

**CONVOY FINANCIAL SERVICES HOLDINGS LTD:  
HOLD ONTO YOUR CASH: BETTER COUNTERS ARE COMING**

When one purchases a stateroom on an ocean-going, luxury liner, one is, actually, purchasing a depreciating asset.

Quite a number of former, wealthy people purchased staterooms on The World, a luxury liner that plies the oceans of the world – and rued the day that they made their purchases.

When one purchases shares in Convoy Financial Services Holdings Ltd () (Code: 1019, Main Board, The Stock Exchange of Hongkong Ltd), one might end up just like those former wealthy people, who purchased their luxury staterooms on The World.

Convoy Financial Services Holdings Ltd issued its Placing and Public Offer Prospectus on June 29, 2010, and, at Appendix I-4, one is treated to the financial results in respect of the 36-month, track-record period, ended December 31, 2009.

The following table is lifted from this Page:

	Financial Year, Ended December 31		
	2007	2008	2009
	All Figures Are Denominated in \$HK'000		
Revenue	636,068	554,283	455,587
Other Income And Gains, Net	2,734	207	208
Commission Expenses	(362,850)	(322,915)	(253,538)
Staff Costs	(51,517)	(63,569)	(44,909)
Depreciation	(14,733)	(16,484)	(16,735)
Commission Clawback	(4,217)	(7,286)	(4,651)
Other Expenses	(81,056)	(106,638)	(88,882)
Profit Before Taxation	124,429	37,598	47,080

Income Tax Expenses	(23,035)	(6,088)	(8,966)
Net Profit Attributable To Shareholders And Total Comprehensive Income	101,394	31,510	38,114

In a nutshell, throughout the track-record period, Revenue fell by about \$HK180,481,000, or about 28.37 percent, and the Net Profit Attributable to Shareholders sank by about \$HK63,280,000, or about 62.41 percent.

One has to wonder: Who would want to buy into such a company?

Well, the answer appears to have been: Quite a number of prospective investors.

### **The Flotation**

The Placing and Public Offer was for 100 million, 10-cent Shares at a Share Price Offer Range of between \$HK1.00 and \$HK1.20.

The flotation ... [CLICK TO ORDER FULL ARTICLE](#)

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