



HAO WEN HOLDINGS LIMITED

皓文控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8019



**THIRD
QUARTERLY
REPORT
2017**

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

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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 of the Stock Exchange 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 (“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 document misleading.

HIGHLIGHTS

- Turnover for the nine months ended 30 September 2017 amounted to approximately RMB34,409,000, representing an increase of approximately 131.3% as compared to the corresponding period in 2016.
- Loss attributable to owners of the Company for the nine months ended 30 September 2017 was approximately RMB36,738,000.
- Loss per share for the nine months ended 30 September 2017 was approximately RMB1.77 cents.
- The Directors do not recommend the payment of any dividends for the nine months ended 30 September 2017.

UNAUDITED FINANCIAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months and three months ended 30 September 2017, together with the comparative unaudited figures for the corresponding periods in last financial year, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

	Note	For the nine months ended 30 September		For the three months ended 30 September	
		2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000
Turnover	3	34,409	14,879	12,091	5,524
Cost of sales		(9,421)	(3,288)	(3,322)	(23)
Gross profit		24,988	11,591	8,769	5,501
Other gains and losses	5	(34,356)	(2,430)	(4,987)	(5,469)
General and administrative expenses		(26,773)	(16,462)	(8,895)	(4,655)
Loss from operations		(36,141)	(7,301)	(5,113)	(4,623)
Share of results of associates		398	496	143	144
Finance costs	6(a)	(336)	(301)	(138)	(91)
Loss before taxation	6	(36,079)	(7,106)	(5,108)	(4,570)
Income tax expenses	7	(2,247)	(1,641)	(627)	(832)
Loss for the period		(38,326)	(8,747)	(5,735)	(5,402)
Other comprehensive (loss)/income for the period, net of tax					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(20,722)	10,578	(8,133)	1,807
Total comprehensive (loss)/income for the period		(59,048)	1,831	(13,868)	(3,595)
Loss for the period attributable to:					
Owners of the Company		(36,738)	(6,476)	(5,206)	(4,878)
Non-controlling interests		(1,588)	(2,271)	(529)	(524)
Total comprehensive (loss)/income for the period attributable to:					
Owners of the Company		(57,460)	4,102	(13,339)	(3,071)
Non-controlling interests		(1,588)	(2,271)	(529)	(524)
Loss per share					
– Basic and diluted (RMB cents)	8	(1.77)	(0.44)	(0.24)	(0.27)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL 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, and its shares have been listed on the GEM of the Stock Exchange with effect from 20 July 2001. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Level 20, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Group is primarily engaged in money lending business, trading and manufacturing of biomass fuel and trading of electronic parts.

The functional currencies of the Company and its major subsidiaries are Hong Kong dollars and Renminbi ("RMB"). For the purpose of presenting the consolidated financial statements, the Group adopted RMB as its presentation currency.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS"). The unaudited condensed consolidated financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The condensed consolidated financial information should be read in conjunction with the 2016 annual financial statements. The accounting policies and methods of computation used in preparation of these condensed financial information are consistent with those used in the annual financial statements for the year ended 31 December 2016 except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") which are effective for the accounting periods beginning on or after 1 January 2017 and relevant to its operations. The adoption of the new IFRSs has no material impact on the Group's results and financial position for current or prior periods. The Group has not applied any new standard or interpretation that is not yet effective for the current period, which has no material impact on the Group.

3. TURNOVER

Turnover represents the (i) sales value of goods supplied to customers, which excludes value-added tax, and is stated after deduction of any goods returns and trade discounts and (ii) interest income earned from the money lending business.

	(Unaudited) For the nine months ended 30 September		(Unaudited) For the three months ended 30 September	
	2017 RMB'000	2016 RMB'000	2017 RMB'000	2016 RMB'000
Trading and manufacturing of biomass fuel	–	3,389	–	23
Interest income on money lending business	22,632	11,490	7,858	5,501
Trading of electronic parts	11,777	–	4,233	–
	34,409	14,879	12,091	5,524

4. SEGMENT REPORTING

Segment revenues and results

	(Unaudited)							
	For the nine months ended 30 September							
	Biomass fuel products		Money lending		Trading of electronic parts		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover								
External sales	-	3,389	22,632	11,490	11,777	-	34,409	14,879
Result								
Segment results	(3,386)	(4,755)	10,182	10,114	2,356	-	9,152	5,359
Unallocated corporate expenses							(10,741)	(10,229)
Fair value loss on financial assets at fair value through profit or loss							(34,552)	(2,431)
Loss from operations							(36,141)	(7,301)
Share of results of associates							398	496
Finance costs							(336)	(301)
Loss before taxation							(36,079)	(7,106)
Income tax expenses							(2,247)	(1,641)
Loss for the period							(38,326)	(8,747)

	(Unaudited)							
	For the three months ended 30 September							
	Biomass fuel products		Money lending		Trading of electronic parts		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Turnover								
External sales	-	23	7,858	5,501	4,233	-	12,091	5,524
Result								
Segment results	(1,113)	(1,146)	2,461	5,095	910	-	2,258	3,949
Unallocated corporate expenses							(2,188)	(3,103)
Fair value loss on financial assets at fair value through profit or loss							(5,183)	(5,469)
Loss from operations							(5,113)	(4,623)
Share of results of associates							143	144
Finance costs							(138)	(91)
Loss before taxation							(5,108)	(4,570)
Income tax expenses							(627)	(832)
Loss for the period							(5,735)	(5,402)

5. OTHER GAINS AND LOSSES

	(Unaudited)		(Unaudited)	
	For the nine months ended 30 September		For the three months ended 30 September	
	2017	2016	2017	2016
	RMB'000	RMB'000	RMB'000	RMB'000
Fair value loss on financial assets at fair value through profit or loss	(34,552)	(2,431)	(5,183)	(5,469)
Sundry income	-	1	-	-
Gain on disposal of plant and equipments	196	-	196	-
	(34,356)	(2,430)	(4,987)	(5,469)

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	(Unaudited)		(Unaudited)	
	For the nine months ended 30 September		For the three months ended 30 September	
	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>	2017 <i>RMB'000</i>	2016 <i>RMB'000</i>
(a) Finance costs				
Interest on obligations under finance lease	336	301	138	91
(b) Staff costs (excluding directors' remuneration)				
– Contributions to defined contribution plans	71	98	17	23
– Salaries, wages and other benefits	2,346	2,223	722	736
Directors' remuneration	726	1,057	221	219
Total staff costs	3,143	3,378	960	978
(c) Other items				
Amortisation of intangible assets	–	148	–	49
Depreciation	4,557	6,240	1,435	1,871
Auditors' remuneration	621	604	202	204
Cost of inventories sold	9,421	3,288	3,322	23

7. INCOME TAX EXPENSES

	(Unaudited) For the nine months ended 30 September		(Unaudited) For the three months ended 30 September	
	2017 RMB'000	2016 <i>RMB'000</i>	2017 RMB'000	2016 <i>RMB'000</i>
Current tax				
Hong Kong	1,658	1,641	400	832
PRC enterprise income tax	589	–	227	–
	2,247	1,641	627	832

(i) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the period ended 30 September 2017.

(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 the BVI, respectively.

The subsidiaries of the Company established in the People's Republic of China (the "PRC") are generally subject to the PRC enterprise income tax of 25% for the period ended 30 September 2017 (2016: 25%).

8. LOSS PER SHARE

The calculation of basic loss per share for the three months ended 30 September 2017 was based on the loss for the period attributable to owners of the Company of approximately RMB5.21 million (2016: loss for the period attributable to owners of the Company of approximately RMB4.88 million) and on the weighted average number of shares of approximately 2,146,520,588 shares (2016: 1,788,780,588 shares).

The calculation of basic loss per share for the nine months ended 30 September 2017 was based on the loss for the period attributable to owners of the Company of approximately RMB36.74 million (2016: loss for the period attributable to owners of the Company of approximately RMB6.48 million) and on the weighted average number of shares of approximately 2,075,758,830 shares (2016: 1,461,841,272 shares).

Diluted loss per share for the three months ended 30 September 2017 (three months ended 30 September 2016) and nine months ended 30 September 2017 (nine months ended 30 September 2016) were the same as the basic loss per share. The Company's outstanding share options, warrants and convertible notes were not included in the calculation of diluted loss per share because the effects of the Company's outstanding share options and warrants were anti-dilutive.

9. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital	Share premium	Warrants reserve	Capital reduction reserve	Share option reserve	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2016	4,067	147,798	1,263	495,170	34,896	2,341	(404,950)	280,585	24,344	304,929
Loss for the nine months ended 30 September 2016	-	-	-	-	-	-	(6,476)	(6,476)	(2,271)	(8,747)
Exchange differences on translating foreign operations	-	-	-	-	-	10,578	-	10,578	-	10,578
Total comprehensive income/(loss) for the nine months ended 30 September 2016	-	-	-	-	-	10,578	(6,476)	4,102	(2,271)	1,831
Issue of new shares	25,780	180,459	-	-	-	-	-	206,239	-	206,239
Transaction costs attributable to issue of new shares	-	(3,093)	-	-	-	-	-	(3,093)	-	(3,093)
At 30 September 2016	29,847	325,164	1,263	495,170	34,896	12,919	(411,426)	487,833	22,073	509,906
At 1 January 2017	29,847	325,164	1,263	495,170	34,568	29,283	(488,139)	427,156	(9,554)	417,602
Loss for the nine months ended 30 September 2017	-	-	-	-	-	-	(36,738)	(36,738)	(1,588)	(38,326)
Exchange differences on translating foreign operations	-	-	-	-	-	(20,722)	-	(20,722)	-	(20,722)
Total comprehensive loss for the nine months ended 30 September 2017	-	-	-	-	-	(20,722)	(36,738)	(57,460)	(1,588)	(59,048)
Issue of new shares	6,337	33,271	-	-	-	-	-	39,608	-	39,608
Transaction costs attributable to issue of new shares	-	(792)	-	-	-	-	-	(792)	-	(792)
Lapse of warrants	-	-	(1,263)	-	-	-	1,263	-	-	-
At 30 September 2017	36,184	357,643	-	495,170	34,568	8,561	(523,614)	408,512	(11,142)	397,370

10. DIVIDEND

The Directors do not recommend the payment of any dividends for the nine months ended 30 September 2017 (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the nine months ended 30 September 2017 (the "Period"), the Group recorded an unaudited consolidated turnover of approximately RMB34,409,000 (2016: RMB14,879,000), which represented an increase of approximately 131.3% as compared with that of the corresponding period in 2016.

The increase of turnover was mainly attributed to the increase in revenue from the money lending business and the trading of electronic parts. Interest income earned from the money lending business increased by approximately RMB11,142,000 or 97.0% as compared with the corresponding period in 2016. Meanwhile the revenue from trading of electronic parts had recorded approximately RMB11,777,000 during the period under review.

The other gains and losses comprises the gain on disposal of plant and equipments of approximately RMB196,000 (2016: Nil) and the net unrealised loss of approximately RMB34,552,000 (2016: RMB2,431,000) recorded from the listed securities portfolio held by the Group as at 30 September 2017.

The general and administrative expenses for the Period increased by approximately RMB10,311,000 or 62.6% as compared with the corresponding period in 2016. The increase was mainly attributed to the increased advertising expenses recorded during the period under review.

Finance costs for the Period increased by approximately RMB35,000 or 11.6% as compared with the corresponding period in 2016. The finance costs for the period under review represented the interest expenses on the obligations under finance leases entered by the Group for the acquisition of fixed assets.

Loss attributable to owners of the Company for the Period amounted to RMB36,738,000 (2016: RMB6,476,000), which represented an increase of approximately RMB30,262,000 or 467.3% as compared with the corresponding period in 2016.

Business Review and Future Prospect

During the period under review, the Group continued to focus on the money lending business in Hong Kong and trading of electronic parts in the PRC.

Despite the competitive and uncertain business environment for the loan market in Hong Kong, the Group recorded a growth of 97.0% in revenue from money lending business as compared with the corresponding period in 2016 due to the persisting high demand for loan products in the market during the period under review. As at 30 September 2017, the loan portfolio held by the Group was approximately RMB317.4 million. The interest income earned from the money lending business was approximately RMB22,632,000 during the period under review, which represented approximately 65.8% of the total revenue.

The trading of electronic parts business acquired in 2017 recorded a turnover of approximately RMB11,777,000 during the period under review. The Group foresees the trading business will meet performance as expected since the order quantity recorded a constant growth.

The performance of biomass fuel business was significantly influenced by the competitive price of crude oil. The Directors will minimise the capital expenditure and actively cutting the unnecessary costs for a long period of time in order to preserve the future ability of expanding the biomass fuel business until the unfavourable factors in energy market has gone. The Directors are pessimistic for the performance of biomass fuel business in 2017.

Looking forward, the Group will devote its resources to expand its business in a proactive yet cautious manner, especially in money lending business in Hong Kong. The management will continue to closely monitor the credit risk of the loan portfolio on an ongoing basis. The Group will also explore other potential investment opportunities with positive prospects in order to broaden our income sources and enhance the value of both the Group and its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations through internally-generated cash flows, finance lease provided by financial institutions and shareholder's equity of the Company.

As at 30 September 2017, the Group had current assets of approximately RMB336,412,000 (31 December 2016: RMB360,353,000) and liquid assets comprising cash and short term securities investments totalling approximately RMB17,411,000 (31 December 2016: RMB54,739,000). The Group's current ratio, calculated based on current assets of approximately RMB336,412,000 (31 December 2016: RMB360,353,000) over the current liabilities of approximately RMB43,040,000 (31 December 2016: RMB41,427,000), was at a healthy level of approximately 7.8 times as at 30 September 2017 (31 December 2016: 8.7 times).

As at 30 September 2017, the Group had long-term obligations under finance leases of approximately RMB2,552,000 (31 December 2016: RMB5,132,000) and short-term obligations under finance leases of approximately RMB1,357,000 (31 December 2016: RMB1,707,000).

The Group had conducted a fund raising exercise during the period under review and a total approximately HK\$43.82 million of net proceeds was raised through placing. As at 30 September 2017, the Group's gearing ratio, being the ratio of total liabilities to total assets, was at a low level of approximately 9.7% (31 December 2016: 10.0%).

With the amount of liquid assets and short term securities investments on hand, the management at the date of this report is of the view the Group has sufficient financial resources to meet its ongoing operational requirements.

CHARGES ON GROUP'S ASSETS

Save as the finance leases entered by the Group, none of the assets of the Group has been pledged to secure any loan granted to the Group.

FOREIGN EXCHANGE EXPOSURE

Since almost all transactions of the Group are denominated in Hong Kong dollars and most of the bank deposits are kept Hong Kong dollars to minimise exposure to foreign exchange risk, the Directors consider the Group's risk exposure to currency fluctuations to be minimal. Therefore, the Group had not implemented any formal hedging on alternative policies to deal with such exposure during the Period.

CAPITAL COMMITMENT

As at 30 September 2017, the Group did not have any material capital commitment (31 December 2016: Nil).

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 8 February 2017, the Company and China Sky Securities Limited ("Placing Agent") entered into the placing agreement ("Placing Agreement"), pursuant to which the Placing Agent agreed to procure not less than six placees ("Placees") to subscribe up to 357,756,117 new shares of the Company on a best effort basis, at an issue price of HK\$0.125 ("Placing Price") per placing share ("Placing Share(s)") ("Placing").

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the shares of the Company ("Share(s)") and the market conditions. The Placing Price represents (i) a discount of approximately 16.11% to the closing price of HK\$0.149 per Share as quoted on the Stock Exchange on 8 February 2017, being the date of the Placing Agreement; and (ii) a discount of approximately 16.44% to the average closing price of HK\$0.1496 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Directors are of the view that the Placing will further facilitate the existing business development and implementation of the business strategies of the Company and supplement the working capital of the Group to meet any future development and obligations. The Placing also represent good opportunities to broaden the shareholders' base and the capital base of the Company.

The Placing was completed on 24 February 2017. An aggregate of 357,740,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees, at the Placing Price of HK\$0.125 per Placing Share. The Company received net proceeds of approximately HK\$43.82 million from the Placing. The Company intended to apply the said net proceeds as to (i) approximately HK\$35.00 million for further expanding the money lending business; and (ii) approximately HK\$8.82 million for general working capital of the Group.

At the date of this report, net proceeds of HK\$35.00 million and HK\$8.82 million raised from the Placing had been applied for the operation of money lending business and for general working capital of the Group respectively.

CAPITAL STRUCTURE

Authorised share capital

As at 30 September 2017, the authorised share capital of the Company ("Authorised Share Capital") was HK\$1,000,000,000 divided into 50,000,000,000 Shares of HK\$0.02 each. The Authorised Share Capital had no change during the Period.

Issued share capital

Upon the completion of the Placing on 24 February 2017, the number of Shares in issue was increased from 1,788,780,588 Shares of HK\$0.02 each to 2,146,520,588 Shares of HK\$0.02 each.

USE OF PROCEEDS

	Nature	Original intended use of proceeds stated in announcement dated 2 December 2015 <i>HK\$</i>	Actual use of proceeds as at the date of this report <i>HK\$</i>	Remaining balance <i>HK\$</i>	Progress
Rights issue	Development of money lending business	200,000,000	200,000,000	–	Used as intended
	Future acquisition or investments	40,760,000	31,068,000	9,692,000	Used as intended and the remaining balance unchanged with the original plan
		240,760,000	231,068,000	9,692,000	

	Nature	Original intended use of proceeds stated in announcement dated 8 February 2017 <i>HK\$</i>	Actual use of proceeds as at the date of this report <i>HK\$</i>	Remaining balance <i>HK\$</i>	Progress
Placing of new shares under general mandate	Operation of money lending business	35,000,000	35,000,000	–	Used as intended
	Working capital	8,820,000	8,820,000	–	Used as intended
		43,820,000	43,820,000	–	

SIGNIFICANT INVESTMENTS

The Group had no significant investment during the Period.

EMPLOYEE INFORMATION

Currently, the Group has about 22 employees working in Hong Kong and in the PRC. The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

GEARING RATIO

As at 30 September 2017, the Group's gearing ratio, being the ratio of total liabilities to total assets, was approximately 9.7%.

CONTINGENT LIABILITIES

As at 30 September 2017, the Group did not have any material contingent liabilities.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 September 2017, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2017, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

SHARE OPTION

The Company has adopted the existing share option scheme (the "Share Option Scheme") on 24 September 2009. The scheme mandate limit of which has been refreshed at the annual general meeting of the Company on 19 May 2017. During the period under review, no share options had been granted, exercised, cancelled nor lapsed.

As at 30 September 2017, certain consultants, advisers and other service providers of the Company had the following interests in options to subscribe for shares of the Company granted for nil consideration under the Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK\$0.02 each of the Company.

Details of grantees	No. of options outstanding	Date granted	Period during which options are exercisable	Exercise price per share
Consultants, Advisers, Service Providers,	160,850	11 November 2009	11 November 2009 to 10 November 2019	HK\$59.029
Employees and Others	11,886,000	28 November 2013	29 November 2013 to 28 November 2017	HK\$4.557
	178,000,000	22 December 2016	22 December 2016 to 21 December 2017	HK\$0.1605

Apart from the foregoing, at no time during the Period was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

DIRECTOR'S AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

As at 30 September 2017, save for the share option scheme, 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.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the Period.

AUDIT COMMITTEE

The Company established an audit committee ("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 control and risk management systems of the Group on ongoing basis. During the Period, the Audit committee comprised of three members and all of whom are independent non-executive Directors. Mr. Kwok Pak Yu, Steven who possesses appropriate professional qualifications, accounting and related financial management expertise, is the Chairman of the Audit Committee. The Audit Committee meets at least quarterly. The Group's unaudited results for the Period have been reviewed by the Audit Committee, and it was in its opinion that (i) the preparation of such results complied with the applicable standards and statutory requirements and the requirements of the Stock Exchange and that (ii) the internal control and risk management systems of the Group had been properly implemented and was adequate to keep the Board informed of the business and the management affairs of the Group. During the Period, no material matters were identified and reported by the Audit Committee to the Board.

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.

EVENTS AFTER THE REPORTING PERIOD

The Group has no material events after the reporting period.

By Order of the Board
Hao Wen Holdings Limited
Tsui Annie
Chairlady

Hong Kong, 9 November 2017

As at the date of this report, the Board comprises the following Directors:

Executive Directors:

Ms. Tsui Annie

Ms. Wang Ziyi

Independent non-executive Directors:

Mr. Kwok Pak Yu, Steven

Ms. Ma Sijing

Ms. Ho Yuen Ki