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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)

INSIDE INFORMATION

NON-BINDING TERM SHEET POSSIBLE DISPOSAL OF CERTAIN BUSINESSES OF THE GROUP POSSIBLE RETURN OF CAPITAL THROUGH DISTRIBUTION IN SPECIE AND SHARE BUY-BACK

The Company announces that on 25 November 2020, it entered into the non-binding Term Sheet with AGBA pursuant to which the Company conditionally proposes to dispose of its entire Platform Business and 30% of its IFA Business to AGBA for a total consideration of US\$400,000,000 (*HK\$3,100,000,000*) to be satisfied by the payment of US\$100,000,000 (*HK\$775,000,000*) in cash and the issue of US\$300,000,000 (*HK\$2,325,000,000*) of AGBA Shares at an issue price of US\$10 (*HK\$77.50*) per AGBA Share, subject to, among other things, satisfactory due diligence by AGBA.

The Term Sheet is non-binding (except for terms about confidentiality, governing law and jurisdiction and non-dealing) and is subject to the parties entering into the Definitive Agreement. As such, the Proposed Transaction may or may not proceed. If the Proposed Transaction materialises, it will constitute a very substantial disposal under Chapter 14 of the Listing Rules and a possible spin-off.

Upon receiving the AGBA Shares, the Company will make a distribution in specie of certain AGBA Shares to its Shareholders proportionally to their shareholdings in the Company. The number of AGBA Shares to be distributed to its Shareholders is yet to be determined but will be such that the distribution in specie will not be treated as a very substantial disposal for the Company under the Listing Rules, i.e. the relevant size test ratios under Chapter 14 of the Listing Rules shall not be 75% or more.

In addition, the Company may utilise part of the proceeds from the Proposed Transaction to conduct an on-market share buy-back in accordance with Rule 10 of the Listing Rules.

No distribution or on-market share buy-back will be effected if the Proposed Transaction does not proceed to completion.

Furthermore, reference is made to the announcements in relation to the Possible Offer. If it materialises, the Proposed Transaction will constitute a sale, disposal or acquisition of assets of a material amount under Rule 4 of the Takeovers Code. The Company has obtained National Arts' written consent to consummate the Proposed Transaction. As such, the Company intends to seek a waiver from the general requirement to obtain shareholders' approval under Rule 4 of the Takeovers Code from the Executive.

The Company will make further announcement(s) in respect of the Proposed Transaction as and when required in accordance with the Listing Rules and the Takeovers Code.

Shareholders and potential investors of the Company should be aware that the Term Sheet is non-binding (except for terms about confidentiality, governing law and jurisdiction and non-dealing) and the Proposed Transaction is subject to the parties entering into the Definitive Agreement. The Proposed Transaction will be subject to the satisfaction of the conditions set out in the Term Sheet and therefore may or may not proceed. Shareholders and potential investors of the Company should therefore read the key conditions set out in this announcement carefully and exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

POSSIBLE DISPOSAL

On 25 November 2020 (after trading hours), the Company and AGBA entered into a non-binding Term Sheet for the Proposed Transaction. Pursuant to the Term Sheet, AGBA proposes to conditionally acquire (i) the Group's entire Platform Business, and (ii) 30% of the Group's IFA Business. The consideration payable by AGBA for the Proposed Transaction will be US\$400,000,000 (*HK\$3,100,000,000*) to be satisfied by (i) US\$100,000,000 (*HK\$(775,000,000)*) in cash, and (ii) US\$300,000,000 (*HK\$2,325,000,000*) new AGBA Shares to be issued at an issue price of US\$10 (*HK\$77.50*) per AGBA Share, subject to, among other things, satisfactory due diligence by AGBA.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, AGBA and its ultimate beneficial owners are not connected persons of the Company and are independent third parties of the Company and of its connected persons (as defined in the Listing Rules).

The Proposed Transaction will be subject to the satisfaction of the following key conditions on or before 31 March 2021 unless otherwise stated in the respective condition:

1. The Platform Business shall be audited according to the generally accepted accounting principles in the United States of America (the "**U.S. Audit**").
2. The resolutions of all ongoing legal proceedings between the Company and Mr. Kwok prior to the date of Closing, including but not limited to (a) High Court Action No. 2922 of 2017 as between Mr. Kwok and the Company (and its subsidiaries), (b) appeal from High Court Miscellaneous Proceedings No. 41 of 2018 and (c) High Court Miscellaneous Proceedings No. 1578 of 2020.
3. No fresh legal proceedings having been commenced by Kwok Hiu Kwan against Convoy or its subsidiaries and their respective directors or officers prior to the date of Closing.
4. Upon Convoy receiving AGBA Shares, Convoy undertakes to immediately and proportionally distribute AGBA Shares to the Shareholders subject to Condition 2 and 3 being fulfilled.

5. No Adverse Management Change (see below) with respect to both the Company and AGBA between the date of the Term Sheet up to the date of Closing.
6. The Company's management assisting and cooperating with AGBA with its conversion from a special purpose acquisition company to a fully-fledged listed company and AGBA's fund-raising process, as reasonably requested by AGBA.
7. The Proposed Acquisition will have been approved and adopted by the requisite vote by the shareholders of each of the Company and AGBA in accordance with the requirements under the Takeovers Code, the Listing Rules, the U.S. Securities and Exchange Commission, and NASDAQ listing rules.

The Company and AGBA have the right to waive any of the above conditions by mutual agreement in writing.

No Adverse Management Change

AGBA considers that the long-term retention of the management and employees of the Group is crucial to the continued operations of the Platform Business, and intends to build a robust partnership that fully align the interests of the Group, the management and AGBA. In the circumstances, under the Term Sheet, "Adverse Management Change" with respect to the Company means there having been a change, effect, fact, event or circumstance which has had or would be expected, in the view of AGBA, to have a material adverse effect on, or to cause a material adverse change in the management of the Company. Any material change in the existing Board (apart from the removal or resignation of any of the currently suspended Directors, the resignations of any other existing Directors for personal reasons or the appointment of Directors as recommended by the existing Board and/or nomination committee of the Company either as additional directors or filling in any casual vacancy) would constitute a material adverse effect in the management of the Company.

Without limitation, the following events will be considered by AGBA to have a material adverse effect in the management of the Company:

- i. There is any change in the majority of the Board as a result of any reversal of the poll results of the resolutions put to vote in the Company's Extraordinary General Meeting on 29 December 2017 by any court order or otherwise;
- ii. Any of the proposed resolutions as announced by the Company on 19 October 2020 and/or any other proposed resolutions put forward from time to time for the removal of any existing members of the Board (other than the removal of the current suspended Directors) and the appointment of new Directors (other than those recommended by the existing Board and/or the Company's nomination committee) having been passed at any extraordinary general meeting of the Company; or
- iii. In the event an annual general meeting of the Company has been convened, (1) any proposed resolutions for the re-election of any existing Directors of the Board (apart from the current suspended Directors) having been defeated; or (2) any proposed resolutions for the appointment of any new Directors (other than those recommended by the existing Board and/or the Company's nomination committee) having been passed.

Business terms and retention of key management

No distribution of capital shall be made by way of dividend or any other form of payment from the date of the Term Sheet and completion of the Proposed Transaction.

The existing Convoy management shall agree to enter into employment contracts with AGBA to be discussed and mutually agreed upon.

Prior to the Closing of the Acquisition, AGBA will identify the "Key Men", including the management team and key employees of the Platform Business, and develop a retention plan to ensure that such Key Men shall remain at the Platform Business following the Acquisition.

REASONS AND BENEFITS OF THE PROPOSED TRANSACTION

Based on the last traded price of the Company's Shares on 7 December 2017 (the traded price immediately prior to the suspension of trading), the Company has a market capitalisation of approximately HK\$2,494,795,632.

The Proposed Transaction therefore values the aggregate of the IFA Business and the Platform Business at a premium of approximately 96.7% to the Group's entire market capitalisation.

In order to develop the Platform Business, the Group will need additional funding. However, in view of the continue suspension of the listing of the Company, the Company itself is unable to raise sufficient funding for the continuing growth of the Platform Business. The Platform Business itself does not qualify for a separate listing on the Stock Exchange.

Furthermore, the Board believes that the US capital markets are more knowledgeable and have a deeper pool of liquidity for the sector which the Platform Business sits.

The Board believes that the Company has created substantial shareholders' value in the last three years through its investments in the Platform Business and it is now time for the Company to monetise such shareholders' value and return the benefits to its Shareholders.

Upon receiving the AGBA Shares, the Company will make a distribution in specie of certain AGBA Shares to the Shareholders pro-rata to their shareholdings in the Company. The number of AGBA Shares to be distributed to its Shareholders is yet to be determined but will be such that the distribution in specie will not be treated as a very substantial disposal for the Company under the Listing Rules, i.e. the relevant size test ratios under Chapter 14 of the Listing Rules shall not be 75% or more.

Following the disposal of the Platform Business and the distribution of the AGBA Shares to its Shareholders, the Group's principal remaining business will be a 70% holding of the IFA Business, which is the original business of the Group upon its listing in 2011. Assuming that the Exchange permits the resumption of trading of the Shares, Shareholders will be able to continue holding listed securities which control the IFA Business through their Shares.

The Company is aware that many of its minority Shareholders have been unable to trade their Shares during the period of suspension. If trading in the Shares resumes, in order to provide minority Shareholders with an opportunity to sell Shares should they wish to do so, the Company may to utilise part of the proceeds from the Proposed Transaction to conduct an on-market share buy-back in accordance with Rule 10 of the Listing Rules. Shareholders and potential investors of the Company should note that whether the Company will carry out such on-market share buy-back will be dependent on the Board's assessment of, among other things, the then financial position of the Group and the then price of the Shares if trading in the Shares resumes.

Therefore, upon completion of the Proposed Transaction, the distribution in specie and the on-market share buy-back (and assuming the Company is successful in achieving it re-listing):

1. Shareholders will hold Shares listed on the Exchange. The Company will continue to operate the IFA Business. It will be subject to a possible voluntary general offer from National Arts if National Arts does not withdraw the Possible Offer or the Possible Offer does not lapse before completion of the Proposed Transaction.
2. Shareholders will hold AGBA Shares which is listed on NASDAQ. AGBA will operate the Platform Business. Provisions will be made by the Company to assist Shareholders to trade their AGBA Shares.
3. Shareholders participating in the potential on-market share buy-back will be able to exit all or some of their investments in the Company. The proportion will be determined by the number of Shareholders tendering their shares for sale.

Shareholders and potential investors of the Company should be aware that the Term Sheet is non-binding (except for terms about confidentiality, governing law and jurisdiction and non-dealing) and the Proposed Transaction is subject to the parties entering into the Definitive Agreement. The Proposed Transaction will be subject to the satisfaction of the conditions set out in the Term Sheet and therefore may or may not proceed. Shareholders and potential investors of the Company should therefore read the key conditions to the Proposed Transaction set out on page 3 carefully and exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

INFORMATION ABOUT THE PLATFORM BUSINESS AND THE IFA BUSINESS

The Platform Business of the Group includes the B2B, Retail, Healthcare, Fintech and Investments, further details of which are set out in the Company's announcement dated 28 August 2020.

The IFA Business of the Group consists of the independent financial advisory business and is the original business of the Group upon its listing in 2011. Further details are set out in the Company's announcement dated 28 August 2020.

INFORMATION ABOUT AGBA

AGBA is a special purpose acquisition vehicle listed on NASDAQ. AGBA recorded total shareholders' equity of US\$5,000,001 (approximately *HK\$38,750,008*) as at 30 September 2020 and a market capitalisation of approximately US\$61,901,000 (approximately *HK\$479,732,750*) on 24 November 2020. AGBA recorded cash and investments held in a trust account and cash of US\$48,082,142 (approximately *HK\$372,636,601*) as at 30 September 2020.

AGBA's management is currently led by Gordon Lee (Chief Executive Officer) and Vera Tan (Chief Financial Officer). Between them, they have many years of investing, building and operating diversified businesses. AGBA has been established to capitalize on growing opportunities in the service sector of the Greater China region, including the education, healthcare, entertainment and financial services sectors and to build a sustainable business with strong brand recognition and economies of scale.

The issue price of the new AGBA Shares of US\$10 (*HK\$77.50*) per AGBA Share represents:

- (a) a discount of approximately 3.47% to the closing price of US\$10.36 (approximately *HK\$80.29*) per AGBA Share as quoted on NASDAQ on the date of the Term Sheet; and
- (b) a discount of approximately 3.19% to the average closing price of US\$10.33 (approximately *HK\$80.06*) per AGBA Share for the last five consecutive trading days up to and including the date of the Term Sheet.

The issue price was determined on an arm's length basis between the Company and AGBA with reference to the prevailing market price of the AGBA Shares and AGBA's net asset value per AGBA Shares of US\$7.69 (HK\$59.60) per share as of 30 September 2020. The Directors consider that the issue price is fair and reasonable based on the current market conditions.

IMPLICATIONS UNDER THE LISTING RULES

The Term Sheet is a non-binding document (except for terms about confidentiality, governing law and jurisdiction and non-dealing). As such, the Proposed Transaction may or may not proceed. If the Proposed Transaction materialises, it will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules. In addition, the Exchange has indicated on a preliminary basis that it considers the Proposed Transaction a spin-off subject to the requirements under Practice Note 15 of the Listing Rules which include, among other things, announcement and possible shareholders' approval requirements, requirements on sufficient level of operations and assets for the remaining group and requirements for assured entitlements, as set out in Practice Note 15 of the Listing Rules. The Company will consult the Stock Exchange on, among other things, what requirements under Practice Note 15 of the Listing Rules, if any, apply to the Proposed Transaction before entering into any definitive agreements for the Proposed Transaction.

If upon the completion of the Proposed Transaction the Company undertakes the proposed on-market share buy-back, such share buy-back will be subject to the Listing Rules, including the requirement that a general mandate be obtained from Shareholders. Such on-market share buy-back will be conducted in accordance with the requirements of the Listing Rules.

The Company will comply with the applicable disclosure, shareholders' approval and the Exchange's approval requirements under the Listing Rules as and when required.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Reference is made to the announcements (the “**Joint Announcement**”) jointly issued by National Arts Entertainment and Culture Group Limited (“**National Arts**”) and the Company dated 29 July 2020, 28 August 2020 and 28 September 2020, the announcements issued by National Arts dated 30 July 2020, 17 August 2020, 21 August 2020 and 3 September 2020, and the announcements issued by the Company dated 17 August 2020 and 24 August 2020 (altogether, the “**Announcements**”) in relation to the possible conditional voluntary share exchange offer by National Arts to acquire shares in Company (the “**Possible Offer**”).

As a result of the Possible Offer, under Rule 4 of the Takeovers Code, no action which could effectively result in the Possible Offer being frustrated, or in the Company’s shareholders being denied an opportunity to decide on the merits of the Possible Offer, shall be taken by the Board in relation to the affairs of the Company without the approval of the Shareholders in general meeting. In particular, the Board must not, without such approval, do or agree to sell, dispose of or acquire assets of a material amount.

The Company has obtained National Arts’ written consent to consummate the Proposed Transaction. As such, the Company intends to seek a waiver from the general requirement to obtain shareholders’ approval under Rule 4 of the Takeovers Code from the Executive.

The Company will comply with the applicable disclosure, shareholders’ approval and the Executive’s approval requirements under the Takeovers Code as and when required.

In addition, the Company may utilise part of the proceeds from the Proposed Transaction to conduct an on-market share buy-back in accordance with Rule 10 of the Listing Rules. The Company will not undertake such on-market share buy-back in circumstances where it will trigger a mandatory general offer pursuant to Rule 26 of the Takeovers Code on the part of any shareholder.

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 in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

"AGBA"	AGBA Acquisition Limited, a company incorporated in the British Virgin Islands with limited liability under the BVI Business Companies Act 2004
"AGBA Shares"	Ordinary shares in the issued share capital of AGBA
"Board"	The Board of Directors of the Company
"Closing"	The closing of the Proposed Transaction
"Company"	Convoy Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange (Stock Code: 1019)
"Director(s)"	Director(s) of the Company
"Definitive Agreement"	The legally binding agreements in relation to the Proposed Transaction

“Executive”	The Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“IFA Business”	The independent financial advisory business of the Group, further details of which are set out in the Company’s announcement dated 28 August 2020
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Kwok”	Mr. Kwok Hiu Kwan
“NASDAQ”	National Association of Securities Dealers Automated Quotations exchange of the United States of America
“Platform Business”	The platform business of the Group which include the B2B, Retail, Healthcare, Fintech and Investments, further details of which are set out in the Company’s announcement dated 28 August 2020
“Proposed Transaction”	The proposed disposal by the Company to AGBA of its entire Platform Business and 30% of its IFA Business, as set out in the Term Sheet
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Ordinary share(s) of HK\$0.10 each in the issued share capital of the Company

“Shareholder(s)”	means Member(s) of the Company as defined in the Amended and Restated Articles of Association of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Term Sheet”	The term sheet entered into between the Company and AGBA dated 25 November 2020 in relation to the Proposed Transaction
“US\$”	United States Dollars, the lawful currency of the United States of America

For the purposes of this announcement, an exchange rate of US\$1:HK\$7.75 has been used.

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

Hong Kong, 25 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, Mr. Shin Kin Man and Mr. Lee Jin Yi; the non-executive Director is 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 and Mr. Lam Kwok Cheong. The duties of the executive Directors namely Mr. Wong Lee Man and Ms. Chan Lai Yee have been suspended since 8 December 2017.

The directors of the Company (other than Mr. Wong Lee Man and Ms. Chan Lai Yee for the reasons set out in the Joint Announcement) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.