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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)

UPDATES ON LITIGATION

HCMP 1578/2020 – Dismissal of the Interim Injunction against the Company

Reference is made to the announcements of Convoy Global Holdings Limited (“the **Company**”) dated 30 September 2020 and 30 October 2020 in which it was disclosed that:

1. On 28 September 2020, the Company received an originating summons issued by Mr. Kwok Hiu Kwan (“**Mr. Kwok**”) against the Company in the High Court of Hong Kong under action number HCMP 1578/2020.
2. On 19 October 2020, the Company has made an application to the High Court of Hong Kong to strike out and dismiss the originating summons in HCMP 1578/2020 on the grounds that the originating summons:
 - (1) discloses no reasonable cause of action;
 - (2) is scandalous, frivolous or vexatious; and/or
 - (3) is otherwise an abuse of the process of the court.
3. On 20 October 2020, Mr. Kwok filed an application for an interim injunction (“**Interim Injunction Application**”) against the Company in HCMP 1578/2020, to be heard on 12 November 2020.

In a summary, Mr. Kwok sought in the Interim Injunction Application, among other matters, an injunction against the Company (whether by itself, its directors, chairman and other officers, agents or otherwise) from interfering with, obstructing, abating, disregarding or howsoever prejudicing the exercise of the (purported) rights over the (purported) shares of Mr. Kwok and his agent(s) in the capital of the Company in the Company's extraordinary general meeting scheduled to be held on 26 November 2020, in the absence of an appropriate declaration against Mr. Kwok made by a competent court or any court order restraining Mr. Kwok and his agent(s) from exercising their respective (purported) rights as (purported) shareholders of the Company.

The Interim Injunction Application was heard in the High Court of Hong Kong on 12 November 2020 before Mr. Justice Coleman.

On 13 November 2020, Mr. Justice Coleman handed down the judgment ("**the Judgment**"), dismissing Mr. Kwok's Interim Injunction Application. The full text of the Judgment is available in the Hong Kong Judiciary website.

As the result of the dismissal of Mr. Kwok's Interim Injunction Application, the Company wishes to clarify that there is at present no injunction in place against the Company (whether by itself, its directors, chairman and other officers, agents or otherwise) concerning Mr. Kwok's purported rights as (purported) shareholders (whether by himself or his agent(s)) of the Company.

Implication of the Judgment in HCMP 1578/2020

Upon reviewing the Judgment, the Board is particularly alerted as to the findings made by Mr. Justice Coleman at paragraph 95 of the Judgment, which is recited as follows:

"95. For the purposes of this decision, I do not think it necessary to rehearse the evidence which is largely to be found in Yap E Hock (an executive director of the Company)'s 2nd affirmation, alleging that Mr. Kwok is a fraudster and that the shares of Convoy in Mr. Kwok's hands are the fruits of a fraudulent scheme and therefore void. I accept there is now, in the context of this application, some competing evidence, but I am obviously in no position to resolve any competition on the evidence... But overall, **I accept that there is at least reasonably strong evidence in support of Convoy's case**, even if there is a contrary view that can properly be put forward." (**emphasis added**)

As disclosed in the Company's announcement dated 1 November 2020, the Stock Exchange has confirmed that they have no regulatory concern about the integrity of the current management of the Company in satisfying that the Company has fulfilled Resumption Condition 3. In arriving at that decision, the Stock Exchange has informed the Company that they have taken into consideration, among other matters, that there is no reasonable cause for concern about the integrity of the Company's management, or otherwise indicating that members of the current management 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 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).

The Board notes that in the notice of extraordinary general meeting of the Company scheduled to take place on 26 November 2020 ("**2020 EGM**") published on 19 October 2020, the proposed resolutions include a resolution to propose Mr. Kwok to be appointed as a director of the Company. In view of Mr. Justice Coleman's findings at Paragraph 95 of the Judgment that there is at least reasonably strong evidence in support of the Company's case in the context of what has been stated in the same paragraph of the Judgment, the Board is currently reviewing the implication of these findings on the fulfilment of Resumption Condition 3, against any potential possible outcomes in the upcoming 2020 EGM and any change of status quo as to the current management of the Company.

Further, in view of the abovementioned findings of Mr. Justice Coleman, it is incumbent upon the Company to reiterate the warnings as set out in the Company's announcement dated 9 January 2018 ("**the 9 January 2018 Announcement**") of the risks in dealing with the Wrongly Allotted Shares (as defined in the 9 January 2018 Announcement). For more information concerning the updates of the legal proceedings as stated in the 9 January 2018 Announcement, please refer to the Company's announcement dated 4 November 2019 under the heading "HCA 2922/2017".

Further announcement will be made to update on the progress of the matter as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Company's shares on The Stock Exchange of Hong Kong Limited was halted from 11:04 a.m. on 7 December 2017 (automatically converted to "being suspended" thereafter), and will remain suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Company's shares. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

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

Hong Kong, 17 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.