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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**

**PROVISION OF THE LOAN**

The Board announces that, on 9 December 2014, the Lender entered into the Loan Agreement with the Borrower and the Mortgagor, pursuant to which the Lender agreed to grant to the Borrower, an Independent Third Party, a loan in the principal amount of HK\$55,000,000, bearing interest at a rate of 15% per annum for a period of six months.

The Loan is secured by the Share Mortgage provided by the Mortgagor.

**LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the making of the Loan exceed 5% but all the percentage ratios are less than 25%, the advance of the Loan constitutes 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.

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

## **THE LOAN AGREEMENT**

|                  |   |  |
|------------------|---|--|
| Date             | : | 9 December 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         | : | an individual who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party  |
| Mortgagor        | : | an individual who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party  |
| Principal amount | : | HK\$55,000,000   |
| Maturity date    | : | 9 June 2015  |
| Repayment        | : | The Borrower shall repay the outstanding amount of the Loan in full and the unpaid interest accrued thereon on the Maturity Date or on demand by the Lender upon occurrence of an event of default (as defined in the Loan Agreement) or termination of the Loan Agreement, whichever occurs first |
| Early repayment  | : | The Borrower may at any time during the term of the Loan repay the principal amount of the Loan and pay the accrued interest by giving prior written notice pursuant to the Loan Agreement   |

- Interest : Interest shall accrue at the rate of 15% per annum. Interest shall accrue daily and shall be payable on the Maturity Date, the date of early repayment (if any) or such earlier date as may be otherwise provided in the Loan Agreement
- Security : The Loan is secured by a share mortgage provided by the Mortgagor to the Lender in respect of certain shares of a company whose shares are listed in the Main Board of the Stock Exchange (“**Share Mortgage**”)

The Loan is 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 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.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the making of the Loan exceed 5% but all the percentage ratios are less than 25%, the advance of the Loan constitutes 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”                | an individual who is an Independent Third Party   |
| “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 HK\$55,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement   |
| “Loan Agreement”          | the lump sum loan agreement dated 9 December 2014 and entered into between the Lender, the Borrower and the Mortgagor in relation to the provision of the Loan                |
| “Maturity Date”           | 9 June 2015   |
| “Money Lenders Ordinance” | Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong   |
| “Mortgagor”               | an individual, who is an Independent Third Party, being the legal and beneficial owner of the shares mortgaged to the Lender under the Share Mortgage as security of the Loan |
| “Shareholder(s)”          | the shareholder(s) of the Company   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |

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

Hong Kong, 9 December 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.*