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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO INTERNAL CONTROL REVIEW**

The Company is pleased to announce that the Board has received a final supplemental report of the Internal Control Review from FTI conducted between January and August 2020 (the “**Supplemental Internal Control Report**”) and the amended final Internal Control Report.

As noted in the Supplemental Internal Control Report, (i) as at 26 June 2020, FTI was satisfied that all compliance and control weaknesses identified from Phase 1 Review have been remediated by the Company through revisions, updates and amendments to the Company’s existing internal control and compliance policies and guidelines; and (ii) as at 13 August 2020, only one medium risk weakness or deficiency from the Phase 2 and Phase 3 Review, which relates to the completion and publication of the Outstanding Financial Results of the Company, on which a further announcement is expected shortly. As the Company has been working diligently in the preparation and publication of the Outstanding Financial Results and given that this is the only remaining weakness which the Company is working on and is not identified by FTI as representing a material weakness or deficiency, the Company is of the view that it has put in place adequate internal control systems and procedures, including financial reporting procedures to meet its obligations under the Listing Rules, without any material weakness.

Reference is made to the announcements of Convoy Global Holdings Limited (the “**Company**”, 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, 7 February 2020, 1 April 2020, 15 May 2020, 21 May 2020, 5 June 2020, 19 June 2020 and 31 July 2020 (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules of the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As set out in the Company’s announcements dated 4 November 2019 and 24 January 2020, the Company engaged FTI Consulting (Hong Kong) Limited (“**FTI**”) in October 2019 to conduct the Internal Control Review and the Board received the draft Internal Control Report on 24 January 2020. Relevant findings of the draft Internal Control Report were disclosed in the Company’s announcement dated 7 February 2020 (the “**IC Findings Announcement**”).

## **CLARIFICATION**

In the IC Findings Announcement, it was disclosed that in relation to the results of Phase 2 Review and Phase 3 Review, FTI identified (i) three weaknesses or deficiencies of medium risk nature in reviewing the asset management business segment; and (ii) seven weaknesses or deficiencies of low risk nature in reviewing the asset management segment and four weaknesses or deficiencies of low risk nature in reviewing the securities dealing segment.

The Company would like to clarify that there were inadvertent errors in the Internal Control Report and that (i) in relation to the asset management business segment, there was only one weakness or deficiency of medium risk nature and nine weaknesses or deficiencies of low risk nature; and (ii) in relation to the securities dealing segment, there were only two weaknesses or deficiencies of low risk nature.

## **UPDATE ON INTERNAL CONTROL FOLLOW-UP REVIEW AND REMEDIAL ACTIONS**

The Company noted that in the Internal Control Review, all the weaknesses and deficiencies identified by FTI were of medium and low risk nature, which FTI noted did not represent material weaknesses or deficiencies. As appropriate actions were taken by the Company to rectify the weaknesses and deficiencies, the Company is of the view that it already had in place adequate internal control system and procedures without any material weakness. As further described below, based on the remedial actions taken by the Company subsequent to the Internal Control Review, FTI noted that there is only one remaining internal control weakness which was not of material nature and was currently being actively addressed by the Company.

As a matter of good corporate practice, subsequent to the Internal Control Review, the Board instructed FTI to conduct a follow-up review to verify and assess that all relevant outstanding weaknesses identified in the Internal Control Report have been properly remediated.

The Company is pleased to announce that the Board has received the Supplemental Internal Control Report and the amended final Internal Control Report. According to the Supplemental Internal Control Report, FTI conducted a follow-up review to verify and assess the then ongoing or planned remediation actions during the period between January 2020 and August 2020.

### **Status of the compliance and control weaknesses identified from Phase 1 Review**

FTI noted in the Supplemental Internal Control Report that as at 26 June 2020, FTI was satisfied that all compliance and control weaknesses identified from the Phase 1 Review have been remediated by the Company through revisions, updates and amendments to the Company's existing internal control and compliance policies and guidelines, which are supplemented by the introduction of formalised operational procedures in relation to main business processes.

## **Status of the internal control weaknesses or deficiencies identified from Phase 2 Review and Phase 3 Review**

FTI noted in the Supplemental Internal Control Report that as at 13 August 2020, there was only one medium risk weakness or deficiency in the corporate-level control segment. This remaining weakness or deficiency identified relates to the completion and publication of the Outstanding Financial Results of the Company. This remaining weakness is of medium risk nature but it is not identified by FTI as representing a material weakness or deficiency. For the avoidance of doubt, this remaining weakness is not related to the potential irregularities which are the subject of the independent forensic investigation.

FTI noted in the Supplemental Internal Control Report that the Company is continuing to work closely with its external auditor and had engaged an external adviser to assist with the completion of the annual report for the financial year ended 31 December 2017 and FTI is of the preliminary view that on the basis of completion of the remediation action, it is reasonably expected to address this remaining internal control weakness or deficiency identified in the Internal Control Report.

As the Company has been working diligently in the preparation and publication of the Outstanding Financial Results and given that this is the only remaining weakness which the Company is working on and is not identified by FTI as representing a material weakness or deficiency, the Company is of the view that it has put in place adequate internal control systems and procedures, including financial reporting procedures to meet its obligations under the Listing Rules, without any material weakness.

## **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, 27 August 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.*