



MURCHISON HOLDINGS LIMITED

ACN 004 707 260

**The Manager
Company Announcement Office
ASX Limited**

11 February 2019

**QUEST INVESTMENTS LIMITED ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES
EXCHANGE OF 11 FEBRUARY 2019**

Murchison Holdings Limited is pleased to announce that its subsidiary Quest Investments Limited has filed this day with the Australian Securities Exchange the attached Announcement.

For further information contact:

Chiang Wee Tiong	or	Grant A Robertson
Chairman		Director/Company Secretary
Murchison Holdings Limited		Murchison Holdings Limited
Email : cwt@murchisongroup.com		Email: garobertson@murchisongroup.com

By order of the Board of Directors

**Chiang Wee Tiong
Chairman**

Australia
7 Dallas Street,
Mt Waverley Victoria 3149
Australia
Tel: (613) 9807 5639
Fax (613) 9807 0414

Hong Kong
5/F, Wing On Cheong Building,
5 Wing Lok Street,
Sheung Wan, Hong Kong
Tel: (852) 2877 6828
Fax: (852) 2596 0451



QUEST INVESTMENTS LIMITED

ACN 004 749 044

The Manager

11 February 2019

Company Announcement Office

ASX Limited

Dear Sir/Madam,

SALE OF SHARES IN MQ HOLDINGS LIMITED

1. The Board of Quest Investments Limited ACN 004 749 044 (ASX Code: QST) is pleased to advise that it has this day executed a Binding Term Sheet with Tiger Synergy Berhad ("TSB") pursuant to which QST has agreed to sell all of the issued shares of MQ Holdings Limited ("MQ") (a wholly owned subsidiary of QST and a company incorporated in the British Virgin Islands) which in turn holds all the issued shares in Quest Stockbrokers (HK) Limited ("QSB") (a company incorporated in the Hong Kong Special Administrative Region of the People's Republic of China) at the Net Asset Value of MQ at 31 December 2018 plus a premium ("Sale Price") subject to the terms and conditions set out below ("Agreement").
2. QSB currently carries on business as a stockbroker in Hong Kong pursuant to:
 - 2.1 an Exchange Participant Certificate issued by The Stock Exchange of Hong Kong Limited including 2 trading rights;
 - 2.2 a Type 1 Licence issued by the Securities and Future Commission of Hong Kong.
3. Particulars of the Agreement are as follows:

Sale Price

- 3.1 the Sale Price will be satisfied as follows:

- (a) as to 10% of the Sale Price:

in cash on the date of the Agreement being the Deposit moneys payable hereunder;
and,

Australia

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(b) as to 90% of the Sale Price:

the issue of new ordinary fully paid shares in TSB which shares shall be issued at a 10% discount to the volume weighted average market price ("VWAMP") for the 5 trading day period immediately prior to their issue which shares be issued by TSB to QST and/or its nominee on the date that all relevant approvals have been obtained from all relevant authorities for TSB to procure an interest in QSB. For the purposes of this Term Sheet, VWAMP shall mean "in relation to TSB the volume weighted average price of trading those securities on its home exchange over the 5 trading day period immediately prior to their issue excluding block trades, large portfolio trades, permitted trades during pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchanges traded option exercises.

3.2 QST will seek to obtain an independent report valuing:

- (a) the Exchange Participant Certificate issued by The Stock Exchange of Hong Kong Limited including 2 trading rights; and,
- (b) the Type 1 Licence issued by the Securities and Future Commission of Hong Kong; at not less than HK\$15 million.

3.3 It is noted that certain amounts are due to QSB by related companies of QST and any other parties and that those amounts will be netted-off against the Sale Price.

3.4 QST and TSB acknowledged and agreed that notwithstanding anything hereinbefore provided that the Sale Price shall not be less than HK\$15 million.

Deposit

3.6 Non-refundable of 10% of the Sale Price payable in cash to QST on the date hereof provided that if:

- (a) all necessary approvals are not obtained within 9 months of the date hereof or such extended date as the parties may agree through no fault of TSB; or,
- (b) approval to the same is given but on terms that are unreasonable notwithstanding that all due representations for modification have been made; or,
- (c) QST makes a fundamental misrepresentation to TSB in relation to the transaction; then TSB may elect in writing to require QST to refund the Deposit received by QST within 14 days of that election;

Settlement

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3.7 The earlier of:

- (a) the date on which all relevant authorities approve the transaction provided for hereunder; and,
- (b) 9 months from the date hereof or such extended date as the parties may agree.

Change of Name

3.8 TSB shall change the name of Quest Stockbrokers (HK) Limited to some other name not including the name of “Quest” should QST so direct not less than 14 days prior to all relevant approvals being granted for TSB to take an interest in QSB.

Approvals

3.9 QST and TSB shall do all such acts matter and things as may be required to procure approval of all relevant authorities to the transaction provided for herein with all due diligence, the costs of which shall be borne by and paid by TSB as and when such expenditure is incurred.

Existing Staff to be Retained

3.10 The current staff of QSB will be retained on terms and conditions no worse than their current remuneration conditions for not less than 12 months.

Continuing Rights of Certain Senior Executives to Trade from the New Owner’s Platform

3.11 Chiang Wee Tiong and certain senior executives of QSB will be retained by and permitted to trade under the “banner” of the new owner for not less than 3 years on their own account and on the account of their clients and on the same terms and conditions that apply to each of them with QSB.

Cost and Fees

- 3.12 (a) Each of the party shall bear their respective cost and fees.
- (b) It was noted that TSB will be responsible for all fees payable to the Securities & Futures Commission and all other government, semi-government and like authorities in connection with this transaction including all stamp duty on the transfers of shares or “deemed” transfer of shares (that is if any duty is payable as a result of the change of underlying beneficial interest in QSB).

Governing Law

3.13 The Term Sheet shall be governed by and construed in accordance with the laws in force of the Hong Kong Special Administrative Region of the People’s Republic of China from time to time. Both parties agree that all disputes arising hereunder shall be submitted to courts sitting in Hong Kong.

Otherwise

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3.14 Subject to the usual terms and conditions that would apply to a like sale on the basis that the parties must negotiate terms for the further agreements with reasonable diligence, in a timely manner and in good faith.

4. EFFECT OF IMPLEMENTATION OF THE TRANSACTION

The stockbroking activities of QSB do not represent a significant percentage of the Company's activities.

The principal activities of QST is trading in securities listed on a recognized stock exchange. The stockbroking business of QSB enabled QST and its related bodies corporate to carry on those activities in a more convenient and cost effective manner than would otherwise be the case.

Although the sale of the underlying interest in the stockbroking business of QSB will reduce the revenue that might otherwise be earned from that business, the agreement with TSB provides that:

"Chiang Wee Tiong and certain senior executives of Quest Stockbrokers (HK) Limited will be retained by and permitted to trade under the "banner" of the new owner for not less than 3 years on their own account and on the account of their clients and on the same terms and conditions that apply to each of them with Quest Stockbrokers (HK) Limited."

The term "their clients" include QST and its related bodies corporate.

Consequently, the investment activities of QST and its related bodies corporate will continue as a client of QSB but where ownership of the broking activities will be owned by TSB via MQ.

It is anticipated that completion of the sale of the shares in MQ should:

- (a) make funds available for QST and its related bodies corporate for investments in securities;
- (b) increase the opportunity of QST and its related bodies corporate for deriving profits from those released funds; and,
- (c) reduce the losses otherwise suffered by QST.

It is presently too early to estimate any improvement in the results of the Company resulting from implementation of the transaction save to say that QST will no longer be subject to the risk of potential losses from the stockbroking business.

5. TIMETABLE

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The transaction is subject to the approval of the Securities & Future Commission, amongst others. It is anticipated that all approval should be procured on or before 31 August 2019.

6. APPROVAL

The Company does not believe that the transaction referred to herein falls within ASX Listing Rule 11.1 including whether the approval of security holder is required under Listing Rule 11.1.2 or 11.2, or whether the Company will be required to re-comply with the requirements for admission and quotations under Listing Rule 11.1.3. Notwithstanding the aforesaid, the Company will apply to the ASX for a determination of the matter.

ABOUT QUEST INVESTMENTS LIMITED

7. QST is an Australian company that carries on business as a diversified financial services group with, inter alia,:
 - 7.1 investment activities particular trading in securities;
 - 7.2 corporate advisory activities in Australia through Quest Securities (Australia) Limited – the holder of an Australian Financial Services Licence; and
 - 7.3 stockbroking activities in Hong Kong through QSB a Hong Kong company and the holder of:
 - (a) an Exchange Participant Certificate issued by The Stock Exchange of Hong Kong Limited including 2 trading rights; and,
 - (b) a Type 1 Licence issued by the Securities and Future Commission of Hong Kong.

ABOUT TIGER SYNERGY BERHAD

8. 8.1 TSB is a Malaysian company incorporated on 2nd December 1994. The principal activity of TSB is investment holding company. As at 5th October 2018, it has an issued and fully paid up share capital of RM566,844,536.
- 8.2 TSB's core businesses are in the property development and construction industry and wood base manufacturing and trading. In accord with the director's vision and confidence in future business opportunities, the company had charted a course for gradual future expansion.
- 8.3 TSB's market capitalization as at 7 February 2019 was about RM87,630,000 (about A\$30,670,500 at an exchange rate of MR1= A\$0.35).

ASX Announcements Office



QUEST INVESTMENTS LIMITED
ACN 004 749 044

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Chiang Wee Tiong

or

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Chairman

Director/Company Secretary

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