Rules. The code of conduct is also updated from time to time in order to keep abreast with the latest changes in the Listing Rules. It 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.

In response to specific enquiry, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by the Directors adopted by the Company throughout the Year.

AUDIT COMMITTEE REVIEW

The Audit Committee of the Company comprises three independent non-executive Directors. The Audit Committee has met with BDO Limited, the external auditor of the Group, to review the accounting policies and practices adopted by the Group, and review the audited consolidated financial results of the Company for the year ended 31 March 2016.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 March 2016 is published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.quamlimited.com respectively. The 2016 Annual Report of the Company will be despatched to the Shareholders and made available on the above websites in due course.

On behalf of the Board
Quam Limited
Bernard POULIOT
Chairman and Executive Director

Hong Kong, 29 June 2016

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. Kenneth YOUNG Chun Man, Mr. Robert CHAN Tze Leung and Mr. Robert Stephen TAIT.