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CONVOY 康宏

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 PUBLICATION OF FINANCIAL RESULTS AND TIMING OF THE ANNUAL GENERAL MEETING OF THE COMPANY

This announcement is made by Convoy Global Holdings Limited (the “**Company**” or “**Convoy**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

FINANCIAL RESULTS

Reference is made to the announcement of the Company dated 2 November 2020. In that announcement, the Board announced that ZHONGHUI ANDA CPA Limited, the new auditor of the Company has made considerable progress in finalising the financial results for the three years ended 31 December 2017, 2018 and 2019 (the “**Outstanding Audited Accounts**”) and that the audit for the three years ended 31 December 2019 is substantially finished. The Board also announced that based on the then progress of the audit, the Board believed that the Outstanding Audited Accounts would be available before the end of 2020.

The Board regrets to announce that the finalisation of the Outstanding Audited Accounts have been further delayed. The main reasons for the delay include:–

1. The auditing works required on the extensive wrongdoings prior to 2017 and incomplete records of various operations and transactions whilst Convoy was under the management of the previous management team impeded some of the early progress made by the auditors in September and October 2020;
2. The severity and complexity of the wrongdoings of Roy Cho Kwai Chee (“**Roy Cho**”) and the previous management including Roy Cho¹ have imposed an unheard-of level of difficulty on the auditors in finalizing their audit on the accounts;
3. Current litigious environment that the Company has regrettably found itself now operating under has caused the auditors and our management needing more time to assess and determine the implications and appropriate accounting treatments; and
4. Delay in the determination of the accounting treatment of many of Roy Cho’s wrongdoings for example, the Wrongfully Allotted Shares circular-financed in 2015 by the Company’s own fund (as defined in the Company’s announcement dated 3 January 2021 (Litigation Updates)).

In the principal legal action filed by the Company on 18 December 2017 (HCA 2922/2017), it is the Company’s case that the Wrongfully Allotted Shares have their origin in a specific mandate placing completed by the Company on 29 October 2015. Pursuant to the 29 October 2015 Placing, the Company purportedly completed the placing of an aggregate of 7,508,300,000 shares (the “**Placing Shares**”) representing approximately 50.26% of the enlarged number of issued shares of the Company as at the date of that announcement. The shares were allegedly placed to no less than 6 alleged independent placees (“**Alleged Independent Placees**”) raising net proceeds of HK\$2,531 million from the placing. In fact, within one month of the completion of the 29 October 2015 Placing, a very substantial portion of the allegedly paid-up capital from the Placing Shares has been round-tripped back to the Alleged Independent Placees (or entities or parties connected to or associated with them) via the Company’s two subsidiaries, Convoy Collateral Limited and (the then named) CSL Securities Limited, through a series of wrongful arrangements. For further details of the origins, change of ownerships and potential legal effects of the Wrongfully Allotted Shares, please refer to the Company’s announcement dated 3 January 2021 (Litigation Updates).

¹ Some of which can be seen outlined in the Litigation Update of the Company dated January 3rd, 2021

Under the Cayman Islands laws in accordance with the expert evidence filed by the Company in the High Court under various legal proceedings, the wrongful allotment of the Wrongfully Allotted Shares would render those shares void ab initio.

As shareholders and regulators expect to receive the Outstanding Audited Accounts as soon as possible, the Board is working intensely with the auditors and its audit committee to finalize the Outstanding Audited Accounts.

Based on the revised timetable, the Company expects to complete and finalize the Outstanding Audited Accounts on or before 31 January 2021. Once the Outstanding Audited Accounts have been finalised by end of January 2021, it is the intention of the Company to convene an annual general meeting to be held by end of February 2021.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Company's shares 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 Non-executive Director

Hong Kong, 3 January 2021

As at the date of this announcement, the executive Directors are Mr. Ng Wing Fai, Mr. Yap E Hock, Mr. Shin Kin Man, Mr. Lee Jin Yi, Ms. Wong Suet Fai and Mr. Chung Kwok Wai, Kelvin; the non-executive Directors are Mr. Johnny Chen (Chairman) and Mr. Chen Shihpin; and the independent non-executive Directors are Mr. Pun Tit Shan, Mrs. Fu Kwong Wing Ting, Francine, Mr. Pak Wai Keung, Martin, Mr. Yan Tat Wah, Mr. Lam Kwok Cheong and Ms. Carrie Bernadette Ho. The duties of the executive Directors namely Mr. Wong Lee Man and Ms. Chan Lai Yee have been suspended since 8 December 2017.