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**Honworld Group Limited**

**老恒和釀造有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2226)**

## **UPDATE ON SUPPLEMENTAL INDEPENDENT INVESTIGATION**

This announcement is made by Honworld Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements (the “**Announcements**”) of the Company dated 29 March 2021, 22 June 2021, 29 June 2021, 23 July 2021, 16 August 2021, 29 September 2021, 10 November 2021, 29 December 2021, 29 March 2022, 11 May 2022, 30 May 2022, 29 June 2022, 19 July 2022 and 3 August 2022, in relation to, among other things, (i) the suspension of trading of shares of the Company; (ii) resumption guidance set forth by the Stock Exchange; (iii) the quarterly updates on resumption progress, and (iv) the establishment of Independent Investigation Committee, the appointments of Independent Forensic Accountant, internal control consultant and financial adviser, update on the Independent Investigation and the key findings of Independent Investigation. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

## **BACKGROUND**

As disclosed in the Company’s announcement dated 3 August 2022, the Company received a letter from the Stock Exchange dated 27 July 2022 setting out additional Resumption Guidance (i.e. Resumption Guidance (viii) and (ix)), pursuant to which, the Company is required to conduct appropriate independent forensic investigations (i) into the Other Irregularities identified in the Investigation, including other bank discrepancies and fictitious sales and purchase transactions which happened in 2019 and 2020 and certain suspicious prepayments which happened in 2015; and (ii) with a view to identifying whether there were other transactions made by the Group with material irregularities in 2021 and 2022, if any (the “**Supplemental Independent Investigation**”).

## UPDATE ON SUPPLEMENTAL INDEPENDENT INVESTIGATION

On 5 August 2022, the Independent Investigation Committee, comprising three independent non-executive Directors, namely Mr. Shen Zhenchang, Mr. Ng Wing Fai and Mr. Sun Jiong, and a non-executive Directors, namely Mr. Gu Wei, having taken into account relevant factors such as the key findings of the Forensic Investigation Report, the major limitations expected to be encountered by the Independent Forensic Accountant as well as the additional Resumption Guidance (viii) and (ix), made its recommendation to the Board on the scope of the Supplemental Independent Investigation.

On 5 August 2022, the Board considered and approved the scope of the Supplemental Independent Investigation as proposed and submitted by the Independent Investigation Committee and resolved to conduct the Supplemental Independent Investigation with the assistance of the Independent Forensic Accountant, FTI Consulting (China) Limited, in addressing the aforementioned Resumption Guidance.

The Supplemental Independent Investigation includes (i) additional investigation work for certain alleged irregularities as identified in the Investigation, including other bank discrepancies, fictitious sales and purchase transactions happened in 2019 and 2020 and certain suspicious prepayments happened in 2015; and (ii) identification of similar material irregularities, if any, in 2021 and 2022. The Independent Forensic Accountant will present the findings of the Supplemental Independent Investigation in a report to be addressed to the Independent Investigation Committee.

As at the date of this announcement, the Independent Forensic Accountant has already commenced the Supplemental Independent Investigation. The Company will make further announcement(s) on the Supplemental Independent Investigation 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 the Company fulfils the Resumption Guidance.

**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, 12 August 2022

*As at the date of this announcement, the executive directors of the Company are Chen Wei and Liu Jianbin; 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.*

\* For identification purposes only