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**CONVOY GLOBAL HOLDINGS LIMITED**

**康宏環球控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1019)**

## **UPDATE ON SUSPENSION OF TRADING**

Reference is made to the announcements of Convoy Global Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 7 December 2017, 27 March 2018, 1 August 2018, 1 November 2018, 1 February 2019, 19 February 2019, 30 April 2019, 1 August 2019, 15 August 2019, 4 November 2019, 20 December 2019, 24 January 2020, 3 February 2020 and 7 February 2020 (the “**Suspension Update Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Suspension Update Announcements.

This announcement is made pursuant to the Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) to provide the shareholders of the Company and the public with an update on the suspension.

## **UPDATE ON RECENT DEVELOPMENTS RELATING TO SUSPENSION OF TRADING**

Reference is made to the Company’s announcement of 3 February 2020, the Company made a submission to the Stock Exchange in which the Company, among other matters, reported to the Stock Exchange of its progress in relation to the fulfillment of the Resumption Conditions and requested an extension of the remedial period for the Company to satisfy all Resumption Conditions on 20 January 2020. As at the date of this Announcement, the Company is in the process of further communicating with the Stock Exchange.

The Company is committed to fulfilling the Resumption Conditions to achieve the resumption of trading of its shares on the Stock Exchange. In case of any material changes, further announcement(s) will be made by the Company as and when appropriate.

## **DETAILS OF PROGRESS OF FULFILLING THE RESUMPTION CONDITIONS**

Since the Company's last quarterly update announcement on the suspension on 4 November 2019, the Company has implemented further steps and taken concrete actions in fulfilling the Resumption Conditions, a summary of which is set out below.

- 1. The First Resumption Condition** – *disclose details of the irregularities (regarding the trading in the Company's shares have been suspended since 7 December 2017 pending release of an announcement in relation to inside information of the Company, which relates to details of the cases that had led to the arrest of three of its executive directors, namely Mr. Wong Lee Man, Ms. Fong Sut Sam and Ms. Chan Lai Yee by the Independent Commission Against Corruption), assess the impact on the Company's financial and operation position, and take appropriate remedial actions*

As disclosed in announcement of the Company dated 24 January 2020, the Company has received from FTI a final draft of the Investigation Report and such draft report has been submitted by the Independent Board Committee to the Board for its final review. For further details, please refer to the announcement of the Company dated 24 January 2020.

- 2. The Second Resumption Condition** – *demonstrate that the Company has put in place adequate internal control systems to meet the obligations under Listing Rules*

As disclosed in announcements of the Company dated 24 January 2020 and 7 February 2020, the Company has received from FTI a final draft Internal Control Review Report. For further details, please refer to the announcements of the Company dated 24 January 2020 and 7 February 2020.

- 3. The Third Resumption Condition** – *demonstrate that there is no reasonable regulatory concern about management integrity*

Details of work performed by the Company can be found in the previous quarterly update announcement of the Company dated 4 November 2019.

**4. The Fourth Resumption Condition** – *publish all outstanding financial results and address any audit qualification(s)*

As at the date of this Announcement, the Outstanding Financial Results are annual results for 2017 and 2018, annual reports for 2017 and 2018, interim results for 2018 and 2019 and interim reports for 2018 and 2019.

Reference is made to the announcements of the Company dated 1 August 2019, 23 August 2019, 4 November 2019 and 24 January 2020. The Company has been diligently liaising with the auditors to complete the audit procedures and it expects to publish all the Outstanding Financial Results as soon as practicable thereafter.

The Company will publish further announcement(s) to inform the shareholders of the Company of any other update information as and when appropriate.

**5. The Fifth Resumption Condition** – *inform the market of all material information for the shareholders and the investors to appraise the Company's position*

The Company is of the view that save for the publication of the Outstanding Financial Results, the Company has been proactively and consistently informing the market of all ongoing material updates regarding the development of the Group by way of voluntary announcements in relation to litigation and business operations, disclosable transactions, and quarterly update on the suspension since its trading suspension. At present and save for those disclosed in the litigation section, the Company has no material litigation unannounced.

The Company will continue to inform the market of all material information as and when appropriate.

Reference is also made to the announcement of the Company dated 24 January 2020 in relation to the expected timetable towards fulfilling the Resumption Conditions. The Company is committed to fulfilling the Resumption Conditions to achieve the resumption of trading of its shares on the Stock Exchange. In case of any material changes, further announcement(s) will be made by the Company as and when appropriate.

## **BUSINESS OPERATIONS UPDATE**

The Board would like to provide the shareholders and potential investors of the Company with updates on the latest operations of the Group as of the date of this announcement.

The Company has operated normally and has had substantial business and operations before and after the Suspension. It is noted that the Company is by far one of the largest financial advisory firms in Hong Kong with over 1,300 financial advisors and currently employs approximately 400 corporate staff and has approximately 150,000 customers. The Company is also one of the largest independent insurance distribution firms in Hong Kong.

As a result of the business review and transformation implemented by the New Management Team and the implementation of various measures to transform the business of the Company, the Company has achieved significant financial and operational improvements in 2019 compared to 2018. The New Management Team has identified the key issues in the existing business and is now working towards the final phase of the business plan to reform the business in order to improve its productivity and profitability.

The Company has adopted a vigilant posture in its overall business growth strategy and cost management in the context of the recent uncertainties in the business environment. Given the large size of the Company's workforce of almost 2,000 and its business coverage in Hong Kong and Mainland China, it is of the Company's top priority to ensure the well-being of its employees. The Company remains optimistic about the business performance in 2020, even though there are signs that point towards certain operating assumptions requiring possible recalibration. The New Management Team will closely monitor the situation and adjust accordingly.

As such, given the Company's extensive level of operations, the Board is of the view that the Trading Resumption will be beneficial to the Group, the shareholders, the potential investors and the stakeholders.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 11:04 a.m. on 7 December 2017 (automatically converted to “being suspended” thereafter), and will remain suspended until further notice. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

**Shareholders and potential investors should note that the resumption of trading in the shares on the Stock Exchange is subject to various conditions which may or may not be fulfilled. There is no guarantee that resumption of trading in the shares will take place. Shareholders and potential investors of the Company are reminded to exercise caution when dealing with the shares.**

By Order of the Board  
**CONVOY GLOBAL HOLDINGS LIMITED**  
**Johnny Chen**  
*Chairman and Executive Director*

Hong Kong, 7 February 2020

*As at the date of this announcement, the executive Directors are Mr. Johnny Chen (Chairman), Mr. Ng Wing Fai, Mr. Yap E Hock and Mr. Shin Kin Man; the non-executive Director is Mr. Chen Shih-pin; and the independent non-executive Directors are Mr. Pun Tit Shan, Mrs. Fu Kwong Wing Ting, Francine, Mr. Pak Wai Keung, Martin and Mr. Yan Tat Wah. The duties of the executive Directors namely Mr. Wong Lee Man, Ms. Fong Sut Sam and Ms. Chan Lai Yee have been suspended since 8 December 2017.*