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QUAM LIMITED
華富國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 952)

INSIDE INFORMATION
PROPOSED ISSUANCE OF THE NOTES
AND
MAJOR TRANSACTION
IN RELATION TO
THE PROVISION OF THE LOAN FACILITY

Financial adviser to Quam Limited



PROPOSED ISSUANCE OF THE NOTES

On 28 November 2014, the Board approved the proposed issuance of the Notes with an aggregate principal amount of not more than HK\$160,000,000. The Company intends to use the net proceeds from the issuance of the Notes to finance the provision of the Loan Facility.

Further announcement in respect of the issuance of the Notes will be made as and when appropriate.

PROVISION OF THE LOAN FACILITY

On 28 November 2014 (after trading hours), Quam Securities, the Borrower and the Guarantor entered into the Loan Facility Agreement, pursuant to which Quam Securities agreed to provide the Borrower the Loan Facility with an amount of up to HK\$255,000,000.

Implications under the Listing Rules

(i) Advance to an entity

As the maximum amount of the Loan Facility granted to the Borrower exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan Facility is subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

It is required under Rule 13.15 of the Listing Rules to disclose, among other things, the identity of the Borrower. As the Borrower has confirmed to the Group that no consent will be provided for the disclosure of the Borrower's identity in this announcement, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.15 of the Listing Rules.

(ii) Major transaction

The provision of the Loan Facility also constitutes a major transaction to the Company and is therefore subject to reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As at the date of this announcement, the Relevant Shareholders which are collectively interested in an aggregate of 837,272,024 Shares, representing approximately 70.10% of the issued share capital of the Company, have given their written approval of the Loan Facility Agreement and such written approval has been accepted in lieu of holding a general meeting for the approval of the Loan Facility Agreement pursuant to Rule 14.44 of the Listing Rules. Therefore, no general meeting of the Company for the approval of the Loan Facility Agreement and the transactions contemplated thereunder will be convened and held.

A circular containing, among other things, details of the Loan Facility Agreement and other information will be despatched on or before 19 December 2014.

PROPOSED ISSUANCE OF THE NOTES

The disclosure of the proposed issuance of the Notes is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

On 28 November 2014, the Board approved the proposed issuance of the unsecured Notes with an aggregate principal amount of not more than HK\$160,000,000 to investors who are not connected persons of the Company.

Principal terms of the Notes

The principal terms of the Notes are summarised below:

Issuer:	The Company
Aggregate principal amount:	Not more than HK\$160,000,000
Maturity date:	120 days from the date of issuance of the Notes
Redemption on maturity:	The Company shall redeem the Notes at 100% of the principal amount on the maturity date

Early redemption:	The Notes could be redeemed in full amount or a portion of the outstanding amount of the Notes by the Company, by giving the Noteholders not less than seven days' written notice
Interest rate:	7.75% per annum, accrued daily on a 365 days basis and payable upon the maturity of the Notes or at any early redemption
Commitment fee:	2.5% of the principal amount of the Notes
Transferability:	Freely transferrable to any person and there are no specific rules or regulations which the Noteholders would need to comply in relation to the transfer of the Notes.
Ranking:	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves
Listing:	No application will be made for the listing of the Notes
Event of default:	If any of the events of default as described in the terms and conditions of the Notes occurs, a Noteholder may give notice in writing to the Company that the principal amount of the Notes then outstanding has, on the giving of such notice, become immediately due and payable, whereupon the outstanding principal amount of the Notes shall then become immediately due and payable

Use of the proceeds

The maximum aggregate gross proceeds from the issuance of the Notes are expected to be HK\$160,000,000. The maximum net proceeds from the issuance of the Notes (after deducting related expenses and cost) are estimated to be approximately HK\$151,373,000. The Company intends to use the net proceeds to finance the provision of the Loan Facility.

Further announcement in respect of the issuance of the Notes will be made as and when appropriate.

PROVISION OF THE LOAN FACILITY

On 28 November 2014 (after trading hours), Quam Securities, the Borrower and the Guarantor entered into the Loan Facility Agreement, pursuant to which Quam Securities agreed to provide the Borrower the Loan Facility with an amount of up to HK\$255,000,000.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower, its ultimate beneficial owner and the Guarantor are Independent Third Parties not connected with the Company or its connected person.

Principal terms of the Loan Facility

The principal terms of the Loan Facility are summarised below:

Date:	28 November 2014
Amount of the Loan Facility:	Up to HK\$255,000,000
Drawdown:	In accordance with the requirements of the Takeovers Code in relation to the General Offer and in any event not earlier than the date on which the despatch of the composite offer document or offer document in relation to the General Offer
Expiry:	Not later than 7th Business Day after the closing date of the General Offer
Repayment:	Within 7th Business Days upon the close of the General Offer
Interest:	Best lending rate quoted by a Hong Kong bank plus 3% per annum (adjusted from time to time from the date of drawdown), which shall be payable monthly in arrear
Arrangement fee:	6% of the amount of the Loan Facility
Borrower's securities account:	The Borrower shall deposit cash of not less than HK\$46,800,000 plus all the shares of the Listed Company tendered for acceptance under the General Offer into the Borrower's securities account maintained with Quam Securities
Guarantor undertaking:	Irrevocable and unconditional personal guarantee by the Guarantor for all the outstanding principal, accrued interests, costs and charges payable by the Borrower under the Loan Facility
Purpose:	Solely for the purpose of funding the General Offer

The Company intends to finance the provision of the Loan Facility by internal resources, banking facilities and the net proceeds from the issuance of the Notes.

Implications under the Listing Rules

(i) Advance to an entity

As the maximum amount of the Loan Facility granted to the Borrower exceeds 8% under the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan Facility is subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

It is required under Rule 13.15 of the Listing Rules to disclose, among other things, the identity of the Borrower. As the Borrower has confirmed to the Group that no consent will be provided for the disclosure of the Borrower's identity in this announcement, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.15 of the Listing Rules.

(ii) Major transaction

As one of the applicable percentage ratios (as defined under the Listing Rules) in relation to the maximum amount of the Loan Facility pursuant to the Loan Facility Agreement exceeds 25% but less than 75%, the provision of the Loan Facility constitutes a major transaction to the Company and is therefore subject to reporting, announcement, and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Loan Facility Agreement. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Loan Facility Agreement and the transactions contemplated thereunder.

As at the date of this announcement, the Relevant Shareholders which are collectively interested in an aggregate of 837,272,024 Shares, representing approximately 70.10% of the issued share capital of the Company, have given their written approval of the Loan Facility Agreement and such written approval has been accepted in lieu of holding a general meeting for the approval of the Loan Facility Agreement pursuant to Rule 14.44 of the Listing Rules. Therefore, no general meeting of the Company for the approval of the Loan Facility Agreement and the transactions contemplated thereunder will be convened and held.

A circular containing, among other things, details of the Loan Facility Agreement and other information will be despatched on or before 19 December 2014.

REASONS FOR AND BENEFITS OF THE ISSUANCE OF THE NOTES AND THE PROVISION OF THE LOAN FACILITY

The Group is principally engaged in securities, futures and options dealing, securities placement and underwriting services, margin financing and money lending services, corporate finance advisory and general advisory services, fund management and wealth management service, insurance broking, website management, investment holding and securities trading.

In order to meet the funding requirement under the Loan Facility, the Company intends to issue the Notes to raise funds to satisfy its short-term capital needs.

The provision of the Loan Facility is in the ordinary and usual course of business of Quam Securities and will generate revenue to the Group. The terms of the Loan Facility Agreement were arrived after arm's length negotiations between Quam Securities and the Borrower.

After considering (i) the expected revenue to be generated from the Loan Facility; (ii) the short-term nature of the Loan Facility; (iii) the issuance of the Notes is for financing the funding requirement of the Loan Facility; and (iv) no material adverse impact on the financial position of the Group, the Directors are of the view that the terms of the Notes and the Loan Facility Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context require otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors
“Borrower”	a company incorporated in Hong Kong which is indirectly wholly-owned by two Independent Third Parties and is principally engaged in the business of investment holding
“Business Day(s)”	a day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Quam Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Offer”	the obligation of the Borrower to make a possible mandatory unconditional general offer of the shares of a Listed Company under the Takeovers Code
“Group”	the Company and its subsidiaries
“Guarantor”	the guarantor of the Loan Facility who is an Independent Third Party
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company or any of its connected persons
“Listed Company”	a company whose shares are listed on the Main Board of the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	the loan facility with an amount of up to HK\$255,000,000 granted by Quam Securities to the Borrower pursuant to the terms of the Loan Facility Agreement
“Loan Facility Agreement”	the loan facility agreement entered into among Quam Securities, the Borrower and the Guarantor dated 28 November 2014 in relation to the provision of the Loan Facility
“Notes”	the non-listed, unsecured, 7.75% coupon straight notes for an aggregate principal amount of not more than HK\$160,000,000 with a maturity of 120 days

“Noteholder(s)”	the holder(s) of the Notes
“Quam Securities”	Quam Securities Company Limited, an indirect wholly-owned subsidiary of the Company and a corporation licensed to carry out type 1 regulated activity (dealing in securities), type 2 regulated activity (dealing in futures contract), type 4 regulated activity (advising on securities), type 6 regulated activity (advising on corporate finance) and type 9 regulated activity (asset management) under the SFO
“Relevant Shareholders”	Mr. Bernard Pouliot and his wholly-owned companies (interested in 388,985,614 Shares), Mr. Kenneth Lam Kin Hing and his wholly-owned company (interested in 347,639,012 Shares), and Mr. Richard David Winter (interested in 100,647,398 Shares), each being a director and a shareholder of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of Hong Kong one third of one cent each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

On behalf of the Board
Quam Limited
Bernard POULIOT
Chairman

Hong Kong, 28 November 2014

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.

* For identification purpose only