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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 BUSINESS OPERATIONS

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.

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, 31 July 2020, 17 August 2020, 18 August 2020, 24 August 2020, 27 August 2020 (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The Board would like to provide further detailed updates on the Group’s business operations in this announcement.

IMPORTANT INFORMATION ABOUT THE GROUP

The following shows various key facts of the Group as at August 2020:

1. The Group is a large organization with approximately:
 - a. 400,000 customers;
 - b. 4,400 minority independent Shareholders;
 - c. 2,300 employees and financial advisors in the Group;
 - d. 1,800 financial products from over 200 financial institutions vetted for individuals and corporates customers; and
 - e. Regulated by the SFC, Insurance Authority and MPFA.
2. The Group's businesses are all highly regulated and are in good standing with the relevant regulators including the SFC, Insurance Authority and the MPFA. The Company of today is inherently low-risk due to the regulated nature of its businesses and its high standard of corporate governance and internal control. The Company has 698 SFC licensed representatives and 30 responsible officers as of the date of this announcement.

The Company is a diversified financial institution – home grown in Hong Kong since 1993; it engages in the independent financial advisory (“**IFA**”) business (including advice and sales of a full range of financial services products from long-term life insurance, savings to mortgages). It has also built up a significant portfolio of platform business (a platform that provides the infrastructure for a marketplace that brings together producers and consumers) encompassing B2B, FinTech, Healthcare and Retail.

The Company is a large company with many stakeholders. The Group offers approximately 1,800 financial products to individual and corporate customers. The Group targets to grow its workforce (corporate staff and independent financial advisors combined) to 2,600 by 2020 year-end to support its business expansion in Hong Kong and the Greater Bay Area.

Certain events in December 2017 that involved the ICAC and SFC were all related to the Previous Management Team of the Company. The Company has actively assisted the SFC and ICAC since and has been publicly acknowledged by the ICAC. A new experienced management team of high integrity has been installed and is working hard. After over two years of restructuring and building, the New Management Team has successfully transformed the Company from the single business of IFA into a diversified financial service platform through the adoption of global FinTech business technology and collaboration partnerships with the Group's retail and healthcare partners – serving the needs of both retail and corporate customers. The Group's reputational risk is the past and the issues related to the event have had no impacts on the finance and operations of our IFA and platform business.

The Company consolidated its offices in Hong Kong and moved to a new headquarters at Trust Tower, 68 Johnston Road, Wan Chai in July 2020 to promote efficiency. The new headquarters adopts open office design throughout the entire building to reduce rental expenses, promote collaborative culture and create a more flexible workspace environment.

BUSINESS DESCRIPTION AND RECENT DEVELOPMENTS

Overview of The Group

The Group has now successfully transformed into a diversified financial holding company supported by strong financials throughout its subsidiaries. The Group's core businesses are IFA business, with a portfolio of platform business including B2B, FinTech, Healthcare and Retail as described below:

IFA Established in 1993, IFA (independent financial advisory) business is one of the largest in Hong Kong and South China. The Group's 1,800 financial advisors advise a large population on their financial well-being supported by state-of-the-art training, infrastructure and technology.

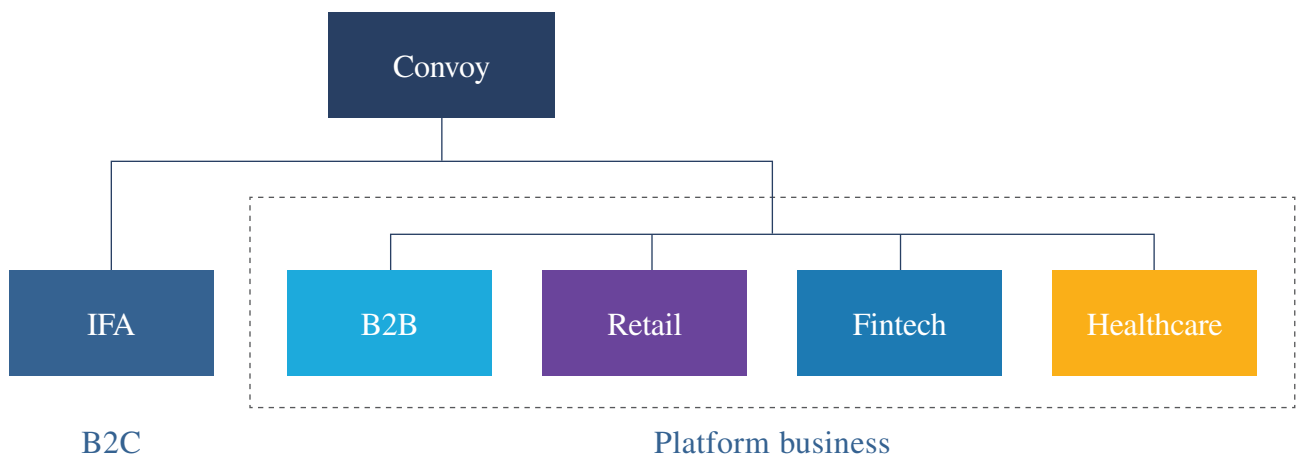
Convoy B2B Convoy B2B offers a full-service platform to banks, other financial institutions, brokers and individual IFAs to advise and serve their retail clients. The Company's technology-enabled platform offers a full range of financial products: life insurance, pension, property-casualty insurance, stock brokerage, mutual funds, lending and real estate. This one of a kind platform serves the entire China – allowing the vast retail consumers of Mainland China direct access to the coveted global financial products unavailable in Mainland China from Hong Kong.

FinTech The Group has an ensemble of leading FinTech assets and businesses in the U.K., Europe and Hong Kong – including digital bank, robo-advisory, payments and insurance. The Company’s ecosystem of financial technology covers the entire range of financial services.

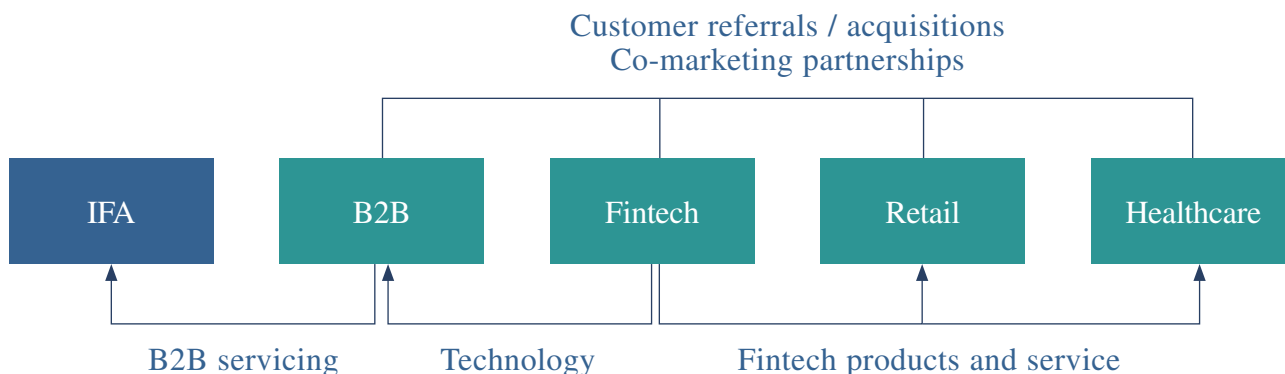
Healthcare Founded in 1979, JFA is Hong Kong’s most-established and the third largest healthcare chain with over 1,000 doctors and 200 specialists. Together with the Salesforce and a consulting firm, the Company is currently building a digital healthcare platform.

Retail Ztore is the second largest online grocery supermarket in Hong Kong – serving a large base of customers. The Company formed a strategic alliance with Ztore for cross-selling. The Company also derives significant synergy from Goxip, a major fashion e-commerce platform in Hong Kong.

The Group’s business is currently organized into two business units: B2C and Platform Business as illustrated below:–



The Group’s B2C business and the four businesses within the Group’s Platform Business work in unison in all aspects of growth and operations as illustrated below:–



(1) The IFA Business

Business opportunity for the insurance industry

Hong Kong is first in Asia in terms of insurance density and ranks among the top places in the world in terms of insurance penetration. 15 of the 20 largest global insurers have set foot in Hong Kong, offering single out business opportunities. Eyeing the emerging opportunities from the Greater Bay Area (“GBA”) and the Belt and Road Initiative (“BRI”), Hong Kong aims to be the insurance service centre for GBA, risk management centre for the BRI and an insurance hub in the Asia-Pacific region.

Business description

Convoy Financial Services Limited (“CFS”) is principally engaged in the life insurance, asset management, property-casualty and Mandatory Provident Fund (“MPF”) brokerage business. Through its teams of financial advisors, CFS negotiates and arranges contracts of life insurance, asset management and MPF schemes in Hong Kong as the agent of its customers, i.e. the policyholders, and advises on matters related to insurance and wealth management. CFS commenced business in 1993 to provide independent advisory services in connection with insurance products. CFS is a licensed insurance intermediary of the Insurance Authority (the “IA”) and a registered intermediary of Mandatory Provident Fund Schemes Authority (the “MPFA”).

Recent developments: Focusing on profitability while strengthening market leadership

For decades, CFS has been known for its established leadership in the independent financial advisory business in Hong Kong. Today, CFS is one of the largest independent financial advisory firms in Hong Kong with over 1,800 financial advisors (target to reach 2,000 by December 2020) serving the vast customer base of Hong Kong and Mainland China. This is the Group's B2C business.

The IFA business environment has, however, changed markedly since 2015 when the Office of the Commission of Insurance (currently known as the Hong Kong Insurance Authority) made a one-time major change of regulatory guidelines on the commission pay-out mode, costing and commission disclosures of Investment-linked Assurance Scheme ("ILAS") products with effect from January 2015. ILAS products accounted for over 80% of CFS's revenue and the said change of regulatory guidelines resulted in a drop of commission income by over 85% in 2015. The Company has since invested significant resources in retraining the salesforces and upgrading all infrastructure for the new business setting. Today, the Group's salesforces are amongst some of the most productive in the life insurance industry in Hong Kong.

The four key drivers of business growth for CFS are (1) Business volume, (2) Manpower, (3) Productivity, (4) number of MDRTs (The qualification of membership for Million Dollar Round Table, a global independent association of life insurance and financial services professionals, that meets the annual production requirement and comply with the code of ethics).

In 2020 Q1, CFS was ranked 1st on insurance sales productivity in terms of Annual First Year Premium, outperforming the insurance agencies. CFS was also ranked 4th in the 2020 MDRT membership ratio over headcount, with 201 consultants achieved 2020 membership. Amid the COVID-19 pandemic, CFS managed to grasp business opportunities through the provision of recruitment package and special relief measures to maintain business growth. CFS has attracted 600 new recruits to join its consultancy force in this year.

To further strengthen the Group's overall long-term competitiveness, the senior management is currently at an advanced stage of working with the Group's salesforces for a new comprehensive plan that would dramatically improve the cashflow and profitability of the IFA business. It would create a better balance between performance-based incentives to individual financial advisors and financial return to the Company, increasing long-term shareholder value. The Company will make the appropriate announcement(s) in due course.

Through the Group's 1,800 financial advisors, the Group now offers to customers:–

- over 400 life insurance products from 20 life insurers;
- over 1,000 asset management products from 40 fund houses;
- 400 property-casualty products from 30 vendors; and
- offerings from 10 MPF providers.

(2) Convoy B2B

Emerging trend of platform economy

In 2018, seven of the ten most valuable companies globally are based on platform business models. Apart from the global reach and economic payoffs, leading global platform players are building integrated capabilities outside their core business activities and across industry borders, to cross-sell their products and services and satisfy customers a continuum of needs.

Business description

Established in Q2 2020, Convoy B2B is the Group transaction platform business serving corporate clients in Hong Kong and Mainland China. It allows corporate customers to outsource their sales support and transaction processing to Convoy B2B, leveraging on its state-of-the-art capabilities and technology.

Through the operating entities within Convoy B2B, it offers a full suite of financial products including (a) life insurance, property-causality insurance brokerage and MPF products through the IA and the MPFA licenses from the Company's subsidiary GET Mdream Wealth Management Limited; (b) international property brokerage through Convoy International Property Consulting Limited; (c) asset management through SFC license from Convoy Asset Management Limited; (d) stock brokerage through SFC license from CSL Securities Limited ("CSL"); and (e) lending through Money Lenders license from Hong Kong Credit Corporation Limited.

Recent developments: Expanding to B2B platform business with existing infrastructures

To capture the vastly enhanced revenue potential for the Group from the opportunities available in Hong Kong and the GBA, the senior management has been driving a fundamental business transformation of the Company's traditional IFA business at CFS for about a year. The Company reorganized the Group into two distinctive but complimentary businesses: (1) legacy IFA business (i.e. CFS), as explained above; and (2) the new B2B platform business presently named 'Convoy B2B'.

The Company has now built some unique one of a kind infrastructure in (1) Product Intelligence, (2) Transaction Operations and (3) Technology Support. The New Management Team has come to a conclusion that the infrastructures and capabilities that have turned the Company's CFS business around shall be further deployed to generate more revenue, cashflow and profits by offering the infrastructures to serve a wider of corporate customers in Hong Kong and Mainland China. In addition to the three infrastructures the Company offer to B2B customers, its decades-long capabilities in training and people development will also be made available. The B2B platform also plans to offer regular market and regulatory updates to the Group's clients and investors, such as holding client seminars and investor education sessions.

The New Management Team based its conclusion on the significant potential of the B2B business from conducting detailed analysis on the Group's IFA business as well as exhaustive studies on the demand and supply in the market of Hong Kong and Mainland China. To maximize value to the Shareholders, the New Management Team is building the B2B business with minimal incremental cost by leveraging on existing human resources and infrastructures.

(3) FinTech

Hong Kong FinTech landscape

The Hong Kong Monetary Authority (the “HKMA”) introduced the Open API Framework in July 2018 to facilitate the development and wider adoption of APIs by the banking sector. The open API functions include product information, customer acquisition, account information and transactions. The HKMA also launched Faster Payment System in September 2018 to facilitate real-time payments or fund transfer between banks and stored value facility operators with the use of recipient’s mobile number or email address as an account proxy. The Management believes that, with the on-going business integration with the GBA, Hong Kong is expected to see further liberalization in the financial services (especially in relation to the use of financial technologies) in the coming years.

Business description

The Company has an ensemble of valuable FinTech assets. The New Management Team has strived to establish the Company as a leading name in the FinTech investment sector. An overview of the Group’s FinTech portfolio is shown as below:

TANDEM

A digital challenger bank in the UK offering a full suite of products across savings and lending

nutmeg

- UK’s No.1 digital wealth manager
- Robo-advisory and digital wealth management service, with the aim to help people invest better and wiser

 **currencyfair**

A technology driven currency exchange and international payments company based in Ireland

OSCAR

A digital health insurance company based in New York that utilizes technology (e.g. Telemedicine), healthcare focused technological interfaces and transparent claims pricing systems

GOXIP

A fashion media platform in HK with over 1 million high-end fashion shoppers. Its digital marketing arm matches KOLs with marketers and brands for launching and monetizing marketing campaigns

The New Management Team has focused the FinTech business on creating value from three fronts:

1. Building long-term FinTech franchises in Hong Kong using business models, operations and technologies tested in more matured markets;
2. Supporting and capturing synergies with Convoy B2B and other Group's businesses; and
3. Financial return from the FinTech investments.

Recent developments

The Company is planning a launch schedule in Hong Kong for the FinTech business in the next 12 to 18 months – 'Hit' and 'Tandem Hong Kong' are two examples as summarised below:–

Hit

Hit is a health and wealth management platform that serves as a gateway to expand the Group's market share by acquiring new members through digital channels while enhancing user experience. The platform, targeted to launch in Q4 2020, aggregates a broad spectrum of services and value-added information in health, insurance, investments and social sharing.

Tandem Money Hong Kong

The Group now operates and owns Tandem (H.K.) Limited, a previously wholly owned subsidiary of Tandem Bank of the U.K. Through acquisition of Neat Limited, a Hong Kong-based debit card company, the Group plans to offer retail customers an alternative to traditional bank accounts, while utilizing technology driven Know-Your-Client procedures for rapid customer onboarding. The Company is currently working with the Tandem UK team in adding features proven in the U.K. to enhance customer acquisition and engagement in Hong Kong, with a soft launch planned in October 2020.

(4) Healthcare

The future of healthcare

The Company believes that the future of “Smart Health” will aim to sustain well-being, provide care management and leverage data as the new healthcare currency to solve some of the complex healthcare challenge with reduced operating costs.

The digitalization and consumerization of health care is expected by the Company to create an ecosystem with the vision to empower customers in proactively managing their health and well-being, improve healthcare access with better quality at a lower cost, with connectivity across the care continuum.

Business description

The Company owns and operates a healthcare business – Dr. Jones Fok & Associates Medical Scheme Management Limited (“**JFA**”), a leading healthcare management organisation in Hong Kong.

Founded in 1979, JFA is one of the most reputed healthcare brands in Hong Kong. It has 800 network service branches – providing healthcare schemes for more than 500 corporate clients with over 300,000 scheme members.

JFA offers its patients a full range of medical services, including general services, specialist services, physiotherapy, Chinese medicine, dental, vaccination, X-ray, laboratories and imaging services.

Recent developments

With the appropriate upgrades in operations and technology, the New Management Team believes JFA is an important part of the Group, with significant synergies of growth between JFA’s healthcare business and the Company’s financial services business – serving a large clientele in both Hong Kong and Mainland China.

The Company is currently in the process of conducting an extensive digitalization and technology upgrade exercise to enhance JFA's growth, operating efficiency and financial performance. Future development plans include building an e-commerce platform for healthcare products and medical tourism. These initiatives will deepen the collaboration between JFA and the Company.

(5) Retail

The shift in retail market landscape

The COVID-19 pandemic has accelerated the shift of retail industry to online channel, enhanced business partnership across online and offline, and signified the importance of establishing omni-channel. According to a recent survey by McKinsey & Company, there has been a rapid increase in customers online engagement and penetration, which is likely to remain even after the pandemic. The Company believes that more people now look for digital ways to continue their normal lives, with their online basket purchase shifting to essential products.

Business description

The New Management Team believes that businesses at the Company are highly scalable. To maximize Shareholders' value, the Company believes it must focus on seeking creative ways to maximize volumes from existing infrastructures, focusing on customer acquisition at low cost per acquisition.

As illustrated in above, the Company seeks to cross-sell financial services and products to customers across the Group and with its partners in retail and healthcare. Cross-selling is one of the most effective and low-cost customer acquisition mechanisms.

Leveraging on the Group's existing client database, the Group strives for cost-effective marketing across the Group. The Company now has a Group-wide promotions platform with tailored campaigns ranging from financial products, consumer goods to healthcare – to increase customer lifetime value.

To broaden the Group's client coverage, the Group has a dedicate team of 33 wealth planners working under the brand of 'perform' – focusing on marketing and servicing the Group's captive high net-worth clients with premium wealth management services.

Recent developments: Strategic alliance

The Company has recently formed a strategic alliance with Ztore for cross-selling between the two groups. Founded in 2015, Ztore is a leading e-commerce supermarket in Hong Kong with a unique set of products. Ztore commands a deep customer reach that the Company is currently working together to further extend the product offerings of both groups.

GREATER BAY AREA INITIATIVES

Cross-Border Wealth Management Connect

On 29 June 2020, the People's Bank of China, the HKMA and the Monetary Authority of Macao jointly announced the introduction of the cross-boundary wealth management connect pilot scheme (the "**Wealth Management Connect**") in the GBA, which will allow residents in the GBA to invest in wealth management products distributed by those banks in the region. The scheme helps promote investment diversification and facilitate capital flow in the GBA, promote RMB internationalization and strengthen Hong Kong's status as an offshore RMB hub.

Strategic Enablers

China is a major focus area with an increasing addressable market and opportunity set. Having operated in China for over 20 years, the Company is particularly well-positioned in capturing the potential opportunities emerging from the Wealth Management Connect. The New Management Team, advised by a consulting firm, has spent over six months developing a roll-out plan ready for implementation.

The Company has identified four strategic enablers including (1) partnership development, (2) setting up of lead management platform, (3) shared services centre for servicing GBA customers, and (4) digital marketing. Multiple collaboration models have been designed and potential partners have been identified for implementation.

Shared Service Center for Customer and Partner Servicing

Leveraged on the Group's existing China local insurance brokerage licenses, sales teams and infrastructure, the Company intends to transform its China business into a business platform to acquire Mainland customers and establish partnership. The Company's existing shared service center also has the capability to transform itself to provide post-sales service to customers in the Mainland who had already bought Hong Kong insurance products, and institutionalize its capabilities to form B2B partnerships in Mainland China. It can further leverage the data from the Company's lead management tools to recommend new and personalized insurance products to the customers. The Company sees this as Convoy B2B's priority in the first half of year 2021.

DIGITAL TRANSFORMATION

Digitalization is a core part of the Group's overall execution plan. The Company is currently investing significant resources in designing and implementing a digital transformation journey across the Group.

Business/Process Transformation

With a clear roadmap for digital transformation, the Company is reviewing the existing operation workflow to adopt new approaches in digitalizing its operations for improved Group-wide coordination.

Building on current strengths, combined with the start-up mind-set and speed of execution, the Company can redesign customer journey and offers customers an integrated experience to help its businesses drive customer acquisition and engagement.

IT System Transformation

With the objective to achieve a more holistic understanding of its customers, the Company has now developed a single hub for consolidating all client data with advanced analytics tools to create a single customer view. This helps build a sound foundation of customer data and define a better engagement strategy to unlock customer values.

The Company is also working to harness the synergies of multidimensional data by connecting all its services and offerings with advanced sales and marketing tools developed by a global expert.

People Transformation

People is an important catalyst in the Group's digitalization journey. To empower our staff to embrace the digital culture, the Company has redefined individual's roles and responsibilities to align with its transformation goals, translate and integrate new digital methods and process into the existing ways of working.

The Company is currently moving towards a more agile operating model to respond to the digital disruption and cope with the dynamic market environment. It also provides workshops and training sessions to upskill the employees and improve their digital literacy (e.g. design thinking, coding, machine learning etc.).

RISK MANAGEMENT CAPABILITIES AND CULTURE

As a financial services company serving a large clientele in Hong Kong and Mainland China, the Company believes it must operate at the highest standard in compliance, risk management, data privacy and cybersecurity.

Facing a series of lapses in regulatory compliances, internal procedures and practices left behind by the Previous Management Team, the New Management Team took immediate and decisive actions in revamping all aspects of risk management across the organization.

In response to the identified weaknesses, the New Management Team proactively developed a formal remediation plan that rapidly fixed all identified weaknesses, with the advices and assistance from world-leading consulting firms including McKinsey & Company, FTI Consulting and Mazars to ensure the Company's internal control policies, procedures and systems are of the highest possible standard.

Product Committee

In order to safeguard the Company's credibility and trust that its customers place on the Company, the Company has taken a proactive stance in mitigating potential risks arising from misconduct within the Group. The New Management Team formed a Product Committee for oversight and governance on all the financial products that the Group now carries.

The Product Committee provides a framework for a robust and responsible product design and distribution system, reviewing the product portfolio, approving the launch of new products within risk appetite and the use of additional distribution channels for product sale.

The Product Committee is chaired by an executive Director and consists of representatives from different specialist functions including products, legal and compliance, finance, operations, IT and business owners. The Product Committee meets regularly to meet the demands of the fast-changing environment. Any significant issues identified are escalated to the New Management Team.

Today, while improvement and adaptation in risk management capabilities is a continuous process, the Company believes it now processes some of the best capabilities in the industry.

Risk Management Training and Culture

The Company believes that its effort and investment on risk management policies, procedures and systems can produce the right results only if all its staff embrace a "risk aware" culture.

The New Management Team undertook a comprehensive organizational restructuring of the Group in January 2018. This was achieved by recruiting new management personnel and staff. The Company now conducts regular audits on staff across the Group.

The Company has systematically put in place a rigorous compliance training program to strengthen the awareness and skills of all the staff. There are two categories of compliance trainings. The first category is the mandatory induction training for all new hires (staff and financial advisors) within the Group. The second category is the on-going compliance trainings provided to staff by specific specialization.

Since 2018, the following specialization have been covered:

1. Manager-in Charge Regime;
2. Notification Obligations/Competency Requirements of SFC licensed staff;
3. SFC Professional Investor Regime;
4. Anti-Money Laundering and Counter-Terrorist Financing Training;
5. Conflict of Interest;
6. IA-Code of Conduct for Licensed Insurance Brokers; and
7. Group Production and Control Policy.

Some of these trainings are now provided through the Group's e-learning system on an on-going basis.

Given the Group's business strategy in providing all-rounded financial services to retail and corporate customers, anti-money laundering and counter-terrorist financing is an area of special importance to the Company. All new hires are now required to complete a comprehensive online training upon joining the Group. Regular follow-up sessions are also conducted on bi-annual basis. The Company has rolled out a refresher training to all staff in August 2020.

The New Management Team is dedicated to uphold the highest standard and best practice established in the platform business.

PEOPLE AND CULTURE

The Company's business is highly complex. The performance of the Company highly depends on having a capable team running the business, creating and capturing new opportunities and minimizing risks.

The New Management Team

As a result of the New Management Team's efforts, the Company has successfully revamped the executive team and workforce. The Company is now managed by an extensive team of experienced professionals with established track record in financial services.

Corporate management

Internal Control, **Mr. Yap E Hock (Executive Director)**
Internal

Restructuring and Mr. Yap possesses over 35 years of track record in banking and
Lending financial restructuring. He is also the founder of Prime Credit, one
of the most successful consumer credit companies in Hong Kong.

Finance **Ms. Lam Ching Man, Aldonza (Chief Financial Officer)**

Ms. Aldonza Lam possesses over 20 years of experience in banking and finance operations. She was the former CFO and COO of Hang Seng Bank (China) of HSBC Group China.

People and **Ms. Wong Suet Fai, Almond (Group Chief People and Culture
Operations Officer)**

Ms. Almond Wong is the Chief People and Culture Officer of the Company. She has over 20 years of track record in organization and talent development, compensation, benefits, and staff training.

Human Resources **Ms. Leong Foong Sim, Emily (Head of Human Resources)**

Ms. Emily Leong has 18 years of experience leading Human Resources functions within the APAC region. She worked for several MNCs and SMEs on a global, regional and country level, managing both strategic and operational HR and business partnering.

Information
Technology **Mr. Ho Choon Leng, Patrick (Chief Digital Officer)**

Mr. Patrick Ho is the pioneer of iFast, one of the most successful online investment platforms in Asia. He has over 20 years of track record in Information Technology and Fintech in Asia.

Legal **Mr. Wong Yue Yan, Henry (Head of Legal)**

Mr. Henry Wong was a former Associate Director in Enforcement Division of the Securities and Futures Commission, with over 30 years of experience in developing regulatory policies and management of regulatory and legal proceedings.

Compliance **Ms. Leung Pui Yee, Rosa (Head of Compliance)**

Ms. Rosa Leung possesses over 25 years of experience in the compliance field in the banking industry. She was the former Regional Head of Investment Banking Compliance of Societe Generale.

Internal Audit **Ms. Chong Chui Wan, Carmen (Head of Internal Audit)**

Ms. Carmen Chong possesses over 18 years of experience in risk management, compliance and internal audit with major insurance companies in Hong Kong.

Company Secretary **Mr. Kong Siu Keung, Richard (Company Secretary)**

Mr. Richard Kong has over 24 years of experience in finance and accounting field. He is experienced in managing corporate governance and compliance related matters for companies listed in Hong Kong.

B2C

IFA Business **Mr. Shin Kin Man, Henry (Executive Director)**

Mr. Henry Shin is the CEO of Convoy Financial Services Limited, the IFA-business arm of the Company. He has over 20 years track record in business development and team management of the IFA business.

Consultancy
Development **Ms. Cheung Shuk Ching, Myra (Distribution Development)**

Ms. Myra Cheung has 20 years of experience in the life insurance industry of leading sales channel for business development and agency management. She previously worked at China Life, AIA and Hang Seng Bank.

Platform business

Securities **Mr. Cheung Wai Kwok, Gary (Chief Executive Officer of CSL)**

Mr. Gary Cheung had been with a number of financial institutions and held senior positions including that of Sun Hung Kai, South China Financial Holdings and Tung Shing Group. He has over 35 years of experience in the securities industry.

Asset Management **Ms. Lai Sin Wan, Jenny (Head of Asset Management)**

Ms. Jenny Lai was formerly the Managing Director of MC Asset Management. She has over 23 years track record in asset management covering marketing strategies, distribution and operations.

B2B Platform **Mr. Wu Kai Sum, Thomas (Head of Business Platform)**

Mr. Thomas Wu has vast experience in Partnership Distribution, Product Development and Channel Management in the major financial institutions in Hong Kong including Citibank, BOC Life, Prudential and AIA.

Private Wealth Management **Mr. Chung Kwok Wai, Kelvin (Head of Distribution Management, Alternate Channel)**

Mr. Kelvin Chung has over 25 years of experience with major banks in Hong Kong on distribution development and wealth management focusing on high-net-worth individuals. He was formerly the Senior Director, Head of Bancassurance Sales of Prudential Hong Kong.

Digital Wealth Management **Ms. Chiu Wai Ling, Venus (Head of Digital Wealth Management and Innovation)**

Ms. Venus Chiu has over 20 years of experience in wealth management and banking industry. She took up several senior positions in Wing Lung Bank, DBS Bank and Hang Seng Bank, and was formerly the Executive General Manager, Private Banking and Wealth Management in China CITIC Bank International.

FinTech

Mr. Yap Soon Ming, Michael (Head of Venture Capital)

Mr. Michael Yap oversees financial technology initiatives at the Group and strategic partnerships with the Group's portfolio companies. He has 10 years of experience and formerly worked in Corporate Finance at Standard Chartered Bank.

The long-term growth and success of the Company depends on its ability to attract and retain competent and empowered people working together across the Group. The Company recruits, trains and compensates people according to a strategy that aims to organise and grow its businesses effectively. The Company accelerates development of its people, grows and strengthens its leadership capabilities and enhances employees' performance through strong engagement.

The Company's People Strategy

Through the delivery of the Company's People Strategy, the Company focuses its efforts on three fundamentals: attracting and retaining the right talents, role model leadership and the creation of a unique corporate culture.

To ensure everyone at the Company can feel empowered to make a difference and drive business performance, the Company is proactive in creating an open communication environment. For example, the Group hosts monthly "Mission Update" with the entire organization to share business directions, project progress and receive employees' feedback. "Thirsty Thursday" series is another successful example of the Group's continuous engagement with its people – the Group organizes lectures and discussions with its people on a wide range of subjects from blockchain, design thinking to machine learning.

The Company is also leading the industry with its "Mini-MBA" program with the Business School of The Chinese University of Hong Kong for employees to cultivate business acumen and strengthen their leadership competency. This unique collaboration between a financial institution and a university turns out to be a great success. Three classes have been organized in 18 months, with over 120 staff enrolled.

Nurturing Young Talents in the FinTech Industry

To foster the Company's FinTech development and build a strong following of the Company at universities, the Company launched a talent nurturing platform, FINSPIRE (named from 'Finance' + 'Inspire'). This aims to inspire Hong Kong's young people's entrepreneurship skills and growth mindsets. It targets graduates with two to three years of working experience (aged between 18 to 25) with strong career aspirations in the FinTech industry.

With the support of Hong Kong Cyberport and Microsoft, the Company held the inaugural FINSPIRE Online Hackathon on 27 – 29 March 2020. More than 160 university students in 31 teams enrolled globally – making FINSPIRE Hong Kong's largest online hackathon exclusively for university students. FINSPIRE received numerous accreditations in the FinTech industry, including:

1. accredited "Fintech Education Award" by Institute of Financial Technologists of Asia in August 2020
2. listed by Fintechnews HK as one of the top 9 upcoming Fintech events in Hong Kong in 2020
3. listed by Invest HK as one of the community events in Hong Kong Fintech Week
4. became a Hong Kong Cyberport and Microsoft's successful showcase of partnership

Apart from making the Hackathon a recurring event, the Company is engaging more students through a series of networking events and training programs that demonstrate the Company's commitment in nurturing Hong Kong's young talents.

The Company launched its Graduate Trainee Program in 2019. This 18-month training program offers Hong Kong's young talents a chance to work in three to four departments to hone their business and management skills.

High-Flyer Development Program has been designed to accelerate the leadership capability of the young talents and build a pipeline for longer term succession planning for key leadership positions. Executive shadowing, strategic projects participation and job rotation opportunities will be offered to equip them with essential skills to be a future leader.

Commitment to the Long-term

Against the current difficult operating environment under the COVID-19 pandemic, executive Directors and management team have volunteered to reduce their compensation by 30% and 10% respectively. The willingness of making personal sacrifices in tough times demonstrates the long-term commitment of the Company's leadership team.

The Company has invested HK\$6 million in talent development in 2018-19 with well-received feedback and recognition. Executive Directors and management team shared the same mission of building the Company into a truly professional institution with significant business result through a robust talent development strategy. Going forward, the Company is dedicated to investing more to groom the talents and ignite the capacity of the Company's staff to drive success.

New Office Move

The Company consolidated its previous offices to Wanchai in July 2020 to promote efficiency. The new headquarters, occupying the entire building, adopts open office design to reduce rental expenses, promote collaborative culture and create a more flexible workspace environment. From the Chairman to general staff, no individual office room or fixed desk is assigned. It is key to encourage people to walk out from their desks to spark new ideas, strengthen teamwork and increase productivity.

REBRANDING OF THE COMPANY

The New Management Team worked with leading experts in January 2018 on a rebranding plan based on the “core value” of the Group’s people. A series of commercials based on the three core value of “Integrity” “Passion” and “Professionalism” was successfully launched in the first quarter of 2018 across Hong Kong to instill in the mind of the customers as well as the Group’s people the importance of the Company’s core values, especially “Integrity.”

Advertising Campaigns

The Company adopted a four-phase approach in the Group’s rebranding journey to reposition and rejuvenate the brand and better resonate with the public, as well as existing and potential customers.

1. April 2018 – The “IFA is Convoy” Campaign was launched together with the new corporate logo reinforcing the Group’s key brand values and underlying principles of “Integrity, Professionalism and Passion”. It spotlighted the Group’s market leadership position in financial advisory despite the adversities.
2. November 2018 – The “FinTech is Convoy” Campaign unveiled the Group’s strategic partnership with one of the leading UK financial services and challenger banks – Tandem, highlighting the Group’s commitment in digitalization and constant drive to excel, with the aim to offer comprehensive high touch and high tech services to enhance customer experience.
3. February 2019 – The “Grow Your Money” Campaign reinforced the Group’s positioning of bringing convenience to the customers in making their financial choices and achieving their financial goals, through the offering of all-rounded money management services from insurance, MPF, unit trusts, money transfer to mortgages.
4. November 2019 – The “All-in-One” Campaign – “All-caring, All-knowing, All-round” encapsulated the brand’s propositions and promises to customers, bringing hope and positivity to Hong Kong people to get through challenging times.

The rebranding journey has proven to be a success.

1. In December 2018, research conducted by an independent third-party market research company CSG showed that:
 - a. the Company was ranked 1st in financial institution brand for both “independent financial advisor” and “always put out innovative financial products” among HSBC, Hang Seng Bank, DBS, AIA, Manulife and FWD;
 - b. 32% brand awareness (on par with FWD, another significant insurance player in Hong Kong), 57% rated the Company as neutral to positive, and 22% perceived the Company as “on the way up” which was better than and/or on par with certain major industry players;
2. by the end of 2019, the Company was honoured to receive “Excellent Comprehensive Financial Planning Brand Award” by Now TV Financial Channel in recognition of the Company’s professional and exceptional financial planning services; and
3. on digital front, the Company has attracted over 22,000 followers and fans on its social media channels, a significant increase from 9,000 at the beginning of 2018.

STATUS OF AUDIT OF THE COMPANY’S 2017 ACCOUNTS

Starting in February 2018, the New Management Team, led by the new Chairman and the new CFO (both are Certified Public Accountants with decades of auditing experience), set a clear goal to ensure 2017 audit be completed according to the Listing Rules, in which PwC was engaged to conduct the audit for the Group. The Company has been working diligently and consistently towards the preparation of the outstanding financial results.

The New Management Team has made extraordinary efforts in securing the financial security of the Company and ensuring the integrity of its financial accounts. Working with advisors specialized in turnaround and risk management, the New Management Team has taken a systematic approach in handling the expected difficulties in audit of 2017 accounts:

Component 1: Protecting Client Money Immediately after the Joint Operation on 7 December 2017:

The New Management Team put in place execution plans to contain risks, especially potential contamination to client accounts, before the Joint Operation. Miss. Eva Ip, former CFO of Zurich Insurance in Hong Kong, was immediately appointed as the new CFO of the Company to secure control of the finance of the Company.

An emergency taskforce was installed to verify and secure all client money. Within five hours, the New Management Team confirmed that no client money was affected. The Company immediately worked with the IA to confirm its mechanism in protecting client money. The then Head of Internal Compliance was terminated.

Component 2: Good Bank/Bad Bank Ring-fencing

Within a week of the Joint Operation, the New Management Team identified that all the suspected wrongdoings emanated from the three troubled subsidiaries with no contamination to other subsidiaries. The New Management Team immediately isolated and stopped operations of the three troubled subsidiaries and began restructuring.

Component 3: Investigation for Remedial Actions

The New Management Team under the leadership of the then new CFO, Miss. Eva Ip, revamped the entire Finance Department including the replacement of over half of its staff. Various control measures were implemented immediately, including the authorization and approval procedures, documentation requirements and reporting, to ensure proper financial reporting and control are strictly adhered to the highest standards.

At the same time, FTI was retained to examine all internal control and compliance mechanisms across the organization. The project resulted in a total revamp of the Company's overall control policies, procedures and framework.

The Group's legal team also undertook thorough investigation into transactions the Company entered into prior to 2018. The Company took legal actions against a number of defendants which included former employees. Summary of legal actions taken by the Company has been set out in the Company's announcement dated 4 November 2019 and the subsequent announcements on litigation updates.

Component 4: Financial Audit and Disclosures

The New Management Team commenced the audits of the Group's subsidiaries with a priority on the regulated entities. The audited accounts for financial years ended 31 December 2017 and 2018 of core operating subsidiaries have been completed, and the 2019 audit of the core operating subsidiaries are being finalised.

However, completion of the audit of the Group's consolidated accounts for the relevant financial years proved difficult because of factors set out in PwC's resignation letter dated 12 August 2020, extract of which was set out in the Company's Announcement dated 18 August 2020.

The Company noted that the New Management Team had already endeavoured to provide the assistance as might be requested by PwC within their ability and power. On 18 August 2020, the Company published an announcement stating that the Board has accepted PwC's resignation as its auditor regarding 2017-19 audits. The Company is in the active process of seeking a new audit firm to replace PwC and will make further announcement(s) in this regard as and when appropriate.

SHARES TRADING RESUMPTION

To protect Shareholders' interests of the Company and maintain a fair market trading of the Company's shares, the New Management Team has requested voluntary shares trading suspension following the Joint Operation on 7 December 2017.

Since then, the New Management Team has put in substantial amount of time and resources to strengthen the Company's business and corporate governance to restore public trust towards the Company.

For the Company to resume shares trading, the following resumption conditions have to be fulfilled:

1. disclose details of the irregularities that led to the arrest of three of the Company's executive Directors, assess the impact on the Company's financial and operation position, and take appropriate remedial actions;
2. demonstrate that the Company has put in place adequate internal control systems to meet the obligations under the Listing Rules;
3. demonstrate that there is no reasonable regulatory concern about management integrity;
4. publish all outstanding financial results and address any audit qualifications; and
5. inform the market of all material information for the shareholders and the investors to appraise the Company's position.

The Board and the New Management Team, supported by a team of leading experts, have worked ceaselessly to protect the interests of the Company's stakeholders following the Suspension. In particular, the Company has disclosed details of the irregularities and the remedial actions, details of the relevant legal actions, closed businesses and removed the Previous Management Team. FTI, in the capacity of independent internal control consultant, has confirmed that no internal control issue remains other than the publication of the outstanding financial results. The integrity, capabilities and commitment of the New Management Team are exceptional. The Company has made continuous disclosure by way of over 80 public announcements and communicated with the Stock Exchange to report the Company's progress and developments since the voluntary shares trading suspension.

ENHANCED SHAREHOLDERS' COMMUNICATION

Along with the Group's business expansion and development plan, the Company is strengthening its communication and engagement with investors and the analyst community.

The Company has engaged Financial PR as the investor relations advisor. Please contact IR_info@convoy.com.hk or by phone (+852 4612 5781) for any enquires.

CONCLUSION

2020 is a year of transformation and opportunity for the Company despite the prevalent environment under the COVID-19 pandemic. The Company has evolved from the single IFA business into a diversified financial services platform empowered by FinTech business technology and collaboration with retail and healthcare strategic partners.

The New Management Team has spent two years to recruit new talents, rebuild the Company's infrastructure and strengthen its corporate governance. The New Management Team believes that the Company is now on a good growth prophet – to establish the brand new B2B Platform to attract and serve customers by leveraging the Company's resources and competitive advantages.

Building on the Group's strong foundation of the IFA business, with a clear strategic direction of diversifying the Group's business while (i) strengthening the core business, coupled with a more agile operating approach for digitalization; (ii) streamlining organizational structure for operating efficiency; (iii) promoting continuous talent development and enhanced accountability, the Company believes that it will help evolve to be a trusted partner for institutions and individuals.

Drawing on nearly 30 years of experience working with business partners and retail customers, the Company continues to mobilize its people, technologies and ideas to showcase its commitment to deliver long-term value to the stakeholders.

UPDATE ON SUSPENSION OF TRADING

As disclosed in the announcement of the Company dated 5 June 2020, the Company received the Letter from the Stock Exchange on 29 May 2020 regarding the Delisting Decision. The Company lodged a written request to the Listing Review Committee of the Stock Exchange (the "**Listing Review Committee**") pursuant to Chapter 2B of the Listing Rules to review the Delisting Decision.

On 14 August 2020, the Company submitted a written submission to the Listing Review Committee for the purpose of the review of the Delisting Decision. By way of exchange, the Company has received the Listing Division's written submission and has considered the same. The Company expects to file a supplementary written submission to the Listing Review Committee by 4 p.m. on the date of this announcement.

The review hearing date is to be scheduled in due course. The Company will make further announcement(s) regarding update on the review hearing as and when appropriate.

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
Ng Wing Fai
Group President and Executive Director

Hong Kong, 28 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.