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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)**

### PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules).

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record net losses for its financial years ended 31 December 2017, 2018 and 2019.

The information contained in this announcement is only based on the preliminary review by the Company's management on the information currently available, which has not been confirmed nor reviewed by the Company's auditors.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Based on the preliminary review by the Company's management on the information currently available, the board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record net losses for its financial years ended 31 December 2017, 2018

and 2019. Such expected net losses of the Group was primarily attributable to the combined effect of the following factors:

- (1) Reduction of revenue was mainly driven by actions taken to ringfence the troubled subsidiaries involved in the various wrongdoings under Cho Kwai Chee Roy and the previous management team, to ensure there were no further impact on the operation and finance of the Group. As a result, certain business operations had been de-risked, restructured and terminated. Reference is made to the announcement of the Company dated 3 January 2021 in relation to the litigation updates.
- (2) Increase in operating expenses, especially in legal and professional fees, as significant effort has been used for evidence gathering, vetting and legal actions. In addition, independent forensic consultant was engaged to conduct extensive reviews and recommend reforms on corporate governance and internal controls for the Company.
- (3) Impairments and provisions have been made mainly on investments related to the identified wrongdoings.
- (4) Launch of new commission scheme to retain and attract new recruits.

The information contained in this announcement is only based on the preliminary review by the Company's management on the information currently available, which has not been confirmed nor reviewed by the Company's auditors. Accordingly, the information contained may be subject to adjustment upon finalisation and further review of the annual results of the Group for its financial years ended 31 December 2017, 2018 and 2019 (the "**2017 to 2019 Annual Results**").

The Company is in the process of finalising the 2017 to 2019 Annual Results. The announcement of the Company in relation to 2017 to 2019 Annual Results is expected to be published on 17 February 2021.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

#### **CONTINUED SUSPENSION OF TRADING**

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

**Shareholders and potential investors should note that the resumption of trading in the shares on the Stock Exchange is subject to various conditions which may or may not be fulfilled. There is no guarantee that resumption of trading in the shares will take place. Shareholders and potential investors of the Company are reminded to exercise caution when dealing with the shares.**

By Order of the Board  
**CONVOY GLOBAL HOLDINGS LIMITED**  
**Johnny Chen**  
*Chairman and Non-executive Director*

Hong Kong, 3 February 2021

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