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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)**

## **VOLUNTARY ANNOUNCEMENT – UPDATES ON LITIGATION**

This is a voluntary announcement made by Convoy Global Holdings Limited (the “**Company**”) to update its investors and shareholders on the progress of various litigation involving the Company, its subsidiaries and officers.

### **HCMP 41 of 2018**

References are made to the announcements issued by the Company dated 16 January 2018, 12 February 2018 and 8 March 2018 in relation to the Originating Summons filed by Mr. Kwok Hiu Kwan against the Company, its Chairman and some of its directors on 11 January 2018 in HCMP 41 of 2018 (“**HCMP 41 of 2018**”).

Reference is also made to the announcement issued by the Company dated 29 December 2017 on the poll results of the Extraordinary General Meeting of the Company held on 29 December 2017 (“**2017 EGM**”).

The substantive hearing of HCMP 41 of 2018 was heard before the Honourable Mr. Justice Harris sitting as a High Court Judge in Hong Kong during 27 August 2018 to 29 August 2018.

On 29 August 2018, Mr. Justice Harris ruled on a preliminary issue of law (“**Preliminary Issue**”), the written reasons for which were handed down on 13 September 2018. In respect of the Preliminary Issue, the learned Judge ruled that:

1. The Chairman of the 2017 EGM (“**the Chairman**”) had the power under Article 74 of the Amended and Restated Articles of Association of the Company (“**Article 74**”) to determine that the voting rights in respect of the 4,468,182,000 ordinary shares in the Company purportedly registered in the name of Mr. Kwok Hiu Kwan (or his nominee) should not be counted at the 2017 EGM; and
2. The Chairman’s decision at the 2017 EGM exercised under Article 74 was final and conclusive. It can only be challenged in Court if Mr. Kwok Hiu Kwan can demonstrate either it was reached in bad faith or it is demonstrated that the Court should intervene on other common law grounds.

In view of the ruling of the Court, Mr. Justice Harris set down HCMP 41 of 2018 for trial commencing on 19 March 2019.

On 12 September 2018, Mr. Kwok Hiu Kwan filed a summons to seek leave to appeal against Mr. Justice Harris’s decision on the Preliminary Issue, which will be heard before Mr. Justice Harris on 7 November 2018.

### **HCA 2000 of 2018**

On 24 August 2018, the Company as the 1st Plaintiff and CSL Securities Limited (“**CSL**”) (an indirect wholly-owned subsidiary of the Company) as the 2nd Plaintiff commenced legal proceedings in the High Court of Hong Kong in HCA 2000 of 2018 (“**HCA 2000 of 2018**”) against Mr. Kwok Hiu Kwan (as 1st Defendant) and Mr. Chen Pei Xiong (as 2nd Defendant) in which the Company and CSL sought the following relief from the Court:

1. A Declaration that Mr. Kwok Hiu Kwan and/or Mr. Chen Pei Xiong has/have contravened section 131 of the Securities and Futures Ordinance (“**SFO**”), in that Mr. Kwok Hiu Kwan and/or Mr. Chen Pei Xiong (acting as associates or otherwise) has/have become and continued to be (purported) substantial shareholder(s) of CSL, by acquiring and continuing to hold an approximately aggregate of 37.38% shareholding in the Company (“**the 37% Stake**”) without the necessary approval to do so from the Securities and Futures Commission under section 132 of the SFO.

2. A Declaration that Mr. Kwok Hiu Kwan and/or Mr. Chen Pei Xiong has/have contravened section 131 of the SFO, in that Mr. Kwok Hiu Kwan and/or Mr. Chen Pei Xiong has/have purported to exercise the voting rights conferred by the 37% Stake (or any part thereof) which is not exercisable by virtue of section 131(4) of the SFO.
3. An injunction order prohibiting Mr. Kwok Hiu Kwan and Mr. Chen Pei Xiong from exercising the purported voting rights conferred by the 37% Stake, unless and until the Securities and Futures Commission approves Mr. Kwok Hiu Kwan and/or Mr. Chen Pei Xiong to become and continue to be (purported) substantial shareholder(s) of CSL under section 132 of the SFO.

The relief sought by the Company and CSL in HCA 2000 of 2018 is expressly made without prejudice to the relief of rescission of the 37% Stake sought by the Company and its subsidiaries in proceedings HCA 2922 of 2017.

#### **HCA 2922 of 2017**

References are made to the announcements issued by the Company dated 21 December 2017, 12 February 2018 and 8 March 2018 in relation to the legal proceedings instigated in the High Court of Hong Kong in HCA 2922 of 2017 (“**HCA 2922 of 2017**”) by the Company and two of its subsidiaries against 28 defendants, including Dr. Cho Kwai Chee, a former executive director of the Company.

The legal proceedings in HCA 2922 of 2017 is continuing. On 28 June 2018, Mr. Justice Harris granted leave for the Company to amend the Writ of Summons filed on 18 December 2017 to include 11 more Defendants, after the current management of the Company have unearthed further findings and evidences relevant to the legal proceedings after 18 December 2017.

On 24 August 2018, Mr. Choi Chee Ming applied to the High Court of Hong Kong to seek leave to be joined as a party to the legal proceedings. Mr. Choi Chee Ming’s application will be heard on 1 November 2018 in the High Court of Hong Kong.

## **OTHER MATTERS**

### **Freezing Order obtained in the British Virgin Islands against Broad Idea International Limited and Dr. Cho Kwai Chee**

Reference is made to the announcements issued by the Company dated 5 March 2018 in relation to a freezing order made by Mr. Justice Chivers QC in the Eastern Caribbean Supreme Court in the High Court of Justice of the British Virgin Islands (the “**BVI Court**”) on 7 February 2018 against the asset of Broad Idea International Limited and Dr. Cho Kwai Chee up to a value of US\$75,583,490.03 (“**the Freezing Order**”).

Up to date, the effect of the Freezing Order is still continuing as against Broad Idea International Limited and Dr. Cho Kwai Chee. The next hearing of the Freezing Order has been fixed to be heard in the BVI Court on 12 December 2018.

## **OTHER MATTERS – PAST AUDITS**

### **Review of past audits**

The Company has engaged independent professional advisors to review its financial statements for the period from 2013 to 2016 to ensure that those financial statements provided a true and fair view of the state of affairs of the Group and were properly audited.

Depending on the outcome of the review, the Company may initiate further actions (including legal actions) in respect of any wrongs committed against any member of the Group during those periods so as to protect the interests of the Company and its shareholders.

The Company will keep the shareholders and potential investors informed of any further material development of the foregoing matters by way of announcement as and when appropriate.

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

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

Hong Kong, 24 September 2018

*As at the date of this announcement, the executive Directors of the Company are Mr. Johnny Chen (Chairman), Mr. Ng Wing Fai, Mr. Yap E Hock, Mr. Shin Kin Man and Ms. Wong Suet Fai; the non-executive Director of the Company is Mr. Chen Shih-pin; and the independent non-executive Directors of the Company are Mr. Pun Tit Shan, Mrs. Fu Kwong Wing Ting, Francine, Mr. Pak Wai Keung, Martin, Mr. Yan Tat Wah and Dr. Huan Guocang\*. The duties of the executive Directors of the Company namely Mr. Wong Lee Man, Ms. Fong Sut Sam and Ms. Chan Lai Yee have been suspended since 8 December 2017.*

\* *Further announcement will be issued by the Company regarding the appointment of Dr. Huan Guocang.*