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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:
ACQUISITION OF PROPERTY**

ACQUISITION OF PROPERTY

The Board wishes to announce that after trading hours on 7 January 2015, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Provisional SPA in relation to the sale and purchase of the Property at the Consideration of HK\$107,413,770.00.

The Property comprises the whole of the 20th floor of the development to be erected on Sha Tin Town Lot No. 412 (also known as No. 3 On Kwan Street), Shatin, New Territories, Hong Kong and is under construction. The Property is expected to occupy a gross floor area of approximately 15,000 square feet.

LISTING RULES IMPLICATION

The Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board wishes to announce that after trading hours on 7 January 2015, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Provisional SPA in relation to the sale and purchase of the Property at the Consideration of HK\$107,413,770.00.

ACQUISITION OF PROPERTY

Major terms of the Provisional SPA are set out below:

Date:

7 January 2015

Parties:

Vendor: Speedy Tact Development Limited

Purchaser: Rich Victory (Hong Kong) Limited (an indirect wholly-owned subsidiary of the Company)

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a company incorporated in Hong Kong with limited liability and the owner of the Property whose principal business includes property investment and each of the Vendor and its ultimate beneficial owner(s) is an Independent Third Party.

Assets to be acquired under the Provisional SPA:

Pursuant to the Provisional SPA, the Vendor agreed to dispose of, and the Purchaser agreed to acquire, the Property with vacant possession. The Property is for non-residential use.

The Property comprises the whole of the 20th floor of the development to be erected on Sha Tin Town Lot No. 412 (also known as No. 3 On Kwan Street), Shatin, New Territories, Hong Kong and is under construction. The Property is expected to occupy a gross floor area of approximately 15,000 square feet.

A formal agreement for sale and purchase of the Property (“**Formal SPA**”) shall be signed on or before 13 January 2015.

Consideration:

The Consideration for the Acquisition is HK\$107,413,770.00 which shall be satisfied in cash by the Purchaser in the following manner:

- (i) HK\$5,370,688.50, being 5% of the Consideration, payable upon signing of the Provisional SPA (“**Preliminary Deposit**”);
- (ii) HK\$5,370,688.50, being 5% of the Consideration, payable on or before 13 January 2015 (“**Further Deposit**”);
- (iii) HK\$10,741,377.00, being 10% of the Consideration, payable on or before 13 February 2015; and
- (iv) HK\$85,931,016.00, being 80% of the Consideration, payable within 14 days after receipt of notice of completion. The anticipated completion date is 31 December 2015.

Pursuant to the Provisional SPA, in the event that the Purchaser fails to comply with the terms and conditions of the Provisional SPA (including the failure to sign the Formal SPA and/or pay the Further Deposit in accordance with the Provisional SPA), the Preliminary Deposit to the extent of 3% of the Consideration shall be forfeited by the Vendor and the Vendor shall refund to the Purchaser the remaining balance of the Preliminary Deposit without interest. In such case, the Vendor shall be entitled to cancel the Provisional SPA and sell the Property to another person(s) without further notice to the Purchaser.

The Consideration for the sale and purchase of the Property was determined after arm’s length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to the market value of similar properties in similar locations. No formal valuation has been conducted in respect of the Property at the time of entering into of the Provisional SPA.

It is expected that the Consideration will be funded by the Group’s internal resources and/or borrowings.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in independent financial advisory business, money lending business, proprietary investment business and asset management business.

The Group has been exploring appropriate investment opportunities and is optimistic about the prospect of the property market in Hong Kong. The Group intends to hold the Property for investment purposes and/or self-use as back office and will, depending on the then market circumstances, lease out all or part of the Property for rental income. The Directors are of the view that the Property to be acquired under the Acquisition would strengthen the asset and/or income base of the Group and provide capital appreciation potential to the Group.

The Board considered that the terms of the Provisional SPA and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the terms of the Provisional SPA
“Board”	the board of Directors

“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
“Consideration”	the aggregate consideration of HK\$107,413,770.00 payable by the Purchaser for the Acquisition
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected with any of the connected persons (as defined under the Listing Rules) of the Company or their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the whole of the 20th floor of the development to be erected on Sha Tin Town Lot No. 412 (also known as No. 3 On Kwan Street), Shatin, New Territories, Hong Kong
“Provisional SPA”	the provisional agreement for sale and purchase of the Property entered into between the Purchaser and the Vendor dated 7 January 2015
“Purchaser”	Rich Victory (Hong Kong) Limited (益旺(香港)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Vendor”

Speedy Tact Development Limited (迅聯發展有限公司), a company incorporated in Hong Kong with limited liability

On behalf of the Board

CONVOY FINANCIAL HOLDINGS LIMITED

Wong Lee Man

Chairman

Hong Kong, 7 January 2015

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.