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Honworld Group Limited

老恒和醸造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2226)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by the board (the "**Board**") of directors of Honworld Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.24A of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

References are made to (i) the announcements of the Company dated 29 March 2021, 26 April 2021, 22 June 2021, 29 June 2021, 23 July 2021, 16 August 2021, 30 August 2021, 29 September 2021, 10 November 2021 and 29 December 2021 in relation to, among other matters, the delay in publication of the 2020 Annual Results, the delay in despatch of the 2021 Annual Report, the Resumption Guidance, the delay in publication of the 2021 Interim Results, and the delay in despatch of the 2021 Interim Report; (ii) the quarterly update announcements and supplemental announcement in relation to quarterly update on resumption progress of the Company dated 29 June 2021, 29 September 2021, 10 November 2021 and 29 December 2021; and (iii) the announcement of the Company dated 16 August 2021 in relation to, among other matters, the establishment of Independent Investigation Committee, and the appointments of Independent Forensic Accountant and internal control consultant (together, the "**Announcements**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the terms used in the Announcements.

BUSINESS UPDATE

The Group is one of the leading manufacturers of condiment products in the PRC. As at the date of this announcement, the Company continues to offer high quality and healthy brewed cooking wine as well as other condiments, including naturally-brewed soy sauce, naturally-brewed vinegar, soybean paste, fermented bean curd and sesame oil in the PRC.

* *For identification purposes only*

Despite the increased uncertainties in respect of the expected income as a result of the development of COVID-19, to the best knowledge of the Directors, as at the date of this announcement, the business operations of the Group are continuing as usual in all material respects. The Board will continue to assess and monitor the impact of the outbreak of COVID-19 and the suspension of trading on the operation and financial performance of the Group. The Company will take appropriate measures as necessary and make further announcement(s) as and when appropriate.

UPDATE ON RESUMPTION PROGRESS

Resumption Guidance

As set out in the announcements of the Company dated 22 June 2021 and 23 July 2021, the Stock Exchange has set out the following Resumption Guidance for the Company:

(i) to publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(ii) to demonstrate the Company's compliance with Rule 13.24;

(iii) to announce all material information for the Company's shareholders and investors to appraise the Company's position;

(iv) to conduct an independent investigation into the matters set out in the Letter, announce the investigation findings, assess and announce the impact on the Company's operation and financial position, and take appropriate remedial actions;

(v) to demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;

(vi) to demonstrate that the directors of the Company meet a standard of competence commensurate with their position as directors of a listed issuer to fulfil duties of skill, care and diligence as required under Rule 3.09 of the Listing Rules; and

(vii) to conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet obligations under the Listing Rules.

(items (iv), (v), (vi) and (vii) of the Resumption Guidance are collectively referred to as the "**Guidance on Independent Investigation and Internal Control Review**")

Update on Resumption Progress and the Expected Timeline in Fulfilling the Resumption Guidance

Resumption Guidance	Update on resumption progress and the expected timeline
(i) to publish all outstanding financial results	As at the date of this announcement, the Independent Investigation is still ongoing, and therefore the publications of the audited 2020 Annual Results, 2020 Annual Report, unaudited 2021 Interim Results and 2021 Interim Report are still pending. Accordingly, the expected publication timeframe of the above results is subject to the completion date of the Independent Investigation.
(ii) to demonstrate the Company's compliance with Rule 13.24	The Group is one of the leading manufacturers of condiment products, including brewed cooking wine, naturally-brewed soy sauce, naturally-brewed vinegar, soybean paste, fermented bean curd and sesame oil series products, in the PRC. The Group will continue to adhere to its consumer-oriented sales strategy in view of the fierce competition in the condiment market. The business goal of the Group is to enhance its position in the condiments industry by leveraging on its leading position in the cooking wine industry to diversify its sales channels, develop diversified product lines, enrich its diversified product pricing, and conduct combined sales of its diversified product lines with different product pricing and sales channels. Up to now, the Company has developed and launched five products under its sesame oil product line, and products such as the aromatic vinegar, Kangle vinegar, delicate scallion and ginger cooking wine, and marinated cooking wine. In view of the change of consumers' spending habits due to worldwide COVID-19 pandemic, and its impact on the traditional supply chain, the Group is also committed to developing products that suit the new retail channels and enriching its online products. The Group will continue to review its existing business from time to time and is committed to improving its business operations and financial position. As at the date of this announcement, the business operations of the Group are continuing as usual in all material respects.
(iii) to announce all material information for the Company's shareholders and investors to appraise the Company's position	Since the suspension of trading in its shares, the Company has been keeping its Shareholders and potential investors informed of all material information to appraise the Company's position by way of publication of announcements on the website of the Stock Exchange in accordance with the Listing Rules.

Resumption Guidance	Update on resumption progress and the expected timeline
	The Company will continue to keep its Shareholders and potential investors abreast of the material developments by making further announcement(s) as and when appropriate and in accordance with the Listing Rules.
(iv) to implement the Guidance on Independent Investigation and Internal Control Review	As at the date of this announcement, the Independent Forensic Accountant has substantially completed the Independent Investigation and is in the process of finalising its independent investigation report. It is estimated that the Independent Forensic Accountant will provide its formal report to the Independent Investigation Committee in or about April 2022. As at the date of this announcement, the Internal Control Consultant is in the process of performing an introductory assessment to understand the background of the internal control procedures and policies of the Company. Subject to the completion of the Independent Investigation and further assessment by the Independent Investigation Committee, detailed assessment over certain business processes of the Company will be performed by the Internal Control Consultant.

The Board remains committed to Resumption Guidance and will continue to update the Shareholders and potential investors as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 30 March 2021 and will remain suspended until further notice.

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

By order of the Board
Honworld Group Limited
Chen Wei
Chairman

Hong Kong, 29 March 2022

As at the date of this announcement, the executive directors of the Company are Chen Wei, Liu Jianbin and Sheng Mingjian; the non-executive director of the Company is Gu Wei; and the independent non-executive directors of the Company are Shen Zhenchang, Ng Wing Fai and Sun Jiong.

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