



HAO WEN HOLDINGS LIMITED
皓文控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8019

First Quarterly Report 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Hao Wen Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

HIGHLIGHTS

- Turnover of the Group for the three months ended 31 March 2013 was approximately RMB9,646,000, representing a decrease of approximately 65% as compared with that of the corresponding period in 2012.
- Loss attributable to equity shareholders of the Company for the three months ended 31 March 2013 was approximately RMB9,210,000.
- Loss per share was approximately RMB0.50 cents.
- The Directors do not recommend the payment of any interim dividend for the three months ended 31 March 2013.

QUARTERLY RESULTS (UNAUDITED)

The board of Directors (the "Board") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 31 March 2013 (the "Period"), together with the unaudited comparative figures for the three months ended 31 March 2012, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 31 March 2013

		(Unaudited) For the three months ended 31 March	
	Notes	2013 RMB'000	2012 RMB'000 (restated)
Turnover	3	9,646	27,751
Cost of sales		(9,256)	(23,857)
Gross profit		390	3,894
Other gains and losses	5	(2,139)	(543)
General and administrative expenses		(6,422)	(6,809)
Loss from operations	6	(8,171)	(3,458)
Finance costs	6(a)	(1,039)	(1,035)
Loss before taxation	6	(9,210)	(4,493)
Income tax expenses	7	-	-
Loss for the period from continuing operations		(9,210)	(4,493)
Discontinued operation			
Loss for the period from discontinued operation		-	(6,174)
Loss for the period		(9,210)	(10,667)
Other comprehensive gain/(loss), net of tax			
Exchange differences on translation into presentation currency		(90)	569
Total comprehensive loss for the period		(9,300)	(10,098)
Loss for the period attributable to owners of the Company		(9,210)	(10,667)
Total comprehensive loss for the period attributable to owners of the Company		(9,300)	(10,098)
Loss per share	8		
For continuing and discontinued operations – Basic and diluted		RMB(0.50) cents	RMB(0.58) cents
For continuing operations – Basic and diluted		RMB(0.50) cents	RMB(0.25) cents

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 1 August 2000 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. Its shares have been listed on GEM since 20 July 2001. The Group is primarily engaged in trading of biodegradable food containers and disposable industrial packaging for consumer products.

Going concern basis

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group notwithstanding that:

- the Group had consolidated loss attributable to owners of the Company of approximately RMB9,210,000 for the period ended 31 March 2013;
- the Group had consolidated net current liabilities of approximately RMB115,043,000 as at 31 December 2012.

The directors adopted the going concern basis in the preparation of the financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group:

(1) Financial supports

Beckon Investments Limited, one of the major shareholders of the Company has confirmed to provide continuing financial support to the Group to enable it to continue as a going concern and to settle liabilities as and when they fall due.

(2) Attainment of profitable and positive cash flow operations

The Group is taking measures to tighten cost controls over various costs and expenses and to seek new investment and business opportunities with an aim to attain profitable and positive cash flow operations. In the opinion of the directors, in light of the various measures/arrangements implemented after the end of reporting period, the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the financial statements.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated results have been prepared in accordance with International Financial Reporting Standards published by the International Accounting Standards Board, and are supplemented by the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. The accounting policies adopted are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2012, except for the adoption of new interpretations and amendments to IFRSs and the accounting policies adopted for new transactions, noted below.

The Group has adopted the following new or revised IFRSs which are relevant to its business for the first time for these consolidated quarterly results:

IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interest in Other Entities
IFRS 13	Fair Value Measurement
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint arrangements Disclosure of Interests in Other Entities: Transition Guidance
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IFRSs IFRIC Int 20	Annual Improvements to IFRSs 2009–2011 Stripping Costs in the Production Phase of Surface Mine

The Group has not early applied the following new or revised standards, amendments and interpretations that have been issued but are not yet effective:

IFRS 9	Financial instruments ²
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ²
Amendment to IFRS 10, IFRS 12 and IAS 27	Investment Entities ¹
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities ¹

¹ Effective for annual periods beginning on or after 1 January 2014.

² Effective for annual periods beginning on or after 1 January 2015.

2. BASIS OF PREPARATION *(continued)*

(a) Statement of compliance *(continued)*

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under IFRS9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designed as at fair value through profit or loss, IFRS 9 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk not subsequently reclassified to profit or loss. Previously, under IFRS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that IFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2015 and that the application of new standard may have a significant impact on amounts reported in respect of Group's financial assets. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors of the Company anticipate that the application of these new and revised standards, amendments and interpretations will have no material impact on the consolidated financial statements.

2. BASIS OF PREPARATION *(continued)*

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the investment properties and certain financial instruments, which are measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currencies of the Company and its major subsidiary in the People's Republic of China (the "PRC") are Hong Kong dollars and Renminbi ("RMB") respectively. For the purpose of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency. All financial information presented in RMB has been rounded to the nearest thousand.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and report amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. TURNOVER

Turnover represents the sales value of goods supplied to customers, which excludes value added tax and is stated after deduction of all goods returns and trade discounts.

	2013 RMB'000	2012 RMB'000 (restated)
Continuing operations:		
Sale of biodegradable products	9,646	27,667
Distribution of skin care products	–	84
	9,646	27,751
Discontinued operation:		
Sale of pharmaceutical products	–	20,641
Total	9,646	48,392

4. SEGMENT REPORTING

Segment Revenues and Results

(unaudited)						
For the three months ended 31 March						
	Biodegradable products		Skin care products		Consolidated	
	2013 RMB'000	2012 RMB'000 (restated)	2013 RMB'000	2012 RMB'000 (restated)	2013 RMB'000	2012 RMB'000 (restated)
Turnover						
External sales	9,646	27,667	–	84	9,646	27,751
Result						
Segment result	(3,716)	(426)	(181)	(96)	(3,897)	(522)
Unallocated corporate expenses					(4,274)	(2,936)
Loss from operations					(8,171)	(3,458)
Finance costs					(1,039)	(1,035)
Loss before taxation					(9,210)	(4,493)
Income tax expenses					–	–
Loss for the period from continuing operations					(9,210)	(4,493)
Loss for the period from discontinued operation					–	(6,174)
Loss for the period					(9,210)	(10,667)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2012: Nil).

Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' emoluments, impairment loss on available-for-sale investments, impairment loss on intangible assets, impairment loss recognised in respect of trade receivables, impairment loss on interests in associates, share of results of associates, gain on disposal of subsidiaries, finance costs and income tax expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. OTHER GAINS AND LOSSES

(Unaudited)
For the three months
ended 31 March

	2013 RMB'000	2012 RMB'000 (restated)
Continuing operations:		
Fair value loss on financial assets at fair value through profit or loss	–	(121)
Loss on disposal of financial assets at fair value through profit or loss	–	(749)
Loss on disposal of subsidiary	(2,394)	–
Sample income	–	(1)
Sundry income	255	328
	(2,139)	(543)
Discontinued operation:		
Sample income	–	2
Sundry income	–	8
Total	(2,139)	(533)

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(Unaudited)
For the three months
ended 31 March

	2013 RMB'000	2012 RMB'000 (restated)
(a) Net finance (costs)/income		
Continuing operations:		
Interest on convertible notes	(734)	(730)
Interest on promissory notes	(306)	(305)
Bank interest income	1	–
	(1,039)	(1,035)
Discontinued operation:		
Interest on bank and other borrowings wholly repayable within five years	–	(2,040)
Net financial cost recognised in consolidate statement of comprehensive income	(1,039)	(3,075)

6. LOSS BEFORE TAXATION *(continued)*

Loss before taxation is arrived at after charging: *(continued)*

(Unaudited)		
For the three months		
ended 31 March		
	2013	2012
	RMB'000	RMB'000
		(restated)
(b) Staff costs		
Continuing operations:		
Contributions to defined contribution retirement plans	16	13
Salaries, wages and other benefits	499	481
	515	494
Discontinued operation:		
Salaries, wages and other benefits	–	3,182
Total staff costs	515	3,676
(c) Other items		
Continuing operations:		
Amortisation of intangible assets	4,278	4,350
Depreciation of property, plant and equipment	198	198
Auditors' remuneration	411	406
Cost of inventories sold	9,256	23,857
Discontinued operation:		
Depreciation	–	318
Advertising and promotion expense	–	1,350
Cost of inventories sold	–	6,219

7. INCOME TAX EXPENSES

Income tax expenses in the consolidated statement of comprehensive income represents:

	(Unaudited) For the three months ended 31 March	
	2013 RMB'000	2012 RMB'000 (restated)
Continuing operations:		
Current tax		
Hong Kong	–	–
PRC enterprise income tax	–	–
Discontinued operation:		
Current tax		
PRC enterprise income tax	–	–
	–	–

(i) Hong Kong profits tax

Hong Kong income tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the period ended 31 March 2013.

(ii) Income taxes outside Hong Kong

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Company and the Company's subsidiaries registered in the BVI are not subject to any income tax in the Cayman Islands and BVI, respectively.

The subsidiary of the Group established in the PRC is generally subject to PRC enterprise income tax on its taxable income at an income tax rate of 25% in respect of the Period (2012: 25%).

8. LOSS PER SHARE

For continuing and discontinued operations

The calculations of basic loss per share for the three months ended 31 March 2013 are based on the loss attributable to shareholders of approximately RMB9,210,000 (2012: RMB10,667,000) respectively, and on the weighted average number of 1,832,090,909 (2012: 1,832,090,909) ordinary shares in issue during the Period.

For continuing operations

The calculations of basic loss per share for the three months ended 31 March 2013 are based on the loss attributable to shareholders of approximately RMB9,210,000 (2012: RMB4,493,000) respectively, and on the weighted average number of 1,832,090,909 (2012: 1,832,090,909) ordinary shares in issue during the Period.

Diluted loss per share for the three months ended 31 March 2013 and 2012 were the same as basic loss per share as the effects of the Company's convertible notes and share options were anti-dilutive.

9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital	Share premium	Capital reserve	Capital reduction reserve	Share option reserve	General reserve fund	Foreign currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2012	17,122	72,080	7,195	92,489	20,103	9,025	(2,786)	(212,889)	2,339
Total comprehensive loss for the three months ended 31 March 2012	-	-	-	-	-	-	569	(10,667)	(10,098)
At 31 March 2012	17,122	72,080	7,195	92,489	20,103	9,025	(2,217)	(223,556)	(7,759)
At 1 January 2013	17,122	72,080	-	92,489	20,103	-	(10,277)	(195,283)	(3,766)
Total comprehensive loss for the three months ended 31 March 2013	-	-	-	-	-	-	(90)	(9,210)	(9,300)
At 31 March 2013	17,122	72,080	-	92,489	20,103	-	(10,367)	(204,493)	(13,066)

10. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the Period (2012: Nil).

11. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to confirm with current year presentation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Review

For the three months ended 31 March 2013 (the "Period"), the Group recorded an unaudited consolidated turnover of approximately RMB9,646,000 (2012: RMB27,751,000), which represented an approximately 65% decrease as compared with that of the corresponding period in 2012. The decrease in turnover was due to significant increase production costs and subcontracting charges. Such increases have weakened the competitiveness of our products.

The general and administrative expenses for the Period decreased by approximately RMB387,000 or 6% as compared with the corresponding period in 2012. This was due to stricter control on the Group's office expenses by the management.

Loss attributable to shareholders of the Company for the Period amounted to RMB9,210,000 (2012: RMB10,667,000), which represented approximately RMB1,457,000 or 14% decrease as compared with the corresponding period in 2012.

Business Review

The biodegradable containers and disposable industrial packaging products are traded under the brand name "Earth Buddy". The materials used to produce such products are mainly agricultural waste, such as sugar cane dregs (a sideproduct of sugar refinery), straw, wheat stalk, reed and bamboo. Our biodegradable products are 100% biodegradable to avoid environmental and aesthetic pollution. In this sense, our biodegradable products are truly environmental friendly as they are produced by recycling waste materials into useful products, unlike some of our competitors, who make their disposable containers of papers, which results in major global deforestation, or edible materials, such as corn starch.

MANAGEMENT'S DISCUSSION AND ANALYSIS *(continued)*

Major Events During the Period

Material acquisition and disposals

On 22 February 2013, Lucky River Limited, a subsidiary of the Company (the "Vendor"), entered into a Sale and Purchase Agreement (the "Agreement") with San Cheng Song Investment Company Limited, an independent third party (the "Purchaser"), pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Company's entire interest in 珠海奥美斯美容有限公司 ("Zhuhai Aomeisi Beauty Treatment Company Limited"), a wholly owned subsidiary of the Company, for a total consideration of HK\$8,500,000. The completion of the transaction took place on 19 March 2013.

Extension of the maturity date of promissory notes

The Group received a written confirmation dated 25 March 2013 from promissory notes holder, Talent Keen Limited agreed to extend the maturity date on promissory notes from 27 May 2013 to 27 May 2015, bearing interest at 5% per annum.

Major Events After Reporting Period

On 5 April 2013, the Company received notices from Alpha Tycoon Limited and Talent Keen Limited (collectively, the "Bondholders"), requesting for the conversion of the Convertible Bonds in the principal amount of HK\$4,457,764 and HK\$15,000,000 respectively.

Future Prospects

The Directors intend to focus on the biodegradable products business by penetrating and developing the European market that has a population which, on average, has a higher level of awareness of environmental issues. The Group has intention to develop the worldwide market for its biodegradable products in spite of the growing competition in similar products. The Group is actively seeking strategic partners in different geographical regions to expand its business through business cooperation in various forms including technology transfer and business joint ventures. The goal of the Group is to build a sustainable and profitable global business while help protect and enhance the global environment. At present, the Group's biodegradable products are manufactured by subcontracting factories. In the event that the Group has adequate financial resources, the Group has intention to acquire or set up its own factory for the manufacturing of the biodegradable products.

OTHER INFORMATION

Directors' and Chief Executive's Interests and Short Positions in the Share, Underlying Shares and Debentures of the Company

At 31 March 2013, the interests and short positions of the directors and the chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules were as follows:

Name of Director	Capacity/ Nature of interest	No. of shares (Note)	Approximate percentage of interest
Mr. Hu Yangxiong	Beneficial Owner and interest of a controlled corporation	91,000,000 (L)	4.97%

Notes:

The letter "L" denotes a long position in shares.

Save as disclosed above, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 March 2013.

OTHER INFORMATION *(continued)*

Substantial Shareholders

As at 31 March 2013, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Name	Capacity/ Nature of interest	No. of shares <i>(Note 1)</i>	Approximate percentage of interest
Mr. Yip Chi Fai, Stevens <i>(Note 2)</i>	Interest of controlled corporation	193,975,000 (L)	10.59%
Beckon Investments Limited	Beneficial owner	193,975,000 (L)	10.59%

Notes:

1. The letter "L" denotes a long position in shares.
2. Mr. Yip Chi Fai, Stevens is deemed or taken to be interested in these shares which are beneficially owned by his wholly owned company, namely Beckon Investments Limited for the purpose of the SFO.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company at 31 March 2013.

Options to subscribe for shares in the Company

Pursuant to a share option scheme adopted by the Company on 24 September 2009, the Directors may, at their discretion, offer to employees, Directors of the Company or its subsidiaries other eligible participants options to subscribe for shares in the Company subject to the terms and conditions stipulated therein.

The exercise price of options is the highest of the nominal value of the shares, the closing price of the shares on the Stock Exchange on the date of grant and the average closing price of the shares on the Stock Exchange for the five business days immediately preceding the date of grant. The options vest immediate from the date of grant and are then exercisable within a period of ten years.

OTHER INFORMATION *(continued)*

Options to subscribe for shares in the Company *(continued)*

At 31 March 2013, the director, employees, consultants, advisors, former director and other service providers of the company had the following interests in options to subscribe for shares of the company under the share option scheme of the company. The options are unlisted. Each option gives the holder the right to subscribe for one ordinary share of HK\$0.01 of the company.

Details of grantees	No. of options outstanding	Date granted	Period during which options are exercisable	Exercise price per share
Hu Yangxiong (Director)	86,760,000	22 January 2010	2 December 2009 to 1 December 2019	HK\$0.2488
Leung King Fai (Director)	4,000,000	11 November 2009	11 November 2009 to 10 November 2019	HK\$0.211
Consultants, Advisers, Service Providers, Employees and Others	61,000,000	11 November 2009	11 November 2009 to 10 November 2019	HK\$0.211

The options granted to the directors are registered under the names of the directors who are also the beneficial owners.

Directors' and chief executives' rights to acquire shares or debt securities

As at 31 March 2013, save as disclosed above, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, chief executives or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right.

OTHER INFORMATION *(continued)*

Competing interest

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competes or may compete with the business of the Group in the PRC.

Audit committee

The Company established an audit committee in July 2001 with terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee include the review and supervision of the financial reporting process and the internal monitoring system of the Group. As at the date of this report, the audit committee has three members comprising Mr. Lam Kai Tai, Mr. Wong Ting Kon and Ms. Yeung Mo Sheung, Ann, the three Independent Non-executive Directors. The audit committee meets at least quarterly. The Group's unaudited first quarterly results for the Period have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

Purchase, sale or redemption of shares

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the Period.

By Order of the Board
Hao Wen Holdings Limited
Chow Yik
Chairman

Hong Kong, 15 May 2013

As at the date hereof, the executive directors of the Company are Mr. Chow Yik, Mr. Hu Yangxiong, Mr. Lee Cheuk Yue, Ryan and Mr. Leung King Fai; the independent non-executive directors of the Company are Mr. Lam Kai Tai, Mr. Wong Ting Kon and Ms. Yeung Mo Sheung, Ann.

This report will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at <http://www.tricor.com.hk/websevice/008019>.