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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)

ANNOUNCEMENT

WARNING AND RISKS IN DEALING WITH THE WRONGLY ALLOTTED SHARES

This announcement is made by Convoy Global Holdings Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the announcement of the Company dated 21 December 2017 in relation to, among other matters, the writ of summons issued by the Company and two of its subsidiaries (the “**Writ**”) against 28 defendants (the “**Defendants**”).

The Company wishes to provide some brief information about the claims by the Company as set out in the Writ below:

- (a) Pursuant to the equity fund raising exercise by placing of new shares by the Company as announced on 4 June 2015 (as supplemented on 28 August 2015) (the “**Placing**”), certain new shares of the Company (the “**Wrongly Allotted Shares**”) were allotted and issued to six placees (the “**Placees**”) and the net proceeds from the Placing were then announced to be used in margin and initial public offering financing services being developed by the Group and as additional capital for the money lending business of the Company (the “**Intended Uses**”).
- (b) Unbeknownst to the other *bona fide* shareholders and the general investing public of the Company, a substantial part of the subscription money paid by the Placees, who are closely associated with most of the Defendants, including but not limited to Dr. Cho Kwai Chee Roy and Mr. Wong Lee Man Quincy, was channelled back to the Placees by way of a series of suspicious loans and margin finance granted by the Group on non-commercial and/or irrational terms and/or under suspicious circumstances (the “**Circular Financing Facilities**”).

- (c) Contrary to the Intended Uses, the proceeds raised from the Placing was not used for genuine and/or legitimate money lending or margin financing businesses in the interests of the Company and/or its shareholders and was instead dissipated to the Placees through the Circular Financing Facilities.
- (d) Subsequent to the Placing, over a period of around one month from 7 July 2017 to 16 August 2017, Mr. Kwok Hiu Kwan (“**Mr. Kwok**”) acquired the Wrongly Allotted Shares or a substantial part thereof from the Placees on the market in a coordinated and systematic manner until his shareholding is just short of the 30% threshold which would trigger a requirement to make a general offer to acquire all shares in the Company pursuant to the Codes on Takeovers and Mergers and Share Repurchases (the “**Takeovers Code**”).
- (e) Shortly after Mr. Kwok ceased to acquire further shares of the Company, on around 21 August 2017 and 6 October 2017, Mr. Chen Pei Xiong (“**Mr. Chen**”), who is believed to be acting in concert with Mr. Kwok within the meaning of the Takeovers Code, acquired the Wrongly Allotted Shares or a substantial part thereof from the Placees in similar pattern like Mr. Kwok, which were all carried out by them shortly after 28 June 2017.
- (f) In the Writ, the Company seeks, among others: (i) an order as against the Placees that the allotment of the Wrongly Allotted Shares be set aside; (ii) a declaration as against Mr. Kwok and Mr. Chen that the transfer of the Wrongly Allotted Shares to them is null and void and/or invalid and/or rescinded; and (iii) an injunction as against Mr. Kwok and Mr. Chen that they be restrained from exercising the voting rights of, or transferring or otherwise dealing with their interest in, the Wrongly Allotted Shares.

Warning: When dealing with the shares in the Company, investors, brokers and intermediaries should be vigilant in avoiding to deal with the Wrongly Allotted Shares before the court decision on the Writ.

In the circumstances, shareholders, potential investors, stockbrokers, banks and others who deal in securities on behalf of clients are advised to exercise extreme caution when dealing with the Wrongly Allotted Shares.

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

Hong Kong, 9 January 2018

As at the date of this announcement, the executive Directors of the Company are Mr. Johnny Chen (Chairman), Mr. Ng Wing Fai, Dr. Cho Kwai Chee, Mr. Yap E Hock and Ms. Ip Yee Kwan; the non-executive Director of the Company is Mr. Wang John Hong-chiun; and the independent non-executive Directors of the Company are Mr. Ma Yiu Ho, Peter, 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 of the Company namely Mr. Wong Lee Man, Ms. Fong Sut Sam and Ms. Chan Lai Yee are suspended.