CONVOY 康宏

your finance navigator

CONVOY FINANCIAL SERVICES HOLDINGS LIMITED
康宏理財控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 1019

2010
Interim Report

CONTENTS

CORPORATE INFORMATION

Executive directors
Mr. Wong Lee Man *(Chairman)*
Ms. Fong Sut Sam
Mr. Mak Kwong Yiu

Independent non-executive directors
Mrs. Fu Kwong Wing Ting, Francine
Dr. Wu Ka Chee, Davy
Mr. Ma Yiu Ho, Peter

Registered office
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Headquarters and principal place of business
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One Island East
18 Westlands Road
Island East
Hong Kong

Our Company's website address
www.convoy.com.hk

Members of audit committee
Mr. Ma Yiu Ho, Peter
(Chairman of the audit committee)
Mrs. Fu Kwong Wing Ting, Francine
Dr. Wu Ka Chee, Davy

Members of remuneration committee
Mrs. Fu Kwong Wing Ting, Francine
(Chairman of the remuneration committee)
Dr. Wu Ka Chee, Davy
Mr. Wong Lee Man

Members of nomination committee
Mrs. Fu Kwong Wing Ting, Francine
(Chairman of the nomination committee)
Dr. Wu Ka Chee, Davy
Ms. Fong Sut Sam

Members of compliance committee
Dr. Wu Ka Chee, Davy
(Chairman of the compliance committee)
Mrs. Fu Kwong Wing Ting, Francine
Ms. Fong Sut Sam
Mr. Mak Kwong Yiu

Compliance officer
Mr. Wang Pui Wang

Company secretary
Mr. Chow Kim Hang

Authorised representatives
Mr. Mak Kwong Yiu
Mr. Chow Kim Hang

Principal share registrar and transfer office

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
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Cayman Islands

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Compliance adviser

Quam Capital Limited
Room 3208
Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

Principal banker

Standard Chartered Bank (Hong Kong) Limited
13/F, Standard Chartered Bank Building
4–4A Des Voeux Road
Central
Hong Kong

CHAIRMAN'S STATEMENT

"Would it be a wrong timing for Convoy to go listed at this moment?", this is what reporters are most interested during the listing period, with the doubt that many companies have given up, suddenly suspended or quietly withdrawn the ongoing listing process. And my reply is "Of course not, in the perspective of 'timing'." Our Company is principally engaged in insurance intermediary business, with business highlights of personal financial services. The first lecture of financial management foundation teaches us not to capture the market timing in pursuit of immediate interest, and the second inspires us to determine the proper long-term financial planning based on individual needs and circumstances, and hence achieve your goals at different stages of life.

We did it for our own, why don't we treat our business in the same way? Listing is an important strategic move and benchmarking for the overall development of a company, and the exploration and solution for "Why" is definitely more important than that of "When". The worst timing may turn out to be the best one, or in other words, there would always be the best option at the worst timing.

In 1998, the second year following the Asian financial crisis, when the market was under the atmosphere of uncertainties, however, our Group started formulating new development policies, shifting from a general insurance broker to an independent financial advisor ("IFA"), for the coming implementation of mandatory provident fund ("MPF") scheme, affecting the retirement lives of over millions of Hong Kong employees. Since then, our Group not only witnessed the changes of IFA industry, but also experienced the golden decade of the prosperity, creating a small but successful story of Hong Kong enterprises for the recent years. After the global financial tsunami, we are now well-positioned as the first company in this field to enter into the capital market, and also well prepared for the huge opportunity worth of over 100 billion immediately following the coming implementation of the Employee Choice Arrangement of MPF scheme to be enacted next year.

In 2000, the Hong Kong government has carried out large-scale and extensive promotions and educational work to complement the implementation of MPF scheme, enabling the public to have a better understanding on retirement protection and fixed investment of funds, meanwhile, this also increased the popularity of financial planning and wealth management, which is subsequently widespread and popular. And for the greater trend, it is widely known as taking advantage of the economic development of the People's Republic of China (the "PRC"), the newly-announced second largest economy in the world. Particularly after the financial crisis, most of global investors kept an eye on emerging Asian market for their investment. In view of the facts that Hong Kong is one of top international financial centres in Asia and the PRC Government strongly supports Hong Kong as an offshore Renminbi ("RMB") financial centre, unique and innovative financial products, such as offshore RMB insurance policies, and numerous listing of large PRC enterprises will continuously give impetus to financial services industry in Hong Kong.

As mentioned above, another golden opportunity for the Group will be the implementation of the Employee Choice Arrangement of MPF scheme from 2011 which will allow employees to switch their employee contributions at their own discretion. Such market would involve more than HK$150 billion investment assets. IFA would have an overwhelming competitive advantage with its open platform which almost covers all MPF schemes to satisfy all combinations of investment allocations of employees in Hong Kong. While our major customers are high-net-worth working individuals and their major product demands are investment-linked assurance schemes which are quite similar to MPF in the perspectives of funds investment and regular saving mode, our Group has been good at developing related-business. Therefore, we are confident and ready to capture the opportunity for business expansion next year.

If our hard work is the seeds of success, the long-anticipated outcome under our careful cultivation will be the fruitful results.

Chairman's Statement

On behalf of the board of directors (the "Board") of Convoy Financial Services Holdings Limited (the "Company"), I am pleased to announce the first unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2010.

During the six months ended 30 June 2010, our revenue reached approximately HK$246.5 million, representing an increase of approximately 66.6% compared with that for the six months ended 30 June 2009. The profit for the period was approximately HK$29.1 million for the six months ended 30 June 2010, compared to a loss of HK$14.6 million for the six months ended 30 June 2009. An interim dividend was declared as HK6.8 cents per share for the six months ended 30 June 2010, compared to nil dividend for the same period in 2009.

After all, this is the first report card after our Listing. I am not justified to say that it is bright and solid, but it reflects the joint efforts of our staff over the economic tsunami. Our positive profit alert prior to the announcement of results represents the first achievement of the Company, with the stock code of 1019, setting up the standard for our future work and a benchmark for the coming results. Of course, this is also my first Chairman's Statement. I wouldn't say it is very outstanding in terms of the writing style and format, yet, it is the deepest feelings of mine after having been worked in Convoy for over ten years. It also represents my optimistic expectation of the Company as well as the IFA industry.

Last but not least, I would like to express our gratitude to our shareholders, our customers, our team of consultants, our business partners, and all our colleagues. We look forward to achieving impressive results in the subsequent periods and creating greater value for all of them.

By Order of the Board
Convoy Financial Services Holdings Limited
Wong Lee Man
Chairman

25 August 2010

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

The board of directors (the "Board") of Convoy Financial Services Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2010, together with the comparative amounts for the corresponding period of last year.

- The Group's revenue reached approximately HK$246.5 million, representing an increase of approximately 66.6% compared with that for the six months ended 30 June 2009.
- The Group's net profit for the period was approximately HK$29.1 million compared to a loss of HK$14.6 million for the six months ended 30 June 2009.
- The Group's net profit margin was 11.8% compared to a net loss margin of 9.9% for the six months ended 30 June 2009.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 June 2010 was HK$246.5 million (2009: HK$148.0 million). An analysis of the Group's revenue is as follows:

	For the six months ended 30 June			
	2010		2009	
	HK$'000	**%**	HK$'000	%
Investment brokerage commission income	**242,659**	**98.4**	146,163	98.8
Insurance brokerage commission income	**3,310**	**1.4**	1,645	1.1
Pension scheme brokerage commission income	**577**	**0.2**	182	0.1
	246,546	**100**	147,990	100

Our revenue for the six months ended 30 June 2010 was approximately HK$246.5 million, representing an increase of approximately 66.6% compared with that for the six months ended 30 June 2009. The increase was principally attributable to the increase in the number of customers purchasing new policies of investment linked assurance scheme ("ILAS") and other insurance products through our Group in the first half of 2010 due to the increase in disposable income of individuals and investors' confidence as a result of the improvement in global economy and investment market performance in 2010. As our Group's revenue is principally derived from commission income, the increase in number of customers purchasing new policies of ILAS and other insurance products led to the increase in revenue.

The proportion of the revenue derived from ILAS remained stable and accounted for approximately 98.4% and 98.8% of our revenue for the six-month periods ended 30 June 2010 and 2009 respectively. Though our revenue derived from other insurance products and MPF schemes was still small, their amounts increased by 101.2% and 217.0% respectively and their proportion of revenue increased to approximately 1.4% and 0.2% of our total revenue for the six months ended 30 June 2010 compared with those approximately 1.1% and 0.1% of our total revenue for the six months ended 30 June 2009.

Operating expenses

Total operating expenses for the six months ended 30 June 2010 was HK$211.0 million (2009: HK$162.7 million). An analysis of these expenses are as follows:

	For the six months ended 30 June			
	2010		2009	
	HK$'000	**%**	HK$'000	%
Commission expenses	**141,195**	**66.9**	79,936	49.1
Staff costs	**20,899**	**9.9**	28,287	17.4
Depreciation	**8,148**	**3.9**	8,135	5.0
Commission clawback	**2,935**	**1.4**	1,658	1.0
Other expenses	**37,819**	**17.9**	44,647	27.5
	210,996	**100.0**	162,663	100.0

The ratios of these expenses to revenue are as follows:

	For the six months ended 30 June	
	2010	2009
	%	%
Commission expenses	**57.3**	54.0
Staff costs	**8.5**	19.1
Depreciation	**3.3**	5.5
Commission clawback	**1.2**	1.1
Other expenses	**15.3**	30.2

Commission expenses

Commission expenses were approximately HK$141.2 million for the six months ended 30 June 2010, representing an increase of approximately 76.6% from that for the six months ended 30 June 2009. The increase was in line with the increase of the revenue for the six months ended 30 June 2010. The ratios of commission expenses to revenue for the six-month periods ended 30 June 2010 and 2009 were approximately 57.3% and 54.0% respectively.

Staff costs

Staff costs were approximately HK$20.9 million for the six months ended 30 June 2010, representing a decrease of approximately 26.1% from that for the six months ended 30 June 2009. The number of supporting staff remained at a fairly stable level at 123 persons as at 30 June 2009 and 129 persons as at 30 June 2010. However, the number of trainees was reduced from 200 persons as at 30 June 2009 to 173 persons as at 30 June 2010. The decrease in staff costs was mainly due to the increase in the number of trainees adopted the lower-salaried remuneration package and the reduction of the number of trainees of our Group for the six months ended 30 June 2010.

Depreciation

Depreciation was approximately HK$8.1 million for the six months ended 30 June 2010, which was comparable to the amount of approximately HK$8.1 million for the six months ended 30 June 2009.

Commission clawback

Commission clawback was approximately HK$2.9 million for the six months ended 30 June 2010, representing an increase of approximately 77.0% from that for the six months ended 30 June 2009. Such increase was in line with the increase in revenue for the six months ended 30 June 2010 compared with that for the six months ended 30 June 2009 as a result of improvement in the global economy and the investment market performance.

The ratios of commission clawback to revenue remained at a fairly stable level for the six-month periods ended 30 June 2010 and 2009 at approximately 1.2% and 1.1% respectively.

Other expenses

Other expenses were approximately HK$37.8 million for the six months ended 30 June 2010, representing a decrease of approximately 15.3% compared with that for the six months ended 30 June 2009. Such decrease was mainly due to the positive result of the Group's cost restructuring exercise in 2009.

Profit/(loss) for the period and net profit/(loss) margin

The profit for the period was approximately HK$29.1 million for the six months ended 30 June 2010, compared to a loss of HK$14.6 million for the six months ended 30 June 2009. The net loss margin was turned around from net loss margin of approximately 9.9% for the six months ended 30 June 2009 to net profit margin of approximately 11.8% for the six months ended 30 June 2010, primarily as a result of the increase in revenue due to improvement in global economy and investors' confidence and increase in operation efficiency due to cost restructuring exercise done in 2009.

LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly relies upon the shareholders' fund and cash generated from its business operations to finance its operations and expansion. The net proceeds of approximately HK$103.0 million raised from the listing of the ordinary shares with a nominal value of HK$0.10 each in the share capital of the Company (the "Shares") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 July 2010 (the "Listing") has enlarged the capital base of the Group and strengthened the Group's financial position thereby facilitating the expansion of the Group's onward development in the independent financial advisory business, including insurance and MPF schemes brokerage, in the future.

As at 30 June 2010, the Group had cash and cash equivalents of approximately HK$92.0 million (31 December 2009: HK$83.8 million) which did not include the net proceeds from the Listing of approximately HK$103.0 million. The Group's total current assets increased from approximately HK$121.9 million as at 31 December 2009 to approximately HK$138.4 million, while total current liabilities decreased from approximately HK$116.4 million as at 31 December 2009 to approximately HK$98.9 million as at 30 June 2010. As a result, the current ratio was improved from approximately 1.0 as at 31 December 2009 to approximately 1.4 as at 30 June 2010.

As at 30 June 2010, the Group had net cash and cash equivalents of HK$92.0 million and had not incurred any borrowings. The Group has sufficient working capital to meet the funding requirements for business development opportunities in the near future. The Group's liquidity, on a long term basis, will be funded by operating cash inflow. Should there be any substantial business expansion in the future, equity and debt financing would be considered for the best interests of the shareholders whichever is appropriate. The Group will continue to seek for development opportunities with a view to balance the risks and opportunities in maximising shareholders' value.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2010, the Group had an aggregate of approximately 129 (30 June 2009: 123) supporting staff and 173 (30 June 2009: 200) trainees. The total remuneration of the employees (including the directors' remuneration) were approximately HK$20.9 million for the six months ended 30 June 2010 (2009: approximately HK$28.3 million). The decrease in total remuneration of the employees was mainly due to the increase in the number of trainees adopted the lower-salaried remuneration package and the reduction of the number of trainees of our Group for the six months ended 30 June 2010. The Group offered competitive market remuneration packages for employees and granted bonuses with reference to employees' performance during the reporting periods according to the general rules of the Group's remuneration policy. The Group also provides training programmes which are complementary to certain job functions.

RISK MANAGEMENT

The Group adopts very stringent risk management policies and monitoring systems to mitigate the risks associated with interest rate, credit, liquidity and foreign currency in all its major operations.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing financial assets. Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group reviews interest rate risk regularly and monitors closely the fluctuation of interest rates and will make proper adjustments if necessary.

Credit risk

The Group conducts business only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Even though there is no significant credit risk exposure during the six months ended 30 June 2010, the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains its level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Foreign currency risk

Since most of the revenue and the payment of expenditure are either made in Hong Kong dollars or United States dollars, the Group is not exposed to significant foreign exchange risk.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Pursuant to the group reorganisation completed on 21 June 2010 (the "Reorganisation") to rationalise the group structure in the preparation for the Listing, the Company became the holding company of the subsidiaries of the Group on 21 June 2010. The details of the Reorganisation have been set out in the section headed "Corporate Reorganisation" in Appendix V to the prospectus dated 29 June 2010 issued by the Company.

Save as disclosed above, during the period, there was no other material acquisition and disposal of subsidiaries and associated companies by the Company.

SIGNIFICANT INVESTMENT HELD

The Group did not have significant investment held as at 30 June 2010.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

As at the date of this report, except for the leasing of a new office premise and the capital expenditures expected to be incurred on its renovation for the future business expansion of our Group, the Group has not executed any agreement in respect of proposed acquisition and did not have any other future plans relating to material investment or capital asset.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2010.

CAPITAL EXPENDITURES

The Group's capital expenditures have principally consisted of expenditures on computer equipment and systems, leasehold improvements and office equipment. For the six-month periods ended 30 June 2010 and 2009, the Group incurred capital expenditures in the amounts of approximately HK$3.1 million and HK$7.4 million, respectively. The Group has funded its historical capital expenditures through internally generated cash and cash equivalent balances.

COMMITMENTS

The Group's contractual commitments are primarily related to the lease of its office premises, staff quarters and certain of its office equipment under operating lease arrangements and capital commitments related to acquisition of items of computer equipment and systems. The Group's operating lease commitments amounted to HK$72.6 million and HK$88.2 million in the aggregate as at 30 June 2010 and 31 December 2009. The Group's capital commitments amounted to HK$1.5 million and nil as at 30 June 2010 and 31 December 2009.

PROSPECTS

With the Listing and the receipt of proceeds, net of listing expenses, of approximately HK$103.0 million from the placing and public offer of 100,000,000 Shares of the Company, the Company has the resources to finance the Group's capital expenditure and business expansion, strengthen the Group's capital base and improve the Group's overall financial position. As disclosed in the prospectus dated 29 June 2010 issued by the Company, we presently intend to apply such net proceeds in the following ways:

- approximately HK$27.4 million or approximately 26.6% of the net proceeds will be used for enhancement of the quality of the consultants through offering of (i) various external and internal continuous professional training programs; (ii) subsidies on recognised professional qualification courses; and (iii) incentives in recruitment of consultants from other professions and countries, and expansion of the teams of consultants through (a) offering of incentives in speeding up the organic growth under the Group's development model for the consultants; and (b) organising recruitment functions targeting individuals from different market sectors and other countries;

- approximately HK$27.4 million or approximately 26.6% of the net proceeds will be used for expansion and promotion of ILAS, MPF schemes and other insurance businesses by (i) increasing promotional and marketing spending in our ILAS, MPF schemes and other insurance businesses to the general public; and (ii) offering sales incentive and promotional events to the consultants;

- approximately HK$27.4 million or approximately 26.6% of the net proceeds will be used for exploration of merger and acquisition opportunities and business collaboration with well-established companies, where no target or potential business collaboration with well-established companies had been identified as at the report date;

- approximately HK$16.5 million or approximately 16.0% of the net proceeds will be used for addition and extension of further services and distribution channels by developing an on-line application system and a comprehensive information management system and expanding our distribution network to e-marketing and direct marketing channels; and

- approximately HK$4.3 million or approximately 4.2% of the net proceeds will be used for working capital and other general corporate purposes.

In view of the coming implementation of the Employee Choice Arrangement of MPF scheme in Hong Kong in 2011, we believe that independent financial adviser(s) ("IFA(s)") would have very strong competitive advantage in the MPF intermediary market with their impartial opinion, open platform and against banks and insurance companies. Our Group, as a leading IFA in Hong Kong would intend to compete for a certain portion of such market share with our competitive advantages of (i) our large teams of consultants who can provide impartial, professional and customised services to general employees in Hong Kong; (ii) availability of full range of MPF schemes and (iii) our large individual customer base.

To procure successful expansion in MPF business, our Group has done the preparation for about two years in bid to (i) equip the consultants with relevant licences and sufficient training; and (ii) procure full range of MPF schemes in our product list and to maintain good relationships with MPF providers. Our Group will input additional resources and supports to expand MPF business in near future.

Furthermore, our directors consider that brokerage channels for distribution of financial products, in particular to insurance and MPF products, would play more and more important role in Hong Kong in future along with general public's continuously increasing awareness of independence value of brokers.

Being one of the largest insurance brokers in Hong Kong, our Group aims to encourage the product issuers to develop brokerage channels for distribution of insurance products by specifically strengthen its business development effort in distribution of insurance products. Our Group has established business relationships with various general and long term insurance products issuers. The consultants are equipped with relevant insurance brokerage licences for distribution and arrangement of relevant contracts of insurance in Hong Kong.

We will strive to achieve our Group's corporate mission of establishing the largest distribution network of insurance products and MPF schemes with general recognition of being independent, professional and value adding to general public in Hong Kong and further growth through (i) enhancement of quality of consultants; (ii) expansion of the size of the teams of the consultants; (iii) expansion and promotion of ILAS, MPF schemes and other insurance business; (iv) exploration of merger and acquisition opportunities and business collaboration with well-established companies; and (v) addition and extension of further services and distribution channels.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 30 June 2010

INTERIM RESULTS 2010

The board of directors (the "Board") of Convoy Financial Services Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2010, together with the comparative amounts for the corresponding period of last year.

		For the six months ended 30 June	
		2010	2009
		HK$'000	HK$'000
	Notes	**(unaudited)**	(unaudited)
REVENUE	4	**246,546**	147,990
Other income and gains, net	4	**156**	44
Commission expenses		**(141,195)**	(79,936)
Staff costs		**(20,899)**	(28,287)
Depreciation		**(8,148)**	(8,135)
Commission clawback		**(2,935)**	(1,658)
Other expenses		**(37,819)**	(44,647)
PROFIT/(LOSS) BEFORE TAX	5	**35,706**	(14,629)
Income tax expense	6	**(6,573)**	—
PROFIT/(LOSS) FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNER OF THE COMPANY		**29,133**	(14,629)
Earnings/(loss) per share	8		
Basic		**HK9.7cents**	HK(4.9)cents

Details of the dividend payable for the period are disclosed in note 7 to the condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Notes	30 June 2010 HK$'000 (unaudited)	31 December 2009 HK$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**26,699**	31,931
Rental deposits		**6,952**	6,952
Prepayments		**396**	805
Deferred tax assets		**1,565**	683
Total non-current assets		**35,612**	40,371
CURRENT ASSETS			
Accounts receivable	10	**19,352**	17,139
Prepayments, deposits and other receivables		**26,822**	20,815
Equity investment at fair value through profit or loss		**221**	238
Cash and cash equivalents		**91,965**	83,755
Total current assets		**138,360**	121,947
CURRENT LIABILITIES			
Accounts payable	11	**57,922**	75,565
Other payables and accruals		**23,956**	19,583
Tax payable		**11,811**	15,309
Commission clawback	12	**5,202**	5,913
Total current liabilities		**98,891**	116,370
NET CURRENT ASSETS		**39,469**	5,577
Net assets		**75,081**	45,948
EQUITY			
Equity attributable to the owner of the Company			
Issued capital	13	**30,000**	—
Capital reserves		**(29,000)**	1,000
Retained profits		**74,081**	44,948
Total equity		**75,081**	45,948

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 30 June 2010

	Issued capital HK$'000	Capital reserves HK$'000 (note a)	Retained profits HK$'000	Total equity HK$'000
As at 1 January 2009	—	1,000	78,834	79,834
Total comprehensive loss for the period	—	—	(14,629)	(14,629)
As at 30 June 2009 and 1 July 2009 (unaudited)	—	1,000	64,205	65,205
Total comprehensive income for the period	—	—	52,743	52,743
Dividends	—	—	(72,000)	(72,000)
As at 31 December 2009 and 1 January 2010 (audited)	—	1,000	44,948	45,948
Arising on reorganisation	30,000	(30,000)	—	—
Total comprehensive income for the period	—	—	29,133	29,133
As at 30 June 2010	30,000	(29,000)	74,081	75,081

Note:

(a) Capital reserves represent the difference between the nominal value of the shares issued by the Company and the aggregate of the share capital of the subsidiaries acquired by the Company pursuant to the Reorganisation as defined in note 1 "Corporate Information and Reorganisation" on page 16.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Six Months Ended 30 June 2010

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**10,579**	23,380
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(2,369)**	(7,416)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**8,210**	15,964
Cash and cash equivalents at beginning of period	**83,755**	21,872
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**91,965**	37,836

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the Six Months Ended 30 June 2010

1. CORPORATE INFORMATION AND REORGANISATION

The Company was incorporated in the Cayman Islands on 12 March 2010 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, for the purpose of acting as a holding company of the companies now comprising the Company and its subsidiaries (collectively referred to as the "Group"). The registered office of the Company is located at the office of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Pursuant to the group reorganisation completed on 21 June 2010 (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the ordinary shares with a nominal value of HK$0.10 each in the share capital of the Company (the "Shares") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing"), the Company became the direct/indirect holding company of the subsidiaries now comprising the Group on 21 June 2010. Details of the Reorganisation were set out in the section headed "Corporate Reorganisation" in Appendix V to the prospectus dated 29 June 2010 (the "Prospectus") issued by the Company. The Shares of the Company were listed on the Stock Exchange since 13 July 2010.

As the Reorganisation only involved inserting new holding entities at the top of an existing company and has not resulted in any change of economic substance, the interim financial report of the Group has been presented as a continuation of the existing company using the pooling of interest method. The condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows set out in this condensed consolidated financial information include the results, changes in equity and cash flows of the Group as if the Group had been in existence and remained unchanged throughout the entire periods presented. The condensed consolidated statements of financial position as at 31 December 2009 and 30 June 2010 have been prepared to present the assets and liabilities of the Group as at the respective dates as if the Group had been in existence as at the respective dates.

The Company has not carried on any business since the date of its incorporation, save for the transactions relating to the Reorganisation. The Group is principally engaged in the provision of financial planning, mandatory provident fund ("MPF") scheme brokerage and insurance brokerage services.

The condensed consolidated financial information is presented in Hong Kong dollars, which is also the functional currency of the Company.

This condensed consolidated financial information has not been audited.

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

1. CORPORATE INFORMATION AND REORGANISATION (continued)

1.1 BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial information has been prepared on the historical cost basis except for an equity investment, which is measured at fair value.

The condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's financial information included in the Prospectus.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of this unaudited interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's financial information for the year ended 31 December 2009 included in the Prospectus, except that, in the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's annual periods beginning on 1 January 2010.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to Sell the Controlling Interest in a Subsidiary*
HK Interpretation 4 (Revised in December 2009)	*Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
Improvements to HKFRSs (2009)	Amendments to a number of HKFRSs

The adoption of these new and revised HKFRSs has had no impact on the Group's results of operation and financial position.

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

3. SEGMENT INFORMATION

All of the Group's revenue and operating profit/loss for the six months ended 30 June 2010 and 2009 were generated from the provision of financial planning, MPF scheme brokerage and insurance brokerage services in Hong Kong. Revenue represents brokerage commission income earned from product issuers. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and assessment performance, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis is presented.

All of the Group's revenue from external customers and non-current assets were generated and located in Hong Kong during the periods presented.

Information about product issuers

Revenue from major product issuers, each of them accounted for 10% or more of the Group's revenue, is set out below:

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Product issuer A	**142,649**	50,771
Product issuer B	**67,471**	65,776

4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the aggregate of investment brokerage commission income, and insurance and pension scheme brokerage commission income earned during the six months ended 30 June 2010 and 2009.

An analysis of the Group's revenue, other income and gains, net is as follows:

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Revenue		
Investment brokerage commission income	**242,659**	146,163
Insurance brokerage commission income	**3,310**	1,645
Pension scheme brokerage commission income	**577**	182
	246,546	147,990

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

4. REVENUE, OTHER INCOME AND GAINS, NET (continued)

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Other income and gains, net		
Interest income	**6**	13
Gain on disposal of items of property, plant and equipment	**67**	—
Fair value (loss)/gain on an equity investment at fair value through profit or loss	**(17)**	30
Others	**100**	1
Total other income and gains, net	**156**	44

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Employee benefit expenses (including directors' remuneration)		
Salaries, allowances, bonuses and benefits in kind	**20,102**	27,076
Pension scheme contributions	**797**	1,211
	20,899	28,287
Minimum lease payments under operating leases:		
Land and buildings	**15,847**	22,024
Equipment	**44**	84
	15,891	22,108
Rates and management fees	**4,105**	5,193
Auditors' remuneration	**347**	130
Legal and professional fees (Note)	**5,743**	308
Administrative service fees	**475**	656
Impairment/(reversal of impairment) of other receivables, net	**527**	(165)
Foreign exchange differences, net	**—**	38

Note: The amount mainly represents professional fees and other expenses related to the listing of the Company's shares on the Stock Exchange. Pursuant to HKAS 32 *Financial Instruments: Presentation*, the transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are directly attributable to the issuing of new shares. The remaining costs are recognised as an expense when incurred.

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

6. INCOME TAX

	For the six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current — Hong Kong		
Charge for the period	**7,455**	—
Deferred	**(882)**	—
Total tax charge for the period	**6,573**	—

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% for the six months ended 30 June 2010 on the estimated assessable profits arising in Hong Kong.

Hong Kong profits tax had not been provided for the six months ended 30 June 2009 as the Group had no assessable profits arising in or derived from Hong Kong during that period.

7. DIVIDEND

The Board has recommended declaring an interim dividend of HK6.8 cents per share (2009: Nil) for the six months ended 30 June 2010. The interim dividend will be payable on or around Wednesday, 29 September 2010 to shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 16 September 2010.

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owner of the Company of HK$29,133,000 (for the six months ended 30 June 2009: loss attributable to the owner of the Company of HK$14,629,000), and 300,000,000 shares of the Company in issue as if all of these shares were outstanding throughout the six months ended 30 June 2010 and 2009, respectively.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the periods ended 30 June 2010 and 2009 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the periods.

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred approximately HK$3,115,000 (HK$7,429,000 for the six months ended 30 June 2009) on acquisition of items of property, plant and equipment in order to upgrade its operating capacities.

During the six months ended 30 June 2010, the Group disposed of a motor vehicle and the respective prepaid license fee with a carrying amount of HK$198,000 and HK$475,000 respectively, at an aggregate consideration of HK$740,000, resulting in a gain on disposal of HK$67,000.

10. ACCOUNTS RECEIVABLE

	30 June 2010 HK$'000 (unaudited)	31 December 2009 HK$'000 (audited)
Accounts receivable	**19,352**	17,139

Accounts receivable represented brokerage commission receivables which are generally settled within 45 days upon the execution of the insurance policies and/or receipt of statements from product issuers.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Accounts receivable are non-interest-bearing.

No provision has been made against these balances as the directors consider the amounts being recoverable and there is no recent history of default.

An aged analysis of accounts receivable of the Group at the end of reporting period, based on the date of recognition of revenue, is as follows:

	30 June 2010 HK$'000 (unaudited)	31 December 2009 HK$'000 (audited)
Within one month	**19,352**	17,139

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

11. ACCOUNTS PAYABLE

Accounts payable represented commission payables for brokerage of investment schemes and insurance products which are generally settled within 30 days to 120 days upon receipt of payments from product issuers by the Group.

An aged analysis of accounts payable at the end of reporting period is as follows:

	30 June 2010 HK$'000 (unaudited)	31 December 2009 HK$'000 (audited)
Within 1 month	**23,095**	25,483
1 to 2 months	**15,501**	15,857
2 to 3 months	**7,482**	18,265
Over 3 months	**11,844**	15,960
	57,922	75,565

Accounts payable are non-interest-bearing. Included in the Group's accounts payable as at 30 June 2010 were commission payables to the spouse, a brother and a cousin of a director of the Group's operating subsidiary who are consultants of the Group, totalling HK$553,000 (31 December 2009: HK$1,356,000), which are payable on similar terms to other consultants of the Group.

12. COMMISSION CLAWBACK

The Group is entitled to receive investment brokerage commission income from various product issuers for business referral and introduction. The commission is calculated based on pre-determined percentages of the regular contributions by the Group's customers to these product issuers. Pursuant to the terms of the agreements entered into between the Group and these product issuers, the commission paid by the product issuers to the Group is subject to a commission clawback by the product issuers on a pro-rata basis over an indemnified period. The indemnified period is generally from 6 months to 24 months. In the event that a customer terminates the regular contribution within the indemnified period, the product issuers will clawback the relevant commission. The amount of the commission clawback represents expected cash outflows which are estimated with reference to the sales volume, past experience of the levels of clawback, and the directors' best estimates of the expenditure required to settle the obligations. The estimation basis is reviewed on an ongoing basis and revised by the directors where appropriate.

During the period, the Group's estimated commission clawback charged to the statement of comprehensive income amounted to HK$2,935,000 (period ended 30 June 2009: HK$1,658,000).

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

13. ISSUED CAPITAL

The movement in the Company's authorised and issued share capital during the period from 12 March 2010 (date of incorporation) to 30 June 2010 are as follows:

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.10 each		
Authorised:		
On date of incorporation and as at 30 June 2010	1,000,000,000	100,000
Issued and fully paid:		
Allotted and issued at nil paid on 12 March 2010 (note a)	1	—
Issuance of shares upon the Reorganisation (note b)	299,999,999	30,000
As at 30 June 2010	300,000,000	30,000

Notes:

(a) On 12 March 2010, the Company was incorporated under the laws of Cayman Islands as an exempted company with authorised share capital of HK$100,000,000 divided into 1,000,000,000 shares of HK$0.10 each. One share was allotted and issued at nil-paid to the subscriber.

(b) On 21 June 2010, as part of the Reorganisation, (i) the Company allotted and issued 299,999,999 new shares of HK$0.10 each credited as fully paid, and (ii) the existing one nil-paid share as mentioned in (a) above was credited as fully paid in consideration of and in exchange for the acquisition of the entire issued share capital of Convoy (BVI) Limited, the Company's wholly-owned subsidiary.

All the shares which were issued by the Company during the period rank pari passu with other shares of the Company in all respects.

14. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had no significant contingent liabilities.

Notes to the Condensed Consolidated Financial Information
For the Six Months Ended 30 June 2010

15. OPERATING LEASE ARRANGEMENTS

The Group leases its office properties, staff quarters and certain equipment under operating lease arrangements. Leases for properties, staff quarters and equipment are negotiated for terms ranging from two to six years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2010 HK$'000 (unaudited)	31 December 2009 HK$'000 (audited)
Within one year	**33,911**	35,991
In the second to fifth years, inclusive	**38,672**	52,249
	72,583	88,240

16. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period.

	30 June 2010 HK$'000 (unaudited)	31 December 2009 HK$'000 (audited)
Contracted, but not provided for:		
Acquisitions of items of computer equipment	**1,500**	—

17. RELATED PARTY TRANSACTIONS

(a) During the period, the Group entered into the following material transactions with related parties:

	Notes	For the six months ended 30 June 2010 HK$'000 (unaudited)	2009 HK$'000 (unaudited)
Commission expenses to:			
Spouse of a director*/key management personnel	(i)	**657**	783
A cousin of a director*/key management personnel	(i)	**805**	921
A brother of a director*/key management personnel	(i)	**751**	194
Administrative services fees charged by a subsidiary of Convoy Financial Group Limited ("CFG"), the holding company of the Company	(ii)	**475**	656

* The key management personnel was appointed as a director of the Group's operating subsidiary on 1 July 2009.

Notes:

(i) These persons are consultants of the Group. The commission expenses were determined based on the volume of brokerage transactions executed by them for the accounts of the Group. The commission rates offered to them are substantially in line with those offered to other consultants of the Group.

(ii) The administrative services fees were charged by a subsidiary of CFG based on terms agreed between the two parties.

(b) Compensation of key management personnel of the Group

The remuneration of key management personnel, who are the directors of the Group during the period, was as follows:

	For the six months ended 30 June 2010 HK$'000 (unaudited)	2009 HK$'000 (unaudited)
Salaries, allowances, bonuses and benefits in kind	**3,135**	1,144
Pension scheme contributions	**96**	57
	3,231	1,201

18. EVENT AFTER THE END OF THE INTERIM PERIOD

On 13 July 2010, the Shares were listed on the Stock Exchange.

ADDITIONAL INFORMATION

INTERESTS AND/OR SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN THE SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

The ordinary shares with a nominal value of HK$0.10 each in the share capital of the Company (the "Shares") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 July 2010 (the "Listing"). No disclosure of interests or short positions of any directors and/or chief executives of the Company in the share capital of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) were made to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO as of 30 June 2010.

As at 13 July 2010 upon the Listing, the interests and short positions of the directors and the chief executive and their associates in the share capital of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(i) Directors' interests in the shares of associated corporations

Name of associated corporation	Name of director	Capacity	Long/short position	No. of shares in Convoy Inc. held	Approximate percentage of the issued share capital in Convoy Inc.
Convoy Inc.	Mr. Wong Lee Man	Beneficial owner	Long position	14,074	19.7%
	Ms. Fong Sut Sam	Beneficial owner	Long position	14,034	19.7%
	Mr. Mak Kwong Yiu	Beneficial owner	Long position	3,911	5.4%

Save as disclosed above, as at 13 July 2010, none of the Company's directors, chief executive nor their associates had any interests or short positions in the share capital of the Company or any of its associated corporations.

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARE CAPITAL OF THE COMPANY

The Shares were listed on the Stock Exchange on 13 July 2010. No disclosure of interests or short positions in the share capital of the Company was made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as of 30 June 2010.

As at 13 July 2010 upon the Listing, so far as is known to the directors and taking no account of any shares which may be issued upon the exercise of the options that may be granted under a share option scheme (the "Share Option Scheme"), the following entities, not being a director or chief executive of the Company, will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARE CAPITAL OF THE COMPANY (continued)

Name of shareholder	Capacity	Long/short position	Number of Shares held	Approximate percentage of the issued share capital
Convoy Inc. (Note 1)	Interests of a controlled corporation	Long position	300,000,000	75%
Perfect Team Group Limited ("Perfect Team") (Note 1)	Interests of a controlled corporation	Long position	300,000,000	75%
Convoy Financial Group Limited ("CFG")	Beneficial owner	Long position	300,000,000	75%

Note:

1. The 300,000,000 Shares are held by CFG which is owned as to approximately 43.8% by Convoy Inc. and 56.2% by Perfect Team. As a result of such relationship as described in this paragraph, Convoy Inc. and Perfect Team are deemed to be interested in 300,000,000 Shares held by CFG. CFG is beneficially interested in 300,000,000 Shares.

Save as disclosed above, and as at 13 July 2010, the directors of the Company were not aware of any persons (who were not directors or chief executives of the Company) who had an interest or short position in the share capital of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SUBSEQUENT EVENTS

On 13 July 2010, the Shares were listed on the Stock Exchange following the completion of the public offer and placing of 100,000,000 Shares as described in the prospectus dated 29 June 2010 issued by the Company.

SHARE OPTION SCHEME

The Share Option Scheme, which was conditionally approved by written resolutions of the sole shareholder of the Company dated 23 June 2010, are set out in Appendix V to the prospectus of the Company dated 29 June 2010. Since the Share Option Scheme has become effective upon the Listing, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the period under review and there were no outstanding share options under the Share Option Scheme as at 30 June 2010.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICE

Since the Shares were only listed on the Stock Exchange on 13 July 2010, the Code on Governance Report contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") (the "Corporate Governance Code") was not applicable to the Company for the period under review.

However, none of the directors is aware of any information that would reasonably indicate that the Company or any of its directors is not or was not, for any part of the period between the date of the Listing and the date of this report in due compliance with the code provisions of the Corporate Governance Code.

Additional Information

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors, all directors have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions by the directors adopted by the Company since the Listing.

AUDIT COMMITTEE

The Company established an audit committee on 23 June 2010 with written terms of reference in compliance with the Listing Rules. The audit committee of the Company which comprises of three independent non-executive directors of the Company, namely Mr. Ma Yiu Ho, Peter (the chairman of the audit committee), Mrs. Fu Kwong Wing Ting, Francine and Dr. Wu Ka Chee, Davy have reviewed with the management of the Company the financial statements of the Group for the six months ended 30 June 2010 and discussed with the management of the Company, the auditing, internal control and financial reporting matters including the review of the interim report of the Group for the six months ended 30 June 2010.

INTERIM DIVIDEND

The Board has recommended declaring an interim dividend of HK6.8 cents per share (2009: Nil) for the six months ended 30 June 2010. The interim dividend will be payable on or around Wednesday, 29 September 2010 to shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 16 September 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 13 September 2010 to Thursday, 16 September 2010 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the aforementioned interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 10 September 2010.

By Order of the Board
Convoy Financial Services Holdings Limited
Wong Lee Man
Chairman

25 August 2010