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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 REGARDING RESUMPTION CONDITIONS

The Company recently received an enquiry from a shareholder regarding the status of the Company's application to resume trading.

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 status of the resumption of trading.

As set out in the Company's announcement dated 30 October 2020, on 28 May 2020 the Listing Committee of the Stock Exchange decided to cancel the Company's listing under Rule 6.01A of the Listing Rules (the "**Delisting Decision**"). The Company made a written request to the Listing Review Committee of the Stock Exchange pursuant to Rule 2B.06(2) of the Listing Rules for a review of the Delisting Decision. The date of the review hearing has not yet been fixed.

Key to the Company's application to resume trading is the fulfilment of the five resumption conditions ("**Resumption Conditions**") referred to in the Company's announcement dated 28 August 2020, being:

1. Disclosure of details of the irregularities by the previous management and assessment of the impact of such irregularities on the Company's financial and operation position;
2. demonstrating to the Exchange that the Company has put in place adequate internal control systems to meet the obligations under the Listing Rules;
3. demonstrating to the Exchange that there is no reasonable regulatory concern about management integrity;
4. publication of all outstanding financial results and address any audit qualifications; and
5. informing the market of all material information for the shareholders and the investors to appraise the Company's position.

Of the five Resumption Conditions, the Board is of the view that only Resumption Condition 4 – the publication of the financial results for the three years ended 31 December 2017, 2018 and 2019 (the "**Outstanding Audited Accounts**") remained outstanding.

As set out in the Company's announcement dated 18 August 2020, the Company originally engaged PricewaterhouseCoopers ("**PwC**") as the auditor of the Company to audit the consolidated financial statements of the Group but after some 30 months have passed since PwC was appointed, the financial statements could not be finalised due to disagreement regarding the accounting treatment of certain items which arose out of the irregularities by the previous management. The delay was outside the control of the Board as the Board cannot influence how auditors perform their statutory duties. PwC eventually agreed to resign on 12 August 2020 to pave way for the appointment of a new auditor.

On 31 August 2020, the Board appointed ZHONGHUI ANDA CPA Limited ("**Zhonghui**") as the new auditor of the Company. The Board is pleased to report that Zhonghui has made considerable progress in finalizing the Outstanding Audited Accounts. The audit for the three years ended 31 December 2019 are substantially finished. Based on the current progress of the audit, the Board believes that the Outstanding Audited Accounts will be available before the end of this year.

The Board expects to publish the Outstanding Audited Accounts, together with the accompanying information required under the Listing Rules as soon as they have been finalised. An AGM will be held thereafter to table the accounts to the shareholders. Resumption Condition 4 will be fulfilled upon the publication of these financial results by the Company.

As far as Resumption Condition 1 is concerned, the Company has already disclosed to the market all the irregularities by the previous management of which it is aware. As set out in the Company's announcement dated 1 August 2018, the Company has set up an Independent Board Committee ("**IBC**") comprising the independent non-executive directors to conduct an independent review and investigation of any irregularities relating to the Company. On 31 July 2018, the IBC appointed FTI Consulting (Hong Kong) Limited ("**FTI**") (an independent and international business advisory firm) to conduct an independent forensic investigation. As set out in the Company's announcement dated 24 January 2020, the IBC has completed the investigation and the summary of findings of the facts and circumstances surrounding these suspected irregularities prior to December 2017 have been disclosed in the announcement dated 24 January 2020. Concurrent with the independent investigation, the Company has also taken steps to contain the impact of such irregularities. Since 2018, the irregularities no longer have any impact on the financial and operating position of the Company. This will be demonstrated once the Outstanding Audited Accounts are published. Hence, Resumption Condition 1 will be fulfilled upon the publication of the Outstanding Audited Accounts.

As far as Resumption Condition 2 is concerned, the Exchange has already confirmed their satisfaction that the new management has put in place adequate internal control systems to meet the obligations under the Listing Rules.

As far as Resumption Condition 3 is concerned, the Exchange has also confirmed that they have no regulatory concern about integrity of the current management. In arriving at this decision, the Exchange informed the Company that they have taken into consideration, among others, the following factors:

- (1) The Company has (through ICAC's arrest and charges of the former and suspended directors and the FTI's investigation) identified the directors (in particular, members of the previous management) involved in the suspected irregularities. All these directors have been either suspended (and no longer participating in the Company's management and operation) or removed;

- (2) Since December 2017, the Company has changed its board composition and replaced substantial number of other senior staff upon discovery of the irregularities. There is no evidence (on the basis of FTI's investigation findings, the ICAC's arrest and charges or other available information) giving rise to reasonable cause for concern about the integrity of the Company's current management, or otherwise indicating that members of the current management (including Ng Wing Fai and Pun Tit Shan, who were also executive and independent non-executive directors of the Company respectively before the trading suspension):
- a. were involved in the suspected irregularities committed by the previous management or identified in FTI's investigation report or the ICAC's action; and/or
 - b. had any relationship with any of the previous directors, senior management or substantial or controlling shareholders of the Company (who are the subject of the ICAC action).

As far as Resumption Condition 5 is concerned, throughout the period of suspension, the Company has made continuous disclosure by way of public announcements and have complied with all its disclosure obligations under the Listing Rules and the Inside Information provisions of the Securities and Futures Ordinance. Save for the unavailability of the Outstanding Audited Accounts, the Company has kept the market informed of all material information for the shareholders and the investors to appraise the Company's position. Hence, once the Outstanding Audited Accounts (and the relevant information accompany such accounts as required by the Listing Rules) are published, Resumption Condition 5 will be fulfilled.

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, 1 November 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.