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# 天喔國際控股有限公司 Tenwow International Holdings Limited

(in Provisional Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01219)

## FOLLOW-UP INTERNAL CONTROL REVIEW AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Tenwow International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”) and provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Amongst the Resumption Conditions imposed on the Company by the Stock Exchange on 24 August 2018, the Company was required to conduct an independent internal control review and demonstrate adequate internal control systems being in place to meeting the obligations under the Listing Rules.

As set out in the announcement of the Company dated 21 November 2019, the Company has engaged Pan-China Enterprise Risk Management Consulting Limited (“**Internal Control Adviser**”) to act as its independent internal control advisor to conduct an independent internal control review to identify weaknesses in its financial reporting procedures, systems and control measures (including accounting and management systems) and other related internal controls, and to assist the Company in rectification of deficiencies identified and to demonstrate that the Company’s financial reporting procedures and related internal control measures have been complied with the requirements of the Listing Rules as part of its ongoing effort to fulfill Resumption Conditions.

An initial internal control review report was provided to the Board on 4 November 2019. Key findings of the initial internal control review report were disclosed in the Company’s announcement dated 21 November 2019. The Internal Control Adviser has identified and made recommendations on high-risk deficiencies in the internal control systems of the Company set out below:

- (i) Corporate governance — risk management and independence of internal audit;

- (ii) Internal control operations — inadequate timely risk management and financial monitoring;
- (iii) Internal control operations — execution of comprehensive credit contract and provision of credit;
- (iv) Internal control operations — customer/accounts receivable credit control;
- (v) Internal control operations — imported wine product trading negotiation, sales, prepayment control; and
- (vi) Internal control operations — the Purchase Agreement.

Following such recommendations, actions and steps were taken by the current management of the Group. Management of the Company has responded actively and rectified the internal control risk exposures identified in the initial report. Due to lockdown measures and travel restrictions of governments in response to COVID-19, the work of the Internal Control Adviser, which was scheduled to commence in January 2020, was substantially delayed. The Internal Control Adviser has conducted follow-up review on rectification work up to early August and issued its follow-up internal control review report on 31 August 2020.

Pursuant to the follow-up report, identified internal control deficiencies have been rectified, the overall risk is now controlled at medium/low level and the Company has also implemented the relevant corporate governance structure and regulations in accordance with the requirements of the Listing Rules. Among the six high-risk deficiencies identified in the initial internal control review report as set out above, the Internal Control Adviser noted that the Company has implemented rectifying measures based on the recommendations in the initial internal control review report and considered that items (i) to (iv) are now reduced from high to medium-risk deficiencies and items (v) and (vi) are now reduced from high to low-risk deficiencies. Other initially medium-risk deficiencies regarding internal control operation for prepayment; internal control on pricing for inter-company transactions; internal control operation on pricing review for raw materials, semi-finished products and packaging materials; internal control management on inconsistency in supporting documents for general procurement/sales vouchers of each subsidiary; and internal control management on quality control are now reduced to low-risk deficiencies. Having considered the findings and results of the follow-up internal control review report, the Directors (including all independent non-executive Directors) concur with the Internal Control Adviser's view that the Company has in place adequate internal control systems to meet the obligations under the Listing Rules.

## **CONTINUED SUSPENSION OF TRADING**

All dealings in the shares of the Company have been suspended with effect from 9:00 a.m. on 13 August 2018. Trading in the shares of the Company will remain suspended until further notice pending fulfilment of the above-stated resumption conditions and such other further conditions that may be imposed by the Stock Exchange. The Company will keep its shareholders and the public informed of the latest developments by making further announcement(s) as and when appropriate.

**Subject to the application and grant of a validation order, any transfer of the Company's shares may be restricted as Hong Kong Securities Clearing Company Limited may at any time, and without notice, exercise its powers to temporarily suspend any of its services in respect of the Company's shares, including the suspension of acceptance of deposits of share certificates of the Company into CCASS. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in shares or other securities of the Company.**

By Order of the Board  
**Tenwow International Holdings Limited**  
*(in Provisional Liquidation)*

**Lin Qi**  
*Director*

Hong Kong, 15 October 2020

*As at the date of this announcement, the executive directors of the Company ("Directors") are Mr. Lin Qi and Mr. Yeung Yue Ming; the non-executive Directors are Mr. Liu Zhao and Mr. Hu Hongwei; and the independent non-executive Directors are Mr. Lam Tin Faat, Mr. Lau Fai Lawrence and Ms. Shen Congju.*