HAO WEN HOLDINGS LIMITED
皓文控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8019)

REVISED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Hao Wen Holdings Limited, formerly known as Everpride Biopharmaceutical Company Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") 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:

(1) the information contained in this announcement is accurate and complete in all material respects and not misleading;

(2) there are no other matters the omission of which would make any statement in this announcement misleading; and

(3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- Turnover of the Group for the year ended 31 December 2010 was approximately RMB89,226,000 representing an increase of approximately 7% as compared with that of the previous year.
- Loss attributable to owners of the Company for the year ended 31 December 2010 was approximately RMB38,034,000.
- Loss per share was approximately RMB3.33 cents.
- The Directors do not recommend the payment of a final dividend for the year.

RESULTS

The board of Directors (the "Board") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2010, together with the comparative audited figures for the year ended 31 December 2009, as follows:

Consolidated statement of comprehensive income
For the year ended 31 December 2010

	Note	**2010** **RMB'000**	2009 *RMB'000*
Turnover	*3*	**89,226**	83,468
Cost of sales		**(26,945)**	(24,133)
Gross profit		**62,281**	59,335
Other gains and loss	*5*	**(10,041)**	(2,784)
Selling and distribution expenses		**(43,251)**	(36,504)
General and administrative expenses		**(43,246)**	(38,439)
Loss from operations		**(34,257)**	(18,392)
Share of results of associates		**(752)**	–
Finance costs	*6(a)*	**(2,694)**	(10,911)
Loss before taxation	*6*	**(37,703)**	(29,303)
Income tax expenses	*7*	**(331)**	(2,754)
Loss for the year		**(38,034)**	(32,057)
Other comprehensive loss, net of tax			
Exchange differences on translating foreign operations		**(776)**	(24)
Total comprehensive loss for the year		**(38,810)**	(32,081)
Loss for the year attributable to owners of the Company		**(38,034)**	(32,057)
Total comprehensive loss for the year attributable to owners of the Company		**(38,810)**	(32,081)
		RMB cents	*RMB cents*
Loss per share	*8*		
– Basic		**(3.33)**	(4.35)
– Diluted		**(3.33)**	(4.35)

Consolidated statement of financial position

At 31 December 2010

	Notes	**2010** ***RMB'000***	2009 *RMB'000*
Non-current assets			
Investment properties		**1,670**	–
Leasehold properties		**–**	94,930
Plant and equipment		**12,252**	12,635
Intangible assets		**3,472**	–
Goodwill		**6,821**	–
Interests in associates		**4,658**	–
		28,873	107,565
Current assets			
Inventories		**4,729**	5,241
Trade and other receivables	*10*	**67,892**	9,726
Financial assets at fair value through profit or loss		**2,583**	–
Cash and bank balance		**27,692**	18,640
		102,896	33,607
Current liabilities			
Trade and other payables	*11*	**59,853**	80,769
Loans and borrowings		**33,968**	47,545
Current taxation liabilities		**129**	3,955
		93,950	132,269
Net current assets/(liabilities)		**8,946**	(98,662)
Total assets less current liabilities		**37,819**	8,903
Net assets		**37,819**	8,903
Capital and reserves attributable to owners of the Company			
Share capital	*12*	**14,607**	92,623
Reserves	*12*	**23,212**	(83,720)
Total equity		**37,819**	8,903

Note:

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 GEM of the Stock Exchange with effect from 20 July 2001. The addresses of the registered office and principal place of business of the Company are disclosure in the corporate information section of the annual report.

The consolidated financial statements of the Company as at and for the year ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in the manufacture and sales of medicines and securities investments.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board (the "IASB"). These consolidated financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(b) provides information on any changes in accounting policies resulting from initial application relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Application of New and Revised International Financial Reporting Standards

In the current year, the Group has applied, for the first time, the following new and revised Standards, Amendments and Interpretations ("new and revised IFRSs") issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, which are effective for the Group's financial year beginning on 1 January 2010 and relevant to the Group's financial statements.

IFRS 2 (Amendments)	Group cash-settled share-based payment transactions
IFRS 3 (as revised in 2008)	Business combinations
IAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
IAS 28 (as revised in 2008)	Investment in Associates
IAS 39 (Amendments)	Eligible hedged items
IFRSs (Amendments)	Improvements to IFRSs issued in 2009
IFRSs (Amendments)	Amendments to IFRS 5 as part of Improvements to IFRSs issued in 2008
IFRIC 17	Distributions of non-cash assets to owners

The application of the new and revised IFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

IFRS 3 (as revised in 2008) Business Combinations

IFRS 3(as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after 1 January 2010 in accordance with the relevant transitional provisions. Its application has affected the accounting for business combinations in the current year.

The impact of the application of IFRS 3 (as revised in 2008) is as follow:

(i) It allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as "minority" interests) either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree.

(ii) It changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

(iii) It requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.

(iv) It requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

Amendments to IFRS 2 Share-based Payment

The amendments clarify the scope of IFRS 2, as well as the accounting for group cash-settled share based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

IAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of IAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for the Group's changes in ownership interests in subsidiaries of the Group.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in the Group's ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in IFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under IAS 27 (as revised in 2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

These changes have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

In addition, under IAS 27 (as revised in 2008), the definition of non-controlling interest has been changed. Specifically under the revised standard, non-controlling interest is defined as the equity in a subsidiary not attributable, directly or indirectly, to a parent.

IAS 28 (as revised in 2008) Investments in Associates

The principle adopted under IAS 27 (as revised in 2008) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to IAS 28. Therefore, when significant influence over an associate is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

IFRIC 17 Distributions of Noncash Assets to Owners

The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.

Improvements to IFRSs issued in 2009

The application of Improvements to IFRSs issued in 2009 has not had any material effect on amounts reported in the consolidated financial statements

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

IFRSs (Amendments)	Improvements to IFRSs issued in 2010[1]
IFRS 7	Disclosures – Transfer of financial assets[3]
IFRS 9	Financial instruments[4]
IFRS 10	Consolidated financial statements[4]
IFRS 11	Joint arrangements[4]
IFRS 12	Disclosure of interests in other entities[4]
IFRS 13	Fair value measurement[4]
IAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[5]
IAS 19 (Revised 2011)	Employee benefit[4]
IAS 24 (Revised 2009)	Related party disclosures[6]
IAS 27 (Revised 2011)	Separate financial statement[4]
IAS 28 (Revised 2011)	Investments in associates and joint venture[4]
IAS 32 (Amendments)	Classification of rights issues[7]
IFRIC – INT 14 (Amendments)	Prepayments of a minimum funding requirements[6]
IFRIC – INT 19	Extinguishing financial liabilities with equity instruments[2]

[1] *Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.*
[2] *Effective for annual periods beginning on or after 1 July 2010.*
[3] *Effective for annual periods beginning on or after 1 July 2011.*
[4] *Effective for annual periods beginning on or after 1 January 2013.*
[5] *Effective for annual periods beginning on or after 1 January 2012.*
[6] *Effective for annual periods beginning on or after 1 January 2011.*
[7] *Effective for annual periods beginning on or after 1 February 2010.*

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.

3. TURNOVER

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

4. SEGMENT REPORTING

Throughout the year, the Group has been operating in a single business segment, the manufacture and sale of medicines in Mainland China. Accordingly, no segmental analysis is presented.

Information about major customers

Revenue of approximately RMB64,329,000 (2009: RMB47,294,000) are derived from one (2009: two) single external customers. Transactions with each of these major customers have exceeded 10% of the Group's turnover.

5. OTHER GAINS AND LOSS

	2010	2009
	RMB'000	*RMB'000*
Sample income	**211**	173
Gain/(loss) on disposal of leasehold properties and plant and equipment	**2,204**	(1,207)
Sundry income	**402**	1
Impairment loss recognised in respect of trade receivables	**(4,349)**	(1,046)
Impairment loss of available-for-sale investments	**(1,200)**	–
Impairment loss of interest in associates	**(2,990)**	–
Impairment loss of intangible assets	**(2,522)**	–
Fair value loss on financial assets at fair value through profit or loss	**(1,717)**	–
Fair value loss of investment properties	**(80)**	–
Write-off of other receivables	**–**	(705)
	(10,041)	(2,784)

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2010	2009
	RMB'000	*RMB'000*
(a) Net finance costs/(income):		
Interest on bank and other borrowings wholly repayable within five years	**2,699**	10,915
Bank interest income	**(5)**	(4)
Net financial costs recognised in consolidated statement of comprehensive income	**2,694**	10,911
(b) Staff costs:		
Contributions to defined contribution plans	**3,075**	1,070
Equity-settled share-based payment expenses	**–**	2,986
Salaries, wages and other benefits	**15,472**	11,005
Total staff costs	**18,547**	15,061

	2010	2009
	RMB'000	*RMB'000*
(c) Other items:		
Amortisation of intangible assets	**1,199**	–
Amortisation of land lease premium	**207**	276
Depreciation of property, plant and equipment	**5,400**	4,185
Research and development costs	**–**	487
Advertising and promotion expenses	**33,793**	23,863
Auditors' remuneration		
– audit services	**1,500**	670
Cost of inventories sold	**26,945**	24,133
Equity-settled share-based payment expenses	**10,399**	10,749

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2010	2009
	RMB'000	*RMB'000*
Current tax		
PRC enterprise income tax for the year	**331**	2,754

(i) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising from Hong Kong during the years ended 31 December 2010 and 2009.

(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 subject to PRC enterprise income tax on its taxable income at an income tax rate of 25% in respect of the year ended 31 December 2010 (2009: 25%).

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB38,034,000 (2009: RMB32,057,000) and the weighted average of 1,141,771,000 (2009: 736,996,000) ordinary shares.

(b) Diluted loss per share

The diluted loss per share for the years ended 31 December 2010 and 2009 were same as the basic loss per share because the exercise prices of the Company's share options and warrants were higher than the average market price of the shares.

9. DIVIDENDS

The Directors do not recommend the payment of any dividends for the year ended 31 December 2010 (2009: Nil).

10. TRADE AND OTHER RECEIVABLES

	2010	2009
	RMB'000	*RMB'000*
Trade debtors	**68,405**	62,082
Less: allowance for doubtful debts	**(62,419)**	(58,070)
	5,986	4,012
Bills receivables	**1,928**	–
Other receivables	**16,681**	4,244
Rental and other deposits	**35,863**	295
Prepayments	**7,434**	1,175
	67,892	9,726

Included in trade and other receivables are trade debtors with the following ageing analysis as of the end of the reporting period:

	2010	2009
	RMB'000	*RMB'000*
0 to 30 days	**1,765**	145
31 to 60 days	**1,389**	15
61 to 90 days	**1,838**	357
91 to 180 days	**1,170**	1,392
181 to 365 days	**171**	259
Over 365 days	**62,072**	59,914
	68,405	62,082
Less: allowance for doubtful debts	**(62,419)**	(58,070)
	5,986	4,012

The Group generally requires its customer to pay a deposit shortly before delivery of goods, with the remaining balances of the sales with credit periods ranging from 90 to 180 days.

11. TRADE AND OTHER PAYABLES

	2010	2009
	RMB'000	*RMB'000*
Trade creditors	**3,952**	4,473
Accrued expenses and other payables	**55,901**	74,971
Amounts due to directors	**–**	1,325
	59,853	80,769

Included in trade and other payables are trade creditors with the following ageing analysis:

	2010	2009
	RMB'000	*RMB'000*
0 to 30 days	**1,506**	2,442
31 to 60 days	**168**	149
61 to 90 days	**236**	16
91 to 180 days	**245**	49
181 to 365 days	**478**	29
Over 365 days	**1,319**	1,788
	3,952	4,473

12. SHARE CAPITAL AND RESERVES

	Share capital	Share premium	Capital reserve	Capital reduction reserve	Warrants reserve	Share-based compensation reserve	General reserve fund	Exchange reserve	Accumulated losses	Total
	RMB$'000	*RMB $'000*	*RMB $'000*	*RMB'000*	*RMB $'000*	*RMB $'000*	*RMB $'000*	*RMB $'000*	*RMB $'000*	*RMB $'000*
At 1 January 2009	75,438	10,058	7,195	–	–	–	9,025	(664)	(95,255)	5,797
Loss for the year	–	–	–	–	–	–	–	–	(32,057)	(32,057)
Other comprehensive loss for the year	–	–	–	–	–	–	–	(24)	–	(24)
Total comprehensive loss for the year	–	–	–	–	–	–	–	(24)	(32,057)	(32,081)
Issue of warrants, net of warrant issuance expenses	–	–	–	–	204	–	–	–	–	204
Shares issued upon the exercise of warrants	3,878	217	–	–	(62)	–	–	–	–	4,033
Shares issued pursuant to share subscription, net of share issuance expenses	12,690	6,209	–	–	–	–	–	–	–	18,899
Share issued under share option scheme	617	1,730	–	–	–	(1,045)	–	–	–	1,302
Equity settled share-based transaction	–	–	–	–	–	10,749	–	–	–	10,749
At 31 December 2009	92,623	18,214	7,195	–	142	9,704	9,025	(688)	(127,312)	8,903
At 1 January 2010	92,623	18,214	7,195	–	142	9,704	9,025	(688)	(127,312)	8,903
Loss for the year	–	–	–	–	–	–	–	–	(38,034)	(38,034)
Other comprehensive loss for the year	–	–	–	–	–	–	–	(776)	–	(776)
Total comprehensive loss for the year	–	–	–	–	–	–	–	(776)	(38,034)	(38,810)
Issue of share as consideration for acquisition of Jin Hao	1,795	1,077	–	–	–	–	–	–	–	2,872
Issue of share as consideration for acquisition of Merry Sky	3,993	3,195	–	–	–	–	–	–	–	7,188
Share issued pursuant to share subscription, net of share issuance expenses	5,634	13,962	–	–	–	–	–	–	–	19,596
Share capital reduction	(92,489)	–	–	92,489	–	–	–	–	–	–
Issue of warrant, net of warrant issuance expenses	869	177	–	–	(142)	–	–	–	–	904
Issue of share upon placing, net of share issuance expenses	2,182	24,585	–	–	–	–	–	–	–	26,767
Equity settled share-based transaction	–	–	–	–	–	10,399	–	–	–	10,399
At 31 December 2010	14,607	61,210	7,195	92,489	-	20,103	9,025	(1,464)	(165,346)	37,819

EXTRACT OF THE INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010, and of its loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other matters

1. The consolidated financial statements of the Group for the year ended 31 December 2009, were audited by another auditor who expressed a modified opinion on those statements on 20 April 2010.

2. Without qualifying our opinion, the Company published an announcement dated 8 April 2011 relating to the annual results of the Group for the year ended 31 December 2010 (the "Results Announcement"), to fulfill the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Results Announcement contained qualified audit opinion from the Company's former auditors (the "Former Auditors") due to the reason that they had not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Since after the resignation of the Former Auditors on 14 June 2011, the Company has gathered from its associated companies and subsidiaries additional relevant information and documents. The Company subsequently revised the Results Announcement on 15 September 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operation Review

During the year under review, the Group engaged in the production and sales of the medicines known as "Plasmin Capsule" and "Puli Capsule" in Mainland China and trading of shares in Hong Kong.

"Plasmin Capsule" is classified as a "State Class 2 Protected Product of Chinese Medicine" and is entitled to an administrative protection period of seven years commencing from 19 December 2006 and expiring on 29 September 2013. During the administrative protection period, the prescription and the production technology used by the Group in producing "Plasmin Capsule" is protected and no other manufacturers in Mainland China may produce or replicate these products in Mainland China.

According to the clinical studies conducted by medical institutions in Mainland China, "Plasmin Capsule" has the principal effect of resolving blood clots and is used for treatment of cardiovascular and cerebrovascular diseases, while "Puli Capsule" has the principal effect of treating osteoarthritis. Both products are manufactured in the Group's production complex in Taigu County, Shanxi Province, that had been merited with the Good Manufacturing Practices ("GMP") certificate on 28 February 2003.

Financial Review

During the year under review, the Group recorded an audited consolidated turnover of approximately RMB89,226,000 (2009: RMB83,468,000), which represented an increase of approximately 7% as compared with that of 2009. The increase in turnover was mainly due to the increase in sales of "Puli Capsule", which represented approximately 95% of the consolidated turnover of the Group for the financial year 2010. The underlining factor for such increase was that Glucosamine, the major ingredient of "Puli Capsule", had been included in the State Basic Medical Insurance and Labour Insurance Drug Catalogue. This stimulates the sales of "Puli Capsule" because all purchase of "Puli Capsule" can be claimed under insurance fund. In addition, the public awareness and acceptance had been therefore enhanced and this resulted in the increase of the Group's turnover.

The Group's audited consolidated loss for the year was approximately RMB38,034,000 (2009: RMB32,057,000). The increase in loss was mainly due to an increase in the impairment losses of intangible assets, goodwill and interests an associates.

The selling and distribution expenses were increased 18% to RMB43,251,000 as compared to last year. It was mainly due to the increase in advertising and promotion expenses.

The administrative expenses was increased by 12.5% to RMB43,246,000 as compared to last year. It was mainly due to the increase in staff costs.

Net finance expenses of approximately RMB2,694,000 were mainly arisen from interest charges on bank and other borrowings repayable within five years.

During the year, the Group has only two medicines under production and sales: one is "Plasmin Capsule" which is classified as a prescription medicine and its sales is limited to hospitals of which is a relatively weak market for the Group; the other is "Puli Capsule" which is classified as an over-the-counter ("OTC") medicine which has been the major source of revenue for the Group in Mainland China.

The sales of "Puli Capsule" was approximately RMB84,729,000 (2009: RMB77,624,000), representing approximately 95% of the consolidated turnover of the Group during the year. The Group recorded approximately RMB3,708,000 (2009: RMB5,844,000) from the sales of "Plasmin Capsule" representing approximately 4% of the consolidated turnover of the Group during the year. Also, the Group recorded approximately RMB789,000 (2009: Nil) from the distribution income of cosmetic right representing 1% of the consolidated turnover of the Group.

In order to improve the sales of "Plasmin Capsule", the Group will continue to focus more on developing the prescription medicine market through doctors in hospitals. Besides, the Group will put more efforts in mass media advertising to further promote the sales of "Puli Capsule" through the OTC medicine market.

The Directors expect that the above-mentioned measures will improve the market share of the Group's products and thus the returns to shareholders of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the balance of cash and cash equivalents amounted to approximately RMB27,692,000 (2009: RMB18,640,000). During the year, the Group has carried out four funds raising exercises through of subscription warrants and subscription of new shares, net proceeds from these funds raising activities amount to approximately HK$53.65 million. These capital resources provide a substantial support for the Group to business diversification and general working capital of the Company.

Total borrowings of the Group as at 31 December 2010 are approximately RMB33,968,000 (2009: RMB47,545,000) comprising of secured and unsecured other borrowings. The other borrowings are denominated in Renminbi and the interest rates of which were fixed.

The group's gearing ratio as at 31 December 2010 is 71% (2009: 94%), which is calculated by dividing total liabilities of RMB93,950,000 over total assets of the Group of RMB131,769,000.

As at 31 December 2010, the net current assets of the Group is RMB8,946,000 (2009: net current liabilities of RMB98,662,000) and the current ratio of the Group was approximately 1.1 times (2009: 0.25 times).

CAPITAL RAISING

A. On 5 March 2010, the Company entered into the four conditional subscription agreements with the four independent third parties (the "Four Subscribers"). Pursuant to the subscription agreements, the Company agreed to allot and issue, and the Four Subscribers agreed to subscribe for an aggregate of 196,181,818 new ordinary shares of HK$0.10 each in the Company at a subscription price of HK$0.168 per ordinary share.

On 30 March 2010, the condition of the subscription stated in the two subscription agreements has been fulfilled, and the subscription of an aggregate of 49,591,809 new ordinary shares of HK$0.10 each in the Company at a subscription price of HK$0.168 per ordinary share was completed in accordance with their respective terms and conditions. The net proceeds of approximately HK$8 million (approximately equivalent to RMB7 million), net of share issuance expenses, was raised for the general corporate and working capital requirements of the Group and as funds for future development of the Company when investment opportunities arise. On the same date, the two supplemental agreements are entered into between the Company and the another two subscribers respectively in relation to the extension of the completion date of each of their conditional subscription agreements. Under these supplemental agreements, the completion date of each of these two conditional subscription agreements is extended to a day on or before 30 June 2010. Save as the aforesaid, the other terms of these two conditional subscription agreements remain valid and continue to be in full force and effect.

On 9 June 2010, the subscription was completed and the Company successfully raised aggregate net funds approximately of HK$8.2 million by allotment of new shares to subscribers.

B. On 12 August 2010, the Company entered into two subscription agreements with two subscribers, pursuant to which the subscribers have agreed to subscribe for an aggregate of 146,590,009 new shares in the share capital of the Company with an aggregate nominal value of HK$1,465,900, at a subscription price of HK$0.10 per subscription share.

The subscribers are independent of and not connected with the Company, its subsidiaries, the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

The subscription was completed on 18 August 2010, the Company successfully raised aggregate net funds approximately of HK$14.2 million.

C. On 18 November 2010, the Company and a placing agent entered into a placing agreement pursuant to which the Company has conditionally agreed to place, through the placing agent and on a best effort basis, 255,000,000 new shares to independent investors at the placing price of HK$0.126 per placing share. The placement was completed on 26 November 2010. The placing shares were placed out by the placing Agent to not less than six placees, who and whose ultimate beneficial owners are independent third parties. The Company successfully raised aggregate net funds approximately of HK$31.25 million.

CHARGES ON GROUP ASSETS

At 31 December 2009, leasehold properties and exclusive rights to produce and sell the products of "Puli Capsule" of approximately RMB94,925,000 have been pledged to independent third parties to secure a number of loans granted to the Group. At 31 December 2010, none of the assets of the Group has been pledged to secure any loan granted to the Group.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue and incurs cost in Renminbi and its borrowings are denominated in Renminbi. The Directors consider that the impact of foreign exchange exposure of the Group is minimal.

SIGNIFICANT INVESTMENTS

The Group had no significant investments during the year.

MAJOR EVENTS DURING THE YEAR UNDER REVIEW

On 14 December 2009, the Company entered into an agreement with Wu Ching Por, an independent third party to acquire 100% issued share capital of Jin Hao Limited ("Jin Hao") for an aggregate consideration of HK$9,000,000. Jin Hao is an investment holdings company and its subsidiaries are mainly involved in Health Spa Business in China. The Transaction has been completed on 5 February 2010.

On 14 December 2009, the Company entered into an agreement with Cosmetics Holdings Limited, an independent party to acquire 100% issued share capital of Merry Sky Holdings Limited ("Merry Sky") for an aggregate consideration of HK$10,000,000. Merry Sky is involved in distribution of cosmetic and personal care products. The Transaction has been completed on 8 February 2010.

On 15 March 2010, Good Wisdom Holdings Limited ("Good Wisdom"), a direct wholly-owned subsidiary of the Company entered into a joint venture agreement with Beijing Haofeng Yangguang Investment and Consultancy Limited Liability Company（北京昊豐陽光投資諮詢有限公司）and Beijing Huoyi Nianhua Media Technology Limited Liability Company（北京火意年華媒體技術有限公司）to establish a joint venture company in Beijing. The Joint venture company will be principally engaged in the provision of develop, invest in, operate and manage media resources. The registered capital of the joint venture company will be approximately RMB17,000,000 which will be contributed as to 29.41% by Good Wisdom. The transaction has been completed on 23 April 2011.

On 27 May 2010, Xian Jin Hao Asset Management Company Limited（西安金皓資產管理有限公司）(“JH”), a direct wholly-owned subsidiary of the Company entered into an agreement with Shaanxi Ruide Enterprise Development Company Limited（陝西瑞德實業發展有限公司）(“RD”), pursuant to which the JH has agreed to acquire the operating right of Shaanxi Ruilin Investment Management Company Limited（陝西瑞林投資管理有限公司）(“RL”), which is a 51% shareholder of Annuo Insurance Broker Company Limited（安諾保險經紀有限公司）(“Annuo”), a company incorporated in PRC with limited liability, for a term of 15 years from 1 June 2010 to 31 May 2025 from RD at RMB51,000,000. The transaction has not been completed as of the report date. Up to the latest practicable date, conditions precedent for the completion of the acquisition of operating right of RL have not been fulfilled. Due diligence review is still being conducted on the operations and affairs of RL and Annuo. Certificate from an independent capital verification organisation that the shares of RL have been fully paid up including 51% shareholding rights of Annuo has not been obtained because the share capital of RL has not been fully paid up by RD. RL’s articles of association of in relation to the rights of the Company have not been amended by RD. The Acquisition was terminated as the RD could not fulfill certain conditions precedent.

On 30 August 2010, the Company and Shanxi Huizhong Animation Technology Development Company Limited（山西滙眾動漫科技開發有限公司）entered into an agreement in respect of the disposal of the factory buildings and the land located at Taigu County, Shanxi Province PRC and the 7 properties in Shanghai at a total consideration of approximately RMB95.4 million. The transaction has been completed on 24 November 2010.

On 10 November 2010, a Company’s wholly owned subsidiary Xian Jin Hao Asset Management Company Limited（西安金皓資產管理有限公司）entered into an acquisition agreement in relation to the acquisition of 41% equity interest in Jiangyou Yuanshen Pharmaceutical Technology Development Company Limited（江油市元神醫藥科技開發有限公司）to carry the Chinese medicine business. The transaction has been completed on 10 November 2010.

On 24 December 2010, Premium Stars Investments Limited (“PS”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Talent Keen Limited (“TK”) and TK’s guarantor, Mr. Choy Kai Chung Andy, pursuant to which PS conditionally agreed to acquire from TK the entire share capital of Smart Courage Limited at a total consideration of HK$180,000,000. The transaction was completed on 27 May 2011.

MAJOR EVENTS SUBSEQUENT TO THE YEAR

On 29 March 2011, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent has agreed to place, on a best effort basis, to not less than six independent placees for up to 300,000,000 new Shares at a price of HK$0.055 per Placing Share, for and on behalf of the Company. The placement was completed on 21 April 2011.

On 18 May 2011, the Company and Ms. Wu Rong entered into a sale and purchase agreement in relation to the disposal of the entire issued share capital of Top Beauty Holdings Limited ("Top Beauty"), (ii) the interest-free loans amounting to HK$25,270.00 owing by Top Beauty to the Company and (iii) the interest-free loans amounting to HK$6,011,930.00 owing by Good Wisdom Holdings Limited to the Company by the Company to Ms. Wu Rong, at a consideration of HK$6,000,000 payable by Ms. Wu Rong to the Company. The disposal was completed on 17 June 2011.

The Company published an announcement dated 8 April 2011 relating to the annual results of the Group for the year ended 31 December 2010 (the "Results Announcement"), to fulfill the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Results Announcement contained qualified audit opinion from the Company's former auditors (the "Former Auditors") due to the reason that they had not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Since after the resignation of the Former Auditors on 14 June 2011, the Company has gathered from its associated companies and subsidiaries additional relevant information and documents. The Company subsequently revised the Results Announcement on 15 September 2011.

CAPITAL STRUCTURE

On 20 January 2010, special resolutions were passed at an extraordinary general meeting of the Company to implement a capital reorganisation ("the Capital Reorganisation") which, in summary, involved the following:

(a) the nominal value of all the issued Existing Shares will be reduced from HK$0.10 each to HK$0.01 each by cancelling HK$0.09 paid up on each issued Existing Share by way of a reduction of capital;

(b) the credit arising from such reduction of capital will be transferred to the capital reduction reserve account of the Company;

(c) the unissued share capital of the Company together with all the credit arising from the Capital Reduction shall be and is hereby cancelled and diminished (the "Capital Cancellation and Diminution"); and

(d) after the Capital Cancellation and Diminution, the authorised share capital of the Company be hereby increased to HK$200,000,000 by creation of additional New Shares of HK$0.01 each (the "Capital Increase").

Further details of Capital Reorganisation are set out in the Company's circular dated 24 December 2010.

The Issued Capital Reduction and the Authorised Capital Reduction (collectively referred to as the "Capital Reduction") are subject to the Court's approval, and the Capital Reduction will become effective after the Court's approval and registration of the order of the Court confirming the reduction of the issued share capital of the Company and the minutes approved by the Court at the Registrar of Companies in the Cayman Islands. The Capital Reduction was completed on 7 July 2010.

EMPLOYEE INFORMATION

Currently, the Group has about 130 full-time (2009: 130 full-time employees) employees working in Hong Kong and in Mainland China. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. The staff costs, including directors' emoluments, were approximately RMB18,547,000 for the year under review (2009: RMB15,061,000).

CONTINGENT LIABILITIES

As at 31 December 2010, the Group had no contingent liabilities (2009: Nil).

BUSINESS OUTLOOK AND PROSPECTS

The Executive Directors still anticipate that fierce competition in the pharmaceutical industry in Mainland China will continue to strongly affect adversely the future earnings and prospects of the Group.

In order to improve the market share of the Group's products, the Group will continue to engage in research work on both new products development and quality enhancements on existing products. The Executive Directors believe that the introduction of "Plasmin Tablet" will help the Group in developing the prescription medicine market which in turn will enhance the recognition of the Group and its products. Together with Staphylokinese Project if once approved and introduced into the market, the income base of the Group will be broadened and the turnover and operating results will be improved.

Going forward, the Board will make every effort to improve the operation results of the Group and continue to look for other pharmaceutical manufacturers for possible synergetic alliances through means including but not limited to merger and acquisition, so as to strengthen the profitability and minimise the performance risk of the Group.

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 31 December 2010, the interests and short positions of the Directors and Chief Executives of the Company 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 Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity/ Nature of interest	No. of shares *(Note 1)*	Approximate percentage of interest
Mr. Leung King Fai	Beneficial Owner	660,000 (L)	0.043%

Notes:

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

Save as disclosed above, as at 31 December 2010, none of the Directors or Chief Executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the 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 Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders of other members of the Group

So far as known to any Director or Chief Executive of the Company, as at 31 December 2010, persons who have interests and short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholder required to be kept by the Company under Section 336 of the SFO were as follows:

Name	**Capacity/ Nature of interest**	**No. of shares** *(Note 1)*	**Approximate percentage of interest**
Mr. Yip Chi Fai, Stevens *(Note 2)*	Interest of controlled corporation	193,975,000 (L)	12.66%
Beckon Investments Limited	Beneficial owner	193,975,000 (L)	12.66%
Mr. Liu Yinxiao	Beneficial owner	110,000,000 (L)	7.18%
Mr. Zhang Jinxing	Beneficial owner	86,350,000 (L)	5.64%

Notes:

1. The letter "L" denotes a long position in shares of the Company.

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, as at 31 December 2010, the Directors were not aware of any other person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

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 consultants, advisors, service providers, full-time employees and Executive Directors of the Company or its subsidiaries 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 of Hong Kong Limited on the date of grant and the average closing price of the shares on The Stock Exchange of Hong Kong Limited 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.

At 31 December 2010, the directors, employees, consultants, advisors 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 Yanxiong *(Director)*	86,760,000	20 January 2011	2 December 2010 to 1 December 2019	HK$0.2488
Zhang Jianshe *(Former Director)*	7,000,000	11 November 2010	11 November 2010 to 10 November 2019	HK$0.211
Zhao Borui *(Director)*	7,000,000	11 November 2010	11 November 2010 to 10 November 2019	HK$0.211
Leung King Fai *(Director)*	4,000,000	11 November 2010	11 November 2010 to 10 November 2019	HK$0.211
Employees	2,000,000	11 November 2010	11 November 2010 to 10 November 2019	HK$0.211
Consultants, Advisers, & Service Providers	45,000,000	11 November 2010	11 November 2010 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 December 2010, 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.

Competing interest

None of the Directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in any business which directly or indirectly competes with the business of the Group.

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. The audit committee has three members comprising Mr. Lam Kai Tai, Mr. Wong Ting Kon and Ms. Yueng Mo Sheung, Ann, the three Independent Non-executive Directors. The audit committee met four times during the year. The Group's revised audited consolidated results for the year 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 reporting and monitoring system 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 year, no material matters were identified and reported by the Board to the audit committee and the supervisory committee of 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 year.

Code of conduct regarding directors' securities transactions

For the year under review, the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, the Directors have complied with the required standard of dealings and the code of conduct regarding directors' securities transactions for the year under review.

Corporate Governance

Throughout the Period under review, the Company has complied, subject to the following deviations, with the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules, except that:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As at the date of this announcement, Mr. Zhao Borui is the Vice Chairmen and Mr. Hu Yangxiong is the Chief Executive Officer of the Company. The Board is looking for a candidate to fill the vacancy of the Chairman.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. None of the existing Independent Non-executive Directors of the Company is appointed for a specific term. However, all the directors (Executive and Independent Non-executive) are subject to retirement at least once every three years under Bye-Law 87(1) of the Bye-Laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

By Order of the Board
Hao Wen Holdings Limited
Zhao Borui
Vice Chairman

Hong Kong, 15 September 2011

As at the date of this announcement, the executive Directors are Mr. Zhao Borui, Mr. Hu Yangxiong, Mr. Lee Cheuk Yue, Ryan, Mr. Chow Yik, Mr. Chung Chi Mang, and Mr. Leung King Fai; the independent non-executive Directors are Mr. Lam Kai Tai, Ms. Yeung Mo Sheung, Ann and Mr. Wong Ting Kon.

This announcement 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/webservice/008019.