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CONVOY FINANCIAL HOLDINGS LIMITED

康宏金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1019)

**DISCLOSEABLE TRANSACTION –
PROVISION OF THE LOAN TO
AN INDEPENDENT THIRD PARTY**

The Board announces that, on 26 November 2014, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower, an Independent Third Party, a loan in the principal amount of US\$12,260,000 (equivalent to HK\$95,015,000), bearing interest at a rate of 10.75% per annum for a period of two years.

The Loan is secured by a share mortgage provided by the Borrower.

The advance of the Loan itself is a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the Loan and the Previous Loan (details are set out below) were granted to the Borrower within a 12-month period prior to and inclusive of the date of the Loan Agreement, the Loan and the Previous Loan will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios as defined under the Listing Rules in respect of the making of the Loan in aggregate with the Previous Loan exceed 5% but are lower than 25%, the advance of the Loan and the Previous Loan, in aggregate, constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

The Board announces that on 26 November 2014, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower, an Independent Third Party, a loan in the principal amount of US\$12,260,000 (equivalent to HK\$95,015,000), bearing interest at a rate of 10.75% per annum for a period of two years.

The principal terms of the Loan Agreement are summarised as follows:

THE LOAN AGREEMENT

Date	:	26 November 2014
Lender	:	Convoy Collateral Limited, a wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance
Borrower	:	a limited partnership formed in the Cayman Islands, which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party
Principal amount	:	US\$12,260,000 (equivalent to HK\$95,015,000)
Maturity date	:	26 November 2016
Interest	:	10.75% per annum
Security	:	The Loan is secured by a share mortgage in respect of certain shares of a company incorporated in the Cayman Islands, provided by the Borrower to the Lender

Under the Loan Agreement, the Borrower shall repay the Loan on the Maturity Date, and the interest accrued thereon shall be repaid by eight quarterly instalments commencing on 26 February 2015.

The Loan to be granted under the Loan Agreement to the Borrower will be funded by internal resources of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties after arm's length negotiation, with reference to the commercial practice and the amount of the Loan. The Directors consider that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Group is principally engaged in independent financial advisory business, money lending business, proprietary investment business and asset management business. The Lender, being a wholly-owned subsidiary of the Company, is a holder of a money lender licence under the Money Lenders Ordinance.

The Directors consider that the grant of the Loan is in the course of the Group's money lending business. Having considered the financial background of the Borrower, the availability of the security and the additional interest income to be received by the Group, the Directors consider that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PREVIOUS LOAN

On 3 June 2014, the Lender and the Borrower entered into a loan agreement pursuant to which the Lender granted to the Borrower a loan in the principal amount of US\$3,590,000 (equivalent to HK\$27,822,500) ("**Previous Loan**") at the interest rate of 12% per annum for the period from 3 June 2014 to 3 December 2014. As part of the proceeds of the Loan is used to refinance the principal amount of the Previous Loan, the Previous Loan is treated as repaid in full on the date of the Loan Agreement. The Borrower has already paid the interest accrued on the Previous Loan for the period from 3 June 2014 to 3 September 2014 and will pay the interest accrued on the Previous Loan for the period from 4 September 2014 to 26 November 2014 to the Lender on 27 November 2014. The grant of the Previous Loan itself did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

The advance of the Loan itself is a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the Loan and the Previous Loan were granted to the Borrower within a 12-month period prior to and inclusive of the date of the Loan Agreement, the Loan and the Previous Loan will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As the applicable percentage ratios as defined under the Listing Rules in respect of the making of the Loan in aggregate with the Previous Loan exceed 5% but are lower than 25%, the advance of the Loan and the Previous Loan, in aggregate, constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	a limited partnership formed in the Cayman Islands and an Independent Third Party of the Company
“Company”	Convoy Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of the Company and the connected persons (as defined under the Listing Rules) of the Company
“Lender”	Convoy Collateral Limited, a wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Loan”	a loan of US\$12,260,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the lump sum loan agreement dated 26 November 2014 and entered into between the Lender and the Borrower in relation to the provision of the Loan
“Maturity Date”	26 November 2016
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of US\$1.00 to HK\$7.75. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

On behalf of the Board
CONVOY FINANCIAL HOLDINGS LIMITED
Wong Lee Man
Chairman

26 November 2014

As at the date of this announcement, the executive Directors are Mr. Wong Lee Man (Chairman), Ms. Fong Sut Sam, Mr. Mak Kwong Yiu and Dr. Hui Ka Wah, Ronnie, JP; and the independent non-executive Directors are Dr. Wu Ka Chee, Davy, Mr. Ma Yiu Ho, Peter and Mr. Lam Chi Keung.