
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Honworld Group Limited (the “**Company**”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
OF THE COMPANY
AND
NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY**

A notice convening an annual general meeting of Honworld Group Limited to be held at Fountain Room 1, Lobby Floor, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong, at 9:00 a.m. on 28 May 2014 is set out on page 16 to 20 of this circular. A form of proxy for use at the 2014 annual general meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.hzlaohenghe.com).

Whether or not you are able to attend the 2014 annual general meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2014 annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the 2014 annual general meeting or any adjourned meeting thereof if they so wish.

* *For identification purposes only*

24 April 2014

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. Proposed Granting of the Repurchase Mandate and Issuance Mandate	4
3. Proposed Re-election of the Retiring Directors	5
4. 2014 AGM and Proxy Arrangement	5
5. Recommendation	6
6. Closure of Register of Members	6
Appendix I — Explanatory Statement on the Repurchase Mandate	7
Appendix II — Details of the Retiring Directors Proposed to be Re-elected at the 2014 AGM	11
Notice of the 2014 AGM	16

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2014 AGM”	an annual general meeting of the Company to be held at Fountain Room 1, Lobby Floor, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong on 28 May 2014 at 9:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 20 of this circular, or any adjournment thereof
“AGM Notice”	the notice convening the 2014 AGM set out on pages 16 to 20 of this circular
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	Honworld Group Limited, a company incorporated in the Cayman Islands with limited liability on 4 December 2012 and the Shares of which are listed on the Stock Exchange
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board
“Latest Practicable Date”	14 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Date”	28 January 2014, being the date on which the Shares first commenced dealings on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	The People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau and Taiwan
“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of US\$0.0005 each in the share capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.



HONWORLD GROUP LIMITED

老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2226)

Executive Directors:

Mr. CHEN Weizhong
(Chairman & Chief Executive Officer)
Mr. SHENG Mingjian
Mr. WANG Chao

Non-executive Director:

Mr. ZHANG Bihong

Independent non-executive Directors:

Mr. SHEN Zhenchang
Mr. LEI Jiasu
Mr. MA Chaosong

Registered office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

***Principal place of business
and head office in the PRC:***

Balidian Town
Food and Industrial Park
Wuxing District
Huzhou City
Zhejiang 313000
PRC

***Principal place of
business in Hong Kong:***

Room 606-607, 6/F
China Merchants Building
152-155 Connaught Road Central
Hong Kong

24 April 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS OF THE COMPANY
AND
NOTICE OF THE 2014 AGM**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of certain resolutions to be proposed at the 2014 AGM for (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of Repurchase Mandate to the Directors; (iii) the extension of the

* *For identification purposes only*

LETTER FROM THE BOARD

Issuance Mandate by adding to it the nominal amount of the issued Shares repurchased by the Company under the Repurchase Mandate; and (iv) the re-election of the retiring Directors.

2. PROPOSED GRANTING OF THE REPURCHASE MANDATE AND ISSUANCE MANDATE

On 17 December 2013, written resolutions were passed by the then shareholders of the Company for, among other matters, granting general mandates to the Directors to exercise the powers of the Company to repurchase Shares (not exceeding 50,000,000 Shares) and to issue new Shares (not exceeding 100,000,000 Shares). Up to the Latest Practicable Date, such mandates have not been used and, if not used by the 2014 AGM, will lapse at the conclusion of the 2014 AGM.

Ordinary resolutions will be proposed at the 2014 AGM to approve the granting of the new general mandates to the Directors:

- (a) to allot, issue or deal with new Shares of an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution (i.e. an aggregate nominal amount of Shares not exceeding US\$51,875.0 (equivalent to 103,750,000 Shares) on the basis that the existing issued share capital of the Company of 518,750,000 Shares remains unchanged as at the date of the 2014 AGM) (the “**Issuance Mandate**”);
- (b) to repurchase Shares, on the Stock Exchange or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution (i.e. an aggregate nominal amount of Shares not exceeding US\$25,937.5 (equivalent to 51,875,000 Shares) on the basis that the existing issued share capital of the Company of 518,750,000 Shares remains unchanged as at the date of the 2014 AGM) (the “**Repurchase Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate (if granted to the Directors at the 2014 AGM).

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

The Repurchase Mandate and the Issuance Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period which the next annual general meeting of the Company is required by the Articles or the applicable laws of Cayman Islands to be held; or (c) revocation or variation by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors have no present immediate plan to exercise the Issuance Mandate or the Repurchase Mandate (if granted to the Directors at the 2014 AGM).

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 84 of the Articles, one-third of Directors for the time being shall retire from office by rotation at the 2014 AGM. As such, Mr. WANG Chao, Mr. ZHANG Bihong and Mr. LEI Jiasu shall retire at the 2014 AGM and, being eligible, offer themselves for re-election at the 2014 AGM.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the above three Directors proposed to be re-elected at the 2014 AGM are set out in Appendix II to this circular.

4. 2014 AGM AND PROXY ARRANGEMENT

A notice convening the 2014 AGM to be held on 28 May 2014 at 9:00 a.m. at Fountain Room 1, Lobby Floor, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong is set out on pages 16 to 20 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the 2014 AGM. An announcement on the poll vote results will be published by the Company after the 2014 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The 2013 annual report incorporating the audited consolidated financial statement of the Group for the year ended 31 December 2013 and the reports of the Directors and the auditors thereon are dispatched to the Shareholders together with this circular.

You will find enclosed with this circular a form of proxy for use at the 2014 AGM and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hzlaohenghe.com). Whether or not you are able to attend the 2014 AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, to the office of the Hong Kong

LETTER FROM THE BOARD

branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for holding the 2014 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2014 AGM, your proxy form shall be deemed to be revoked.

5. RECOMMENDATION

The Directors consider that the granting/extension of the Issuance Mandate, the Repurchase Mandate and the re-election of the retiring Directors are all in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend that the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice to be proposed at the 2014 AGM.

Your attention is drawn to the additional information set out in the appendices to this circular: Appendix I — Explanatory Statement on the Repurchase Mandate; and Appendix II — Details of the Retiring Directors Proposed to be Re-elected at the 2014 AGM.

6. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlements to attend and vote at the AGM, the transfer books and the register of members of the Company will be closed from 26 May 2014 to 28 May 2014 (both days inclusive), during which period no transfer of shares will be effected. In order to establish the right to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 23 May 2014.

For determining the entitlements to the proposed final dividend to be approved at the AGM for the year ended 31 December 2013, the transfer books and the register of members of the Company will be closed from 9 June 2014 to 11 June 2014 (both days inclusive), during which period no transfer of shares will be effected. To ensure that shareholders are entitled to receive the distribution of final dividend to be approved at the AGM, all transfers, accompanied by the relevant share certificate, must be lodged with the Company's Hong Kong share registrar at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 6 June 2014.

Yours Faithfully
By Order of the Board
Honworld Group Limited
CHEN Weizhong
Chairman

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the 2014 AGM in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 518,750,000 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the 2014 AGM in respect of the granting of the Repurchase Mandate and on the basis that the issued ordinary share capital of the Company remains unchanged as at the date of the 2014 AGM, i.e. being 518,750,000 Shares, the Directors would be authorised to exercise the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a maximum of 51,875,000 Shares, being 10% of the issued share capital of the Company as at the date of 2014 AGM.

3. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be funded from the Company's internal resources, which shall be funds legally available for such purpose in accordance with the Memorandum and Articles of the Company, the Listing Rules, the applicable laws of the Cayman Islands and/or any other applicable laws, as the case may be.

Under the Cayman Islands law, any repurchases by the Company may only be made out of profits of the company or out of the proceeds of a fresh issue of shares made for the purpose or, if authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be repurchased must be provided

for out of profits or the share premium account of the Company or, if authorised by the Articles and subject to the Companies Law, out of capital. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled.

As compared with the financial position of the Company as at 31 December 2013 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

4. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the only controlling Shareholder is Key Shine Global Holdings Limited ("**Key Shine**"), a company wholly owned by Mr. CHEN Weizhong. Key Shine owned 278,169,750 Shares (approximately 53.62% of the issued share capital of the Company). In the event that the Repurchase Mandate was exercised in full, the interest of Key Shine would be increased from approximately 53.62% to approximately 59.58%. On the basis of the aforesaid increase of shareholding held by Key Shine, the Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that results in a public shareholding of less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's Shares in public hands.

5. LISTING RULES RELATING TO REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the Company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general repurchase mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the memorandum and Articles of the Company.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or, to the best knowledge and belief of the Directors having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No connected person (as defined in the Listing Rules) of the Company has notified the Company that they have a present intention to sell Shares to the Company, or that they have undertaken not to sell any of the Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the period from the Listing Date up to the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices of the Shares since the Listing Date up to the Latest Practicable Date were as follows:

Month	Share Price (Per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2014		
January (from Listing Date)	9.70	8.24
February	10.82	8.92
March	11.08	5.30
April (up to the Latest Practicable Date)	7.28	5.70

The biographical details of the Directors proposed to be retired at the conclusion of the 2014 AGM and be proposed to be re-elected at the 2014 AGM are set out as follows:

1. Mr. WANG Chao (王超)

Position and experience

Mr. Wang, aged 36, is our executive Director. Mr. Wang is primarily responsible for our Group's sales and marketing. He has 14 years of experience in the condiment industry. Mr. Wang joined Huzhou Lao Heng He Brewing Factory (湖州老恒和釀造廠) (a predecessor of Huzhou Lao Heng He Brewery Limited, our wholly owned subsidiary) in 1998 where he worked in various departments, including business operation department and finance department. Since 2006, Mr. Wang worked in management positions in our customer service centre and sales and marketing department. Mr. Wang graduated from Zhejiang Electronic Polytechnic School (浙江省電子工業學校), a technical middle school in 1998. Mr. Wang has been our executive Director since 17 December 2013.

Mr. Wang has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the Director's service contract entered into between the Company and Mr. Wang, his initial current term of office is from 17 December 2013 to the date of holding the Company's 2016 annual general meeting, unless terminated by either party giving to the other not less than 90 days' prior notice in writing. Mr. Wang is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Wang does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wang was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Wang is entitled to a fixed basic salary and an annual bonus. For the year ended 31 December 2013, Mr. Wang's annual salary and other benefits amounted to RMB78,000 and no bonus has been paid to him. The above emoluments of Mr. Wang have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other Information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Wang to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

2. Mr. ZHANG Bihong (張弼弘)**Position and experience**

Mr. Zhang, aged 38, is our non-executive Director. Mr. Zhang has more than 18 years of experience in the areas of auditing, tax, asset valuation and financial management. He is currently a certified tax agent in China. Mr. Zhang was responsible for overseeing the implementation of various internal control measures. Prior to joining our group in 2012, Mr. Zhang served as the director and chief financial officer of Tianli Agritech, Inc. (豐澤科技發展有限公司), a company listed on NASDAQ (Stock Code: OINK), from 2010 to 2011. He was a partner of Beijing Zhong Cheng Xin An Rui Accounting Firm (北京中誠信安瑞會計師事務所) from 2008 to 2009. Mr. Zhang was the senior manager at BDO-Reanda Xin Public Accountants (利安達會計師事務所) from 2005 to 2008 and served as a senior manager at Inner Mongolia Zhong Tian Hua Zheng Accounting Firm (內蒙古中天華會計師事務所) from 1995 to 2005. Mr. Zhang graduated from Inner Mongolia Agricultural College (內蒙古林學院) in 1995 with a diploma in economics (accounting). Mr. Zhang has been our non-executive Director since 17 December 2013.

Save as disclosed above, Mr. Zhang has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the Director's service contract entered into between the Company and Mr. Zhang, his initial current term of office is from 17 December 2013 to the date of holding the Company's 2016 annual general meeting, unless terminated by either party giving to the other not less than 3 months' prior notice in writing. Mr. Zhang is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Zhang does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Zhang is entitled to a fixed basic salary and an annual bonus. For the year ended 31 December 2013, no remuneration has been paid to Mr. Zhang. The above emoluments of Mr. Zhang have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other Information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Zhang to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders.

3. Mr. LEI Jiasu (雷家驩)**Position and experience**

Mr. Lei, aged 58, is our independent non-executive Director. Currently, Mr. Lei is the director of the Research Centre of Chinese Enterprise Growth and Economic Security in Beijing Tsinghua University (清華大學中國企業成長與經濟安全研究中心). Since 1996, he

has been a lecturer in the School of Economics and Management of Beijing Tsinghua University (清華大學經濟管理學院). Between 1994 and 1996, he worked as a post-doctoral researcher in Beijing Tsinghua University. From 1983 to 1989, Mr. Lei taught as a lecturer in Xi'an Electronic and Technology University (西安電子科技大學). In 2001, Mr. Lei was awarded the title of professor by Beijing Tsinghua University. He graduated as a doctoral research fellow from the School of Economics and Management of Beijing Tsinghua University (清華大學經濟管理學院) in 1993. Mr. Lei has been our independent non-executive Director since 17 December 2013.

Mr. Lei has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the Director's service contract entered into between the Company and Mr. Lei, his initial current term of office is from 17 December 2013 to the date of holding the Company's 2016 annual general meeting, unless terminated by either party giving to the other not less than 3 months' prior notice in writing. Mr. Lei is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles.

Relationships

As far as the Directors are aware, Mr. Lei does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interests in Share

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lei was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service contract, Mr. Lei is entitled to a fixed basic salary and an annual bonus. For the year ended 31 December 2013, no remuneration has been paid to Mr. Lei. The above emoluments of Mr. Lei have been determined with reference to his role and duties, performance and responsibilities as well as the prevailing market conditions and are subject to revision in future by the decision of the Board based on the recommendation of the Company's remuneration committee.

Other Information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Lei to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Lei that need to be brought to the attention of the Shareholders.



HONWORLD GROUP LIMITED

老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2226)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of Honworld Group Limited (the “**Company**”) will be held on 28 May 2014 at 9:00 a.m. at Fountain Room 1, Lobby Floor, Hong Kong Gold Coast Hotel, 1 Castle Peak Road, Gold Coast, Hong Kong for the purpose of considering the following ordinary business:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditors for the year ended 31 December 2013.
2. To declare a final dividend of RMB8.3 cents (equivalent to approximately HK10.5 cents) per share for the year ended 31 December 2013.
3. To re-appoint Ernst & Young as auditors of the Company and the board of directors of the Company be authorised to fix their remuneration.
4. To re-elect Mr. WANG Chao as an executive director of the Company.
5. To re-elect Mr. ZHANG Bihong as a non-executive director of the Company.
6. To re-elect Mr. LEI Jiasu as an independent non-executive director of the Company.
7. To authorize the board of directors of the Company to fix the respective Directors’ remuneration.
8. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the

* For identification purposes only

NOTICE OF THE 2014 AGM

Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional Shares in the capital of the Company) during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of the outstanding conversion rights attached to any convertible securities issued by the Company, which are convertible into shares of the Company;
 - (iii) the exercise of any options granted under the share option scheme(s) adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for Shares in the Company; or
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend in accordance with the Articles of the Company from time to time,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s Articles to be held; or

NOTICE OF THE 2014 AGM

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange).”; and

9. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with the applicable laws, rules and regulations, be and is hereby, generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s Articles to be held; or

NOTICE OF THE 2014 AGM

(iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

10. To consider and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“**THAT** conditional upon the passing of the ordinary resolutions 8 and 9 as set out in this notice convening the Meeting (the “**Notice**”), the general mandate granted to the directors of the Company pursuant to ordinary resolution 8 as set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution 9 as set out in this Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the Board
Honworld Group Limited
CHEN Weizhong
Chairman

Hong Kong, 24 April 2014

As at the date of this report, the executive Directors of the Company are Chen Weizhong, Sheng Mingjian and Wang Chao; and the non-executive Director is Zhang Bihong; and the independent non-executive Directors are Shen Zhenchang, Lei Jiasu and Ma Chaosong.

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Investor Services Hong Kong Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the form of proxy shall be deemed to be revoked.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned Meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.

NOTICE OF THE 2014 AGM

5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. To ascertain shareholders' eligibility to attend and vote at this Meeting, the register of members of the Company will be closed from 26 May 2014 to 28 May 2014 (both days inclusive), during which period no share transfer will be effected. In order to qualify for attending and voting at the annual general meeting, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Investor Services Hong Kong Limited at Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m., on 23 May 2014.
7. To ascertain shareholders' entitlement to the proposed final dividend (subject to the passing of the ordinary resolution 2 set out in this notice), the register of members of the Company will be closed from 9 June 2014 to 11 June 2014 (both days inclusive), during which period no share transfer will be effected. In order to qualify for entitlement to the proposed final dividend, unregistered holders of shares of the Company should ensure that all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Investor Services Hong Kong Limited at Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m., on 6 June 2014.
8. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution 9 as set out in this notice is set out in Appendix I to this circular.
9. Details of the retiring directors proposed to be re-elected as Directors of the Company at the Meeting are set out in Appendix II to this circular.
10. A form of proxy for use at the Meeting is enclosed.