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**Oceanwide Holdings International  
Financial Development Co., Ltd**

*(Incorporated in the British Virgin Islands  
with limited liability)*



**QUAM LIMITED**

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

**JOINT ANNOUNCEMENT**

**(I) AGREEMENT IN RELATION TO THE SALE AND  
PURCHASE OF SHARES IN QUAM LIMITED;**

**(II) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS  
BY UOB KAY HIAN (HONG KONG) LIMITED AND  
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED  
ON BEHALF OF OCEANWIDE HOLDINGS INTERNATIONAL FINANCIAL  
DEVELOPMENT CO., LTD TO ACQUIRE ALL OF  
THE ISSUED SHARES AND ALL OUTSTANDING WARRANTS AND  
FOR THE CANCELLATION OF ALL THE OUTSTANDING  
SHARE OPTIONS OF QUAM LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY  
OCEANWIDE HOLDINGS INTERNATIONAL  
FINANCIAL DEVELOPMENT CO., LTD AND  
PARTIES ACTING IN CONCERT WITH IT);**

**AND**

**(III) RESUMPTION OF TRADING IN THE SHARES OF QUAM LIMITED**

**Joint Financial Advisers to**

**Oceanwide Holdings International Financial Development Co., Ltd**



**Financial Adviser to Quam Limited**



## **THE SALE AND PURCHASE AGREEMENT**

The Company was informed by the Sellers that on 28 October 2016 (after trading hours), the Sellers and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Sellers have conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, a total of 794,859,178 Sale Shares at the purchase price of HK\$1.38 per Sale Share, for a total cash consideration of HK\$1,096,905,666.00. The Sale Shares represent approximately 51% of the entire issued share capital of the Company (on a fully diluted basis) as at the date of this joint announcement.

Completion is conditional upon the fulfillment (or, where applicable, waiver) of the Conditions described in the paragraph headed “Conditions of the Sale and Purchase Agreement” under the section headed “(B) THE SALE AND PURCHASE AGREEMENT” in this joint announcement. Completion is to take place on the fifth Business Day after the last in time of the Conditions is fulfilled (or otherwise waived) or such other time as the parties to the Sale and Purchase Agreement may agree.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS**

As at the date of this joint announcement, neither the Offeror nor any party acting in concert with it owns (or has control or direction over) any Shares, rights over Shares (including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offers) or derivatives in respect of the Shares, other than the Sale Shares to be acquired under the Sale and Purchase Agreement. Upon Completion, the Offeror and parties acting in concert with it will own a total of 794,859,178 Sale Shares, representing approximately 51% of the entire issued share capital of the Company (on a fully diluted basis) as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will then be required to make the Share Offer for all the issued Shares (other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it). The Offeror will also be required to make the Warrant Offer for all the outstanding Warrants (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) and the Option Offer for the cancellation of all the outstanding Share Options pursuant to Rule 13 of the Takeovers Code. The Offers, comprising the Share Offer, the Warrant Offer and the Option Offer, if and when made, will be unconditional in all respects.

As at the date of this joint announcement, the Company has (i) 1,515,391,105 Shares in issue; (ii) a total of 299,468 outstanding Share Options granted pursuant to the Share Option Scheme exercisable at HK\$0.8340 per Share; (iii) a total of 2,666,834 outstanding Share Options granted pursuant to the Share Option Scheme exercisable at HK\$0.7623 per Share; and (iv) a total of 40,190,000 outstanding Warrants granted by the Company with an exercise price of HK\$0.50 per Share. Save for the Share Options and the Warrants, as at the date of this joint announcement, the Company does not have any outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

UOB Kay Hian and Haitong International Capital have been appointed as the joint financial advisers to the Offeror in respect of the Offers. Subject to and upon Completion, UOB Kay Hian and Haitong International Securities will, for and on behalf of the Offeror, make the Offers in accordance with Rule 26.1 and Rule 13 of the Takeovers Code on the following basis:

**The Share Offer**

For each Offer Share . . . . . HK\$1.38 in cash

**The Warrant Offer**

For each Warrant with  
exercise price at HK\$0.50 per Share . . . . . HK\$0.88 in cash

**The Option Offer**

For cancellation of each Share Option  
with exercise price at HK\$0.7623 per Share . . . . . HK\$0.6177 in cash

For cancellation of each Share Option  
with exercise price at HK\$0.8340 per Share . . . . . HK\$0.546 in cash

The principal terms of the Offers are set out under the section headed “(C) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS” in this joint announcement.

**CONFIRMATION OF FINANCIAL RESOURCES**

Each of UOB Kay Hian and Haitong International Capital, the joint financial advisers to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable by the Offeror for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement and the consideration payable in respect of full acceptance of the Offers as described above.

**INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Kenneth Young Chun Man, Mr. Robert Chan Tze Leung and Mr. Robert Stephen Tait, has been formed to make recommendations to the Shareholders, holders of the Warrants and holders of the Share Options in relation to the Offers pursuant to Rule 2.1 of the Takeovers Code.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee in relation to the Offers pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

## **MAINTENANCE OF LISTING AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange. The Directors and the proposed new Director(s) will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that sufficient public float as required under the Listing Rules exists for the Shares.

## **DESPATCH OF THE COMPOSITE OFFER DOCUMENT**

It is the intention of the respective board of directors of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Shareholders, holders of the Warrants and holders of the Share Options in respect of the Offers, the letter of advice of the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, along with a form of acceptance and transfer of the Shares in respect of the Share Offer, a form of acceptance and transfer of the Warrants in respect of the Warrant Offer and a form of acceptance and cancellation of the Share Options in respect of the Option Offer (as the case maybe) to the Shareholders, holders of the Warrants and holders of the Share Options within 21 days of the date of this joint announcement (or such later date as the Executive may approve). As the Conditions to Completion cannot be satisfied or waived (where applicable) within 21 days of the date of this joint announcement, the Offeror will apply for the consent of the Executive under Note 2 to Rule 8.2 of the Takeovers Code for an extension of time for despatching the Composite Document to any time within 7 days of fulfillment of the pre-condition. An expected timetable in relation to the Offers will be included in the Composite Document.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 31 October 2016 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 3 November 2016.

**WARNING: The Offers will only be made if Completion takes place. Completion is conditional upon the fulfillment (or, where applicable, waiver) of the Conditions described in the paragraph headed “Conditions of the Sale and Purchase Agreement” under the section headed “(B) THE SALE AND PURCHASE AGREEMENT”. Accordingly, the Offers may or may not be made. Shareholders, holders of the Warrants, holders of the Share Options, and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

## **(A) INTRODUCTION**

The Company was informed by the Sellers that on 28 October 2016 (after trading hours), the Sellers and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Sellers have conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, a total of 794,859,178 Sale Shares at the purchase price of HK\$1.38 per Sale Share, for a total cash consideration of HK\$1,096,905,666.00. The Sale Shares represent approximately 51% of the entire issued share capital of the Company (on a fully diluted basis) as at the date of this joint announcement. Completion will give rise to an obligation on the Offeror to make the Offers.

## **(B) THE SALE AND PURCHASE AGREEMENT**

### **Date**

28 October 2016

### **Parties**

- (i) BP, Newer Challenge, Porto Global, KL, Olympia Asian and RW (as the Sellers); and
- (ii) Offeror (as the purchaser)

Each of Newer Challenge and Porto Global is wholly owned by BP. BP is the Chairman of the Company and an executive Director. BP has agreed to guarantee the obligations of Newer Challenge and Porto Global respectively on and subject to the terms and conditions of the Sale and Purchase Agreement. Olympia Asian is wholly owned by KL. KL is a Deputy Chairman of the Company, the Chief Executive Officer of the Company and an executive Director. KL has agreed to guarantee the obligations of Olympia Asian on and subject to the terms and conditions of the Sale and Purchase Agreement. RW is a Deputy Chairman of the Company and an executive Director.

### **Sale and Purchase of the Sale Shares**

On and subject to the terms of the Sale and Purchase Agreement, the Sellers have conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, a total of 794,859,178 Sale Shares, representing approximately 51% of the entire issued share capital of the Company (on a fully diluted basis) as at the date of this joint announcement (and in respect of each Seller, the respective number of Sale Shares is indicated next to his/its name in the table below), free from all encumbrances and together with all rights attaching or accruing to them as at Completion. The Offeror shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

Immediately after Completion, the relevant Sellers will continue to hold a total of 46,217,717 Remaining Shares (and in respect of each relevant Seller, the respective number of Remaining Shares is indicated next to his/its name in the table below).

	<b>Number of Sale Shares</b>	<b>Number of Remaining Shares</b>
BP	95,549,872	35,277,631
Newer Challenge	139,443,760	—
Porto Global	100,096,084	—
KL	213,975,386	911,960
Olympia Asian	150,540,458	—
RW	<u>95,253,618</u>	<u>10,028,126</u>
Total	<u><u>794,859,178</u></u>	<u><u>46,217,717</u></u>

### **Consideration for the Sale Shares**

The purchase price for the Sale Shares is HK\$1.38 per Share, representing a total cash consideration of HK\$1,096,905,666.00. The consideration will be paid by the Offeror in cash to the Sellers at Completion.

The consideration was determined following arm's length negotiations among the parties and with reference to, among others, the prevailing market prices of the Shares, the publicly available information of the Group (including its financial reports) as well as the business prospects and development potential of the Group and the synergies it may bring to the Offeror. The acquisition is also in line with the Offeror's overseas development strategy.

### **Deposit**

Pursuant to the Sale and Purchase Agreement, the Offeror has paid the Deposit to an escrow account after the signing of the Sale and Purchase Agreement, such Deposit is non-refundable save as expressly otherwise specified in the Sale and Purchase Agreement. At Completion, the Deposit will be used to pay part of the consideration to the Sellers for the Sale Shares.

### **Conditions of the Sale and Purchase Agreement**

Completion is conditional upon satisfaction (or where applicable, waiver) of the following Conditions:

- (a) the Offeror having received notice of approval (which shall be unconditional or have attached to it only customary conditions) from the SFC on terms reasonably satisfactory to the Offeror, including the satisfaction of the Offeror with any condition that may be imposed by the SFC in accordance with section 132 of the SFO in respect of the Offeror acquiring control of the Company pursuant to the terms of the Sale and Purchase Agreement and, in particular, the Offeror and (to the extent applicable) its direct and indirect parent companies as substantial shareholders (as defined in the SFO) of the Group and all other matters contemplated under the Sale and Purchase Agreement and such approval not having been revoked and being in full force and effect at Completion;



- (b) the Offeror having received the prior approval from the BVIFSC on terms reasonably satisfactory to the Offeror in respect of the Offeror acquiring a significant interest of the Company pursuant to the terms of the Sale and Purchase Agreement and such approval not having been revoked and being in full force and effect at Completion;
- (c) (save for any suspension in trading of the Shares in connection with the issue of any announcement or documents to be despatched to the Shareholders regarding the transactions contemplated under the Sale and Purchase Agreement) there being no suspension in trading of the Shares for more than fourteen (14) consecutive trading days at or prior to Completion and the Shares remaining listed on the Main Board of the Stock Exchange at Completion;
- (d) (save for anything to do with the Offeror, or the entering into of the Sale and Purchase Agreement) there being no indication from the Stock Exchange and/or the SFC in relation to delisting of the Shares on the Stock Exchange or objection to the listing status of the Shares and there having been no occurrence of any event which would result in an adverse effect on the listing status of the Shares, and there not having been any warning or request from the Stock Exchange and/or the SFC to suspend (other than the exception as set out in above Condition (c)), cancel or withdraw the listing of, or object to the continuous listing of, the Shares at or before Completion;
- (e) (save for any actions or no action under the instruction of the Offeror which lead to a revocation, termination or temporary suspension in the Licenses granted to the Group) any of the Licenses held by the Group for the regulated activities under the SFO not having been revoked, terminated or suspended at Completion and there being no such statement, notice or declaration to revoke, terminate or suspend the relevant Licenses at or before Completion, save where such revocation, termination, or suspension does not have a Material Adverse Change on the Company's ability to continue to conduct its business in the normal course;
- (f) no governmental action, court order, proceeding, enquiry or investigation having been taken or made at any time prior to Completion that has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Offeror or any other transaction contemplated under the Sale and Purchase Agreement;
- (g) the net asset value of the Group as shown in the Interim Accounts not being less than the pre-agreed amount as specified in the Sale and Purchase Agreement;
- (h) no Material Adverse Change has arisen or occurred; and
- (i) there having been no breach of the warranties (and no fact, event or circumstances having occurred or existing which would result in a breach of the warranties when repeated at Completion) by any of the Sellers and which will lead to a Material Adverse Change.

The Offeror may waive any or all of the Conditions (b), (c), (d), (e), (g), (h) and (i) above in whole or in part (and whether conditionally or unconditionally) at any time by written notice to the Sellers, provided that the Offeror may not waive the Condition (b) if such

waiver will cause a Material Adverse Change. The Long Stop Date for satisfaction (or where applicable, waiver) of the above Conditions is 26 January 2017 or such later date as parties to the Sale and Purchase Agreement may agree in writing.

In the event that one or more of the Conditions above are not satisfied (or where applicable, waived) on or before the Long Stop Date, either the Offeror or the Sellers may terminate the Sale and Purchase Agreement provided, however, that the right to terminate the Sale and Purchase Agreement shall not be available to any party whose failure to perform any of his/its obligations under the Sale and Purchase Agreement required to be performed prior to or at Completion has been the principal cause of, or resulted in, the failure of Completion to occur. Upon termination of the Sale and Purchase Agreement, neither party will, save as otherwise provided for in the Sale and Purchase Agreement in relation to the Deposit, have any claim against the other parties.

### **Completion**

Completion is conditional upon the fulfillment (or, where applicable, waiver) of the Conditions above. Completion will take place on the fifth Business Day after the last in time of the Conditions is fulfilled (or otherwise waived) or such other time as the parties to the Sale and Purchase Agreement may agree.

### **Undertakings not to accept the Offers**

Pursuant to the Sale and Purchase Agreement, each of BP, KL and RW irrevocably and unconditionally undertakes to the Offeror that he will not sell or otherwise transfer any of the Remaining Shares, Share Options and Warrants held by him and he will not accept the Offers with respect to the Remaining Shares, Share Options and Warrants held by him, subject to any transaction which is carried out at a sale price per Share in excess of the Offer Price.

## **(C) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS**

As at the date of this joint announcement, neither the Offeror nor any party acting in concert with it owns (or has control or direction over) any Shares, rights over Shares (including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offers) or derivatives in respect of the Shares, other than the Sale Shares to be acquired under the Sale and Purchase Agreement. Upon Completion, the Offeror and parties acting in concert with it will own a total of 794,859,178 Sale Shares, representing approximately 51% of the entire issued share capital of the Company (on a fully diluted basis) at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror will then be required to make the Share Offer for all the issued Shares (other than those Shares already owned by or agreed to be acquired by the Offeror and parties acting in concert with it). The Offeror will also be required to make the Warrant Offer for all the outstanding Warrants (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it) and the Option Offer for the cancellation of all the outstanding Share Options pursuant to Rule 13 of the Takeovers Code.



As at the date of this joint announcement, the Company has (i) 1,515,391,105 Shares in issue; (ii) a total of 299,468 outstanding Share Options granted pursuant to the Share Option Scheme exercisable at HK\$0.8340 per Share; (iii) a total of 2,666,834 outstanding Share Options granted pursuant to the Share Option Scheme exercisable at HK\$0.7623 per Share; and (iv) and a total of 40,190,000 outstanding Warrants granted by the Company with an exercise price of HK\$0.50 per Share. Save for the Share Options and the Warrants, as at the date of this joint announcement, the Company does not have any outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

UOB Kay Hian and Haitong International Capital have been appointed as the joint financial advisers to the Offeror in respect of the Offers. Subject to and upon Completion, UOB Kay Hian and Haitong International Securities will, for and on behalf of the Offeror, make the Offers in accordance with Rule 26.1 and Rule 13 of the Takeovers Code.

### **The Share Offer**

For each Offer Share . . . . . HK\$1.38 in cash

The Offer Price of HK\$1.38 for each Offer Share accepted under the Share Offer is the same as the price for each Sale Share being acquired by the Offeror pursuant to the Sale and Purchase Agreement.

### **The Warrant Offer**

For each Warrant with  
exercise price at HK\$0.50 per Share . . . . . HK\$0.88 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the holders of the Warrants to acquire all the outstanding Warrants (other than those already owned by or agreed to be acquired by the Offeror and parties acting in concert with it). The price for each Warrant accepted under the Warrant Offer will be the see-through price which represents the difference between the Offer Price of each Offer Share and the exercise price of each Warrant. Since the Offer Price of each Offer Share is HK\$1.38 and the exercise price of each Warrant is HK\$0.50 per Share, the price for each Warrant is HK\$0.88 under the Warrant Offer.

### **The Option Offer**

For cancellation of each Share Option  
with exercise price at HK\$0.7623 per Share . . . . . HK\$0.6177 in cash

For cancellation of each Share Option  
with exercise price at HK\$0.8340 per Share . . . . . HK\$0.546 in cash

Pursuant to Rule 13 of the Takeovers Code, the Offeror will make an appropriate cash offer to the holders of the Share Options for cancellation of all the outstanding Share Options. The price for each Share Option accepted under the Option Offer will be the see-through price which represents the difference between the Offer Price of each Offer Share and the exercise price of each Share Option. Since the Offer Price of each Offer Share is

HK\$1.38 and the exercise prices of each group of Share Options are HK\$0.7623 per Share and HK\$0.8340 per Share respectively, the prices for each group of Share Options are therefore HK\$0.6177 and HK\$0.546 respectively under the Option Offer.

### **Comparisons of Value**

The Offer Price of HK\$1.38 per Offer Share represents:

- (a) a premium of approximately 16.0% over the closing price of HK\$1.190 per Share as quoted on the Stock Exchange on 28 October 2016, being the Last Trading Day;
- (b) a premium of approximately 12.4% over the average closing price of approximately HK\$1.228 per Share as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 14.4% over the average closing price of approximately HK\$1.206 per Share as quoted on the Stock Exchange for the last 10 trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 36.4% over the average closing price of approximately HK\$1.012 per Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 57.7% over the average closing price of approximately HK\$0.875 per Share as quoted on the Stock Exchange for the last 60 trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 71.9% over the average closing price of approximately HK\$0.803 per Share as quoted on the Stock Exchange for the last 90 trading days immediately prior to and including the Last Trading Day; and
- (g) a premium of approximately 244.1% over the audited consolidated net asset value of the Group of approximately HK\$0.401 per Share as at 31 March 2016 calculated based on the audited consolidated net asset value of the Group as at 31 March 2016 of approximately HK\$608,041,000 and 1,515,391,105 Shares in issue as at the date of this joint announcement.

### **Highest and Lowest Trading Prices**

During the six-month period immediately preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.24 on 24, 25 and 27 October 2016 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.485 on 24 May 2016.

### **Total Value of the Offers**

On the basis of the Offer Price of HK\$1.38 per Offer Share and 1,515,391,105 issued Shares as at the date of this joint announcement, the entire issued share capital of the Company would be valued at HK\$2,091,239,724.90 (assuming that no Warrants or Share Options are exercised).

Upon Completion, excluding 794,859,178 Sale Shares to be owned by the Offeror and parties acting in concert with it, the number of Offer Shares subject to the Share Offer will be 720,531,927. On the basis of the Offer Price of HK\$1.38 per Offer Share and 720,531,927 Offer Shares, in the event that the Share Offer is accepted in full, the aggregate amount payable by the Offeror under the Share Offer will be HK\$994,334,059.26 (assuming that no Warrants or Share Options are exercised prior to the close of the Offers).

Assuming none of the Warrants are exercised prior to the close of the Offers, on the basis of the price for each Warrant of HK\$0.88 under the Warrant Offer and 40,190,000 outstanding Warrants as at the date of this joint announcement, in the event that the Warrant Offer is accepted in full, the aggregate amount payable by the Offeror under the Warrant Offer will be HK\$35,367,200.00.

Assuming none of the Share Options are exercised prior to the close of the Offers, on the basis of (i) the price for each Share Option (with exercise price at HK\$0.7623 per Share) of HK\$0.6177 under the Option Offer and 2,666,834 outstanding Share Options (with exercise price at HK\$0.7623 per Share) and (ii) the price for each Share Option (with exercise price at HK\$0.8340 per Share) of HK\$0.546 under the Option Offer and 299,468 outstanding Share Options (with exercise price at HK\$0.8340 per Share), in the event that the Option Offer is accepted in full, the aggregate amount payable by the Offeror under the Option Offer will be HK\$1,810,812.89.

Based on the foregoing, the aggregate amount payable under the Offers (assuming full acceptances under the respective Offers) will be HK\$1,031,512,072.15 (assuming that no Warrants or Share Options are exercised prior to the close of the Offers).

In the event all the Share Options and Warrants are exercised in full by the holders of the Warrants and the holders of Share Options (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) prior to the date on which the Offers close, the Company will have to issue 43,156,302 new Shares, representing approximately 2.77% of the issued share capital of the Company (as enlarged by the issue of the new Shares upon exercise of the Share Options and the Warrants), and assuming that the Share Offer is accepted in full in respect of all Shares issued and allotted as a result of the exercise of the Share Options and Warrants, the maximum value of the Share Offer will be increased to approximately HK\$1,053,889,756.02 as a result thereof. In that case, no amount will be payable by the Offeror under the Warrant Offer and the Option Offer.

### **Effect of Accepting the Offers**

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Share Offer will be free from all liens, charges, options, claims, equities, adverse interests, rights of pre-emption and any other third-party rights or encumbrances of any nature whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive in full all dividends and other distributions declared, made or paid, if any, by reference to a record date on or after the date on which the Share Offer is made, that is, the date of posting of the Composite Document.

Following acceptance of the Option Offer, the tendered Share Options together with all rights attaching thereto will be cancelled and renounced in their entirety. In accordance with the terms of the Share Option Scheme of the Company, the Share Options shall automatically lapse on the date on which the Offers close. Acceptance of the Option Offer by any holder of the Share Options will be deemed to constitute a warranty by such person that all the Share Options in respect of which such person accepts the Option Offer will be free from all liens, charges, options, claims, equities, adverse interests, rights of pre-emption and any other third-party rights or encumbrances of any nature whatsoever.

Acceptance of the Warrant Offer by any holder of the Warrants will be deemed to constitute a warranty by such person that all the Warrants to be sold by such person under the Warrant Offer will be free from all liens, charges, options, claims, equities, adverse interests, rights of pre-emption and any other third-party rights or encumbrances of any nature whatsoever and together with all rights accruing or attaching thereto on or after the date on which the Warrant Offer is made, that is, the date of posting of the Composite Document.

### **Pre-condition to the Offers**

The Offers will not be made unless and until Completion occurs. If the Conditions are not satisfied or waived (as the case may be) in accordance with the terms of the Sale and Purchase Agreement, the Offers will not be made.

### **Conditions of the Offers**

Subject to Completion, the Offers will be unconditional in all respects.

### **Confirmation of Financial Resources**

The acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement, the acquisition of the Offer Shares and the Warrants and the cancellation of the Share Options pursuant to the Offers will be financed by internal resources and the loan facilities provided by Haitong International Securities.

Each of UOB Kay Hian and Haitong International Capital, the joint financial advisers to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable by the Offeror for the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement and the consideration payable in respect of full acceptance of the Offers as described above.

### **Payment**

Payment in cash in respect of acceptance of the Offers would be made as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptance of the Offers and the relevant documents of title of the Shares, the Warrants or the Share Options (as the case may be) in respect of such acceptance are received by or for the Offeror to render each such acceptance of any of the Share Offer, the Warrant Offer and the Option Offer complete and valid.

## **Hong Kong Stamp Duty**

The seller's ad valorem stamp duty arising from acceptances of the Share Offer will be payable by each Shareholder at the rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror for such Shareholder's Shares, whichever is higher, and will be deducted from the cash amount due to such accepting Shareholder. The Offeror will pay the buyer's ad valorem stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Shares in respect of which valid acceptances are received under the Share Offer.

No stamp duty is payable in connection with the acceptances of the Warrant Offer and the Option Offer.

## **Taxation Advice**

Shareholders, holders of the Warrants and holders of the Share Options are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. The Offeror, UOB Kay Hian and Haitong International Capital, and the Company accept no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

## **Overseas Shareholders, Holders of Warrants and Holders of Share Options**

The making of the Offers to persons who are not Hong Kong residents may be affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax and regulatory requirements in their own jurisdictions. It is the responsibility of any overseas Shareholders, holders of the Warrants and holders of the Share Options wishing to accept the Offers to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with the Offers, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by any overseas Shareholders, holders of the Warrants and holders of the Share Options will be deemed to constitute a representation and warranty from such overseas Shareholders, holders of the Warrants and holders of the Share Options to the Offeror that the laws and regulations of the relevant jurisdictions have been complied with. The overseas Shareholders, holders of the Warrants and holders of the Share Options should consult their professional advisers if in doubt. Shareholders, holders of the Warrants and/or holders of the Share Options who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

## **Rule 31.1 Consent of the Executive and Board Recommendation**

On 31 August 2015, the Company and CMBCI made a joint announcement in relation to the subscription of new shares of the Company by CMBCI and the possible unconditional mandatory cash offers (the "**Previous Offer**"). The Previous Offer lapsed on 28 February 2016 and the offer period of the Previous Offer ended on 12 May 2016. Mr. Lu is presumed to be a concert party of the Offeror under class 8 of the definition of "acting in concert" under the Takeovers Code, as he is the ultimate controlling shareholder of the



Offeror. Mr. Lu is also presumed to be a concert party of CMBCI under class 2 of the definition of “acting in concert” under the Takeovers Code, as he is a director of CMBCI which is the parent company of CMBCI. Pursuant to Rule 31.1 of the Takeovers Code, except with the consent of the Executive, the Offeror (which is acting in concert with Mr. Lu who was presumed to be acting in concert with CMBCI in the course of the Previous Offer) together with any person acting in concert with it, would be restricted within 12 months from 12 May 2016 to either announce an offer or possible offer for the Company or acquire any voting rights of the Company if as a result of which, the Offeror or person acting in concert with it would thereby become obliged to make an offer under Rule 26 of the Takeovers Code. Accordingly, the Offeror made an application to seek the consent of the Executive to make the Offers under Rule 31.1 of the Takeovers Code. The Executive has granted its consent to the Offeror to make the Offers.

Pursuant to Rule 31.1 of the Takeovers Code, and based on the terms of the Offers set out in this joint announcement and information available to the Directors as at the date of this joint announcement, the Board considers that the terms of the Offers are fair and reasonable as far as the Shareholders, holders of the Warrants and holders of the Share Options are concerned, and accordingly, recommends the Shareholders, holders of the Warrants and holders of the Share Options to accept the Offers when made on the terms set out in this joint announcement.

#### (D) SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) upon Completion but before the Offers are made (assuming none of the Share Options and the Warrants have been exercised at or prior to Completion); and (iii) upon Completion but before the Offers are made (assuming all of the Share Options and the Warrants have been exercised at or prior to Completion).

Name of Shareholders	As at the date of this joint announcement		Upon Completion but before the Offers are made (assuming none of the Share Options and Warrants have been exercised at or prior to Completion)		Upon Completion but before the Offers are made (assuming all of the Share Options and Warrants have been exercised at or prior to Completion)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
BP and his wholly-owned companies	370,367,347	24.44%	35,277,631	2.33%	35,277,631	2.26%
KL and his wholly-owned company	365,427,804	24.11%	911,960	0.06%	38,375,560	2.46%
RW	105,281,744	6.95%	10,028,126	0.66%	10,028,126	0.64%
Mr. Robert Chan Tze Leung, an independent non-executive Director	519,750	0.03%	519,750	0.03%	519,750	0.03%
Ms. Elizabeth Chan Wai Yin (Note)	9,963,067	0.66%	9,963,067	0.66%	9,963,067	0.64%
Directors of subsidiaries of the Company and their close associates	4,315,118	0.29%	4,315,118	0.29%	7,832,295	0.51%
The Offeror and parties acting in concert with it	—	—	794,859,178	52.45%	794,859,178	51.00%
*Existing public Shareholders	659,516,275	43.52%	659,516,275	43.52%	661,691,800	42.46%
<b>Total</b>	<b>1,515,391,105</b>	<b>100.00%</b>	<b>1,515,391,105</b>	<b>100.00%</b>	<b>1,558,547,407</b>	<b>100.00%</b>



\* As at the date of this joint announcement, approximately 43.52% of the issued Shares are held by public Shareholders. Assuming none of the Share Options and the Warrants have been exercised at or prior to Completion, approximately 43.52% of the issued Shares will be held by the public at the time of Completion. Assuming all of the Share Options and the Warrants have been exercised at or prior to Completion, approximately 42.46% of the issued Shares will be held by the public at the time of Completion.

Note: Ms. Elizabeth Chan Wai Yin is the wife of BP.

## (E) INFORMATION ON THE GROUP

### Principal Activities

The Company is incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (a) discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing and money lending services, insurance broking and wealth management services; (b) corporate finance advisory and general advisory services; (c) fund management, discretionary portfolio management and portfolio management advisory services; (d) investor relation, online advertising and financial information services; and (e) investment holding and securities trading.

### Financial Information

Set out below is a summary of the audited consolidated results of the Group for the three years ended 31 March 2016:

	<b>As at 31 March</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Net assets	383,739	426,858	608,041
	<b>For the year ended 31 March</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(audited)
Revenue	406,327	423,686	532,527
Profit before income taxes	36,036	40,339	36,728
Profit attributable to the owners of the Company	31,602	36,037	24,688

Upon Completion, the Company will become a subsidiary of the Offeror and the financial results of the Group will be consolidated in the financial results of the Offeror.

## (F) INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI. It is a wholly-owned subsidiary of China Oceanwide, which is in turn a wholly-owned subsidiary of Oceanwide Holdings. Oceanwide Holdings is a joint stock company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (stock code: 000046.SZ) which is a conglomerate and is principally engaged in investment and

investment management, finance, strategic investment, assets management, real estate business operation and property management, real estate development and investment, self-owned property leasing, corporate management consultation and sale of building materials, decoration materials and mechanical equipment in the PRC, Hong Kong and United States of America. Mr. Lu indirectly controls approximately 68.98% interest of the issued share capital of Oceanwide Holdings.

#### **(G) OFFEROR'S INTENTION IN RELATION TO THE GROUP**

It is the intention of the Offeror to continue with the Group's existing principal business following the close of the Offers. The Offeror intends to retain the majority of the senior management of the Group to continue the business of the Group and will also consider appointing additional directors with the relevant expertise as and when appropriate. The Offeror has no intention to discontinue the employment of the employees (save for in the ordinary course of business and the proposed changes to the composition of the Board as detailed below) or to dispose of or re-deploy the assets of the Group.

Following the close of the Offers, the Offeror will conduct a detailed strategic review of the operations of the Group and formulate feasible business strategies with a view to optimise the value of the Group, which may include but not limited to exploring new business opportunities in the field of brokerage, investment banking, margin financing and asset management, relying on the strong reputation, expertise and capability of Oceanwide Holdings. Should such corporate actions materialize, further announcement(s) will be made in accordance with the Listing Rules.

#### **Proposed Change to the Board Composition of the Company**

The Board currently comprises six directors, of whom three are executive Directors and three are independent non-executive Directors. The Offeror intends to nominate new Directors for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Directors. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and a further announcement will be made accordingly.

#### **(H) MAINTENANCE OF LISTING AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange. The Directors and the proposed new Director(s) will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that sufficient public float as required under the Listing Rules exists for the Shares.

**The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.**

**(I) INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Kenneth Young Chun Man, Mr. Robert Chan Tze Leung and Mr. Robert Stephen Tait, has been formed to make recommendations to the Shareholders, the holders of Share Options and the holders of Warrants in relation to the Offers pursuant to Rule 2.1 of the Takeovers Code.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee in relation to the Offers pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made upon the appointment of the Independent Financial Adviser.

**(J) OTHER ARRANGEMENTS**

The Offeror confirms that, as at the date of this joint announcement:

- (a) neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offers;
- (b) save for the Sale and Purchase Agreement, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror which might be material to the Offers;
- (c) save for the Sale and Purchase Agreement, there are no agreements or arrangements to which the Offeror (nor any person acting in concert with it) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (d) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror (or any person acting in concert with it) has borrowed or lent, save for any borrowed shares which have been either on-lent or sold.

**(K) INTEREST IN SHARES**

For the six months immediately prior to the Last Trading Day, the Offeror and parties acting in concert with it have not dealt in nor do they have any Shares, rights over the Shares (including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offers) or derivatives in respect of securities of the Company.

Save for the Sale Shares to be acquired under the Sale and Purchase Agreement, neither the Offeror nor any person acting in concert with it owns (or has control or direction over) any Shares, rights over the Shares (including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offers) or derivatives in respect of securities of the Company.

## **(L) DISCLOSURE OF DEALINGS**

Respective associates (as defined in the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **(M) DESPATCH OF THE COMPOSITE OFFER DOCUMENT**

It is the intention of the respective board of directors of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Composite Document setting out, among other things, terms of the Offers, the recommendations of the Independent Board Committee to the Shareholders, holders of the Warrants and holders of the Share Options in respect of the Offers, the letter of advice of the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, along with a form of acceptance and transfer of the Shares in respect of the Share Offer, a form of acceptance and transfer of the Warrants in respect of the Warrant Offer and a form of acceptance and cancellation of the Share Options in respect of the Option Offer (as the case maybe) to the Shareholders, holders of the Warrants and holders of the Share Options within 21 days of the date of this joint announcement (or such later date as the Executive may approve). As the Conditions to Completion cannot be satisfied or waived (where applicable) within 21 days of the date of this joint announcement, the Offeror will apply for the consent of the Executive under Note 2 to Rule 8.2 of the Takeovers Code for an extension of time for despatching the Composite Document to any time within 7 days of fulfillment of the pre-condition. An expected timetable in relation to the Offers will be included in the Composite Document.

## (N) RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 31 October 2016 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 3 November 2016.

**WARNING: The Offers will only be made if Completion takes place. Completion is conditional upon the fulfillment (or, where applicable, waiver) of the Conditions described in the paragraph headed “Conditions of the Sale and Purchase Agreement” under the section headed “(B) THE SALE AND PURCHASE AGREEMENT”. Accordingly, the Offers may or may not be made. Shareholders, holders of the Warrants, holders of the Share Options, and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

## (O) DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly
“associate(s)”	has the meaning given to it in the Takeovers Code
“Board”	the board of Directors
“BP”	Mr. Bernard Pouliot, the Chairman of the Company and an executive Director
“Business Day”	a day on which licenced banks are generally open for business in Hong Kong (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“BVI”	British Virgin Islands
“BVIFSC”	British Virgin Islands Financial Services Commission
“China Oceanwide”	China Oceanwide Group Limited (中泛集團有限公司), a company incorporated in Hong Kong with limited liability which is a direct wholly-owned subsidiary of Oceanwide Holdings and is the holding company of the Offeror
“close associate(s)”	has the meaning given to it in the Listing Rules
“CMBC”	China Minsheng Banking Corp., Ltd.
“CMBCI”	CMBC International Holdings Limited

“Company”	Quam Limited, a limited liability company incorporated in Bermuda and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 952)
“Completion”	completion of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be issued jointly by the Offeror and the Company to all the Shareholders, holders of the Warrants and holders of the Share Options in accordance with the Takeovers Code containing, among other things, the detailed terms of the Offers
“Conditions”	the conditions of the Sale and Purchase Agreement, as set out under the paragraph headed “Conditions of the Sale and Purchase Agreement” under the section headed “(B) THE SALE AND PURCHASE AGREEMENT” in this joint announcement
“Deposit”	the deposit in the sum of HK\$50,000,000 paid by the Offeror to the Sellers pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Haitong International Capital”	Haitong International Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, one of the joint financial advisers to the Offeror in respect of the Offers
“Haitong International Securities”	Haitong International Securities Company Limited, a fellow subsidiary of Haitong International Capital, and is a licensed corporation to carry out Type 1 (dealing in securities), Type 3 (leveraged foreign exchange trading) and Type 4 (advising on securities) regulated activities under the SFO, being one of the agents making the Offers on behalf of the Offeror
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Kenneth Young Chun Man, Mr. Robert Chan Tze Leung and Mr. Robert Stephen Tait, established for the purpose of making recommendations to the Shareholders, holders of Warrants and holders of Share Options in relation to the Offers



“Independent Financial Adviser”	the independent financial adviser to be appointed by the Independent Board Committee to advise the Independent Board Committee in relation to the Offers
“Interim Accounts”	the unaudited consolidated financial statements of the Group for the six months ended on 30 September 2016
“KL”	Mr. Kenneth Lam Kin Hing, a Deputy Chairman of the Company, the Chief Executive Officer of the Company and an executive Director
“Last Trading Day”	28 October 2016, being the last full trading day prior to the publication of this joint announcement
“Licenses”	Collectively: (a) the Type 4 license (advising on securities) and Type 9 license (asset management) held by Quam Asset Management Limited; (b) the Type 1 license (dealing in securities), Type 2 license (dealing in futures contracts), Type 4 license (advising on securities), Type 6 license (advising on corporate finance) and Type 9 license (asset management) held by Quam Securities Company Limited; and (c) the Type 6 license (advising on corporate finance) held by Quam Capital Limited; and (d) the Type 4 license (advising on securities) held by Quam (IA) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	26 January 2017 or such later date as parties to the Sale and Purchase Agreement may agree in writing
“Material Adverse Change”	means any change, effect, event, occurrence, state of facts or any combination of them that is (or could reasonably be expected to be) materially adverse to the business, operations, properties, assets (tangible or intangible, including the business assets), liabilities (including contingent liabilities), earnings, results of operations, or the business prospects or condition of the Group taken as a whole (but which does not affect or impact companies or businesses similar to the Group generally) and, for that purpose, if the relevant matter can be quantified in a monetary amount, such matter will be deemed to be a Material Adverse Change if it has resulted or will result in the consolidated net asset value of the Company being reduced to an amount lower than the pre-agreed amount as specified in the Sale and Purchase Agreement (or its financial equivalent in another respect)
“Mr. Lu”	Mr. Lu Zhiqiang (盧志強), the ultimate controlling shareholder of the Offeror
“Newer Challenge”	Newer Challenge Holdings Limited, which is wholly owned by BP

“Oceanwide Holdings”	泛海控股股份有限公司 (Oceanwide Holdings Co., Ltd. *), a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange (stock code: 000046.SZ) and is the holding company of China Oceanwide and the Offeror
“Offeror”	Oceanwide Holdings International Financial Development Co., Ltd (泛海控股國際金融發展有限公司), a company incorporated in the BVI with its registered office at Offshore Incorporations Centre, P.O. Box 957, Road Town, Tortola, BVI
“Offer Price”	HK\$1.38 per Share under the Share Offer
“Offers”	the Share Offer, the Warrant Offer and the Option Offer
“Offer Share(s)”	all of the issued and to be issued Share(s) (other than those Share(s) already owned by or agreed to be acquired by the Offeror and parties acting in concert with it)
“Olympia Asian”	Olympia Asian Limited, which is wholly owned by KL
“Option Offer”	the possible unconditional mandatory cash offer to be made by the Offeror to cancel all the outstanding Share Options following Completion and in accordance with the requirements of the Takeovers Code
“Porto Global”	Porto Global Limited, which is wholly owned by BP
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excluding Hong Kong, the Special Administrative Region of Macau of the People’s Republic of China and Taiwan
“Remaining Shares”	a total of 46,217,717 Shares legally and beneficially owned by the Sellers immediately after Completion, and in respect of each Seller, the respective number of Remaining Shares is set out against his/its name in the table in the paragraph headed “Sale and Purchase of the Sale Shares” under the section headed “(B) THE SALE AND PURCHASE AGREEMENT”
“RW”	Mr. Richard David Winter, a Deputy Chairman of the Company and an executive Director
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 October 2016 entered into amongst the Sellers and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	a total of 794,859,178 Shares legally and beneficially owned by the Sellers
“Sellers”	BP, Newer Challenge, Porto Global, KL, Olympia Asian and RW
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share of one third of one Hong Kong cent each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Share Offer”	the possible unconditional mandatory cash offer to be made by the Offeror to acquire the Offer Shares following Completion and in accordance with the requirements of the Takeovers Code
“Share Option(s)”	means the total number of 299,468 outstanding share options granted by the Company pursuant to the Share Option Scheme exercisable at HK\$0.8340 per Share, and the total number of 2,666,834 outstanding share options granted by the Company pursuant to the Share Option Scheme exercisable at HK\$0.7623 per Share
“Share Option Scheme”	the share option scheme adopted at the annual general meeting of the Shareholders held on 30 September 2002 (and expired on 29 September 2012) which entitles the holders of the Share Options to subscribe for Shares in accordance with the terms and conditions thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“UOB Kay Hian”	UOB Kay Hian (Hong Kong) Limited, a corporation licensed by SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, one of the joint financial advisers to the Offeror in respect of the Offers
“Warrant(s)”	the total number of 40,190,000 outstanding unlisted warrants issued by the Company on 4 April 2014, and which entitle the holders of each Warrant the right to subscribe for one Share of the Company at the initial exercise price of HK\$0.50 per Share (subject to adjustment)

“Warrant Offer” the possible unconditional mandatory cash offer to be made by the Offeror to acquire all the outstanding Warrants following Completion and in accordance with the requirements of the Takeovers Code

“%” per cent

By order of the board of  
**Oceanwide Holdings International  
Financial Development Co., Ltd**  
**Han Xiaosheng**  
*Director*

By order of the Board of  
**Quam Limited**  
**Bernard Pouliot**  
*Chairman*

Hong Kong, 2 November 2016

*As at the date of this joint announcement, the Board comprises Mr. Bernard Pouliot, Mr. Kenneth Lam Kin Hing and Mr. Richard David Winter as executive Directors and Mr. Kenneth Young Chun Man, Mr. Robert Chan Tze Leung and Mr. Robert Stephen Tait as independent non-executive Directors.*

*As at the date of this joint announcement, the board of directors of the Offeror comprises Mr. Han Xiaosheng, Mr. Liu Guosheng and Mr. Zheng Dong.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Sale and Purchase Agreement and the Offeror) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror or any directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (that relating to the Sale and Purchase Agreement, the terms and conditions of the Offers and the Offeror) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company or any Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

\* for identification purposes only