



HAO WEN HOLDINGS LIMITED

皓文控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8019)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 announcement, for which the directors (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 GEM of the Stock Exchange (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 the information contained in this announcement 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 announcement misleading.*

HIGHLIGHTS

- Revenue of the Group for the year ended 31 December 2023 (the “**Year**”) was approximately RMB45,740,000, representing a decrease of approximately 26.7% as compared to the previous year.
- Loss for the Year attributable to owners of the Company was approximately RMB9,378,000, representing a decrease of approximately 82.2% as compared to the previous year.
- Loss per share for the Year was approximately RMB2.63 cents.
- The Board do not recommend the payment of a final dividend for the Year.

RESULTS

The board of Directors (the “**Board**”) announces the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2023, together with the comparative figures for the year ended 31 December 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 RMB'000	2022 <i>RMB'000</i>
Revenue	4	45,740	62,408
Cost of sales		(12,444)	(23,498)
Gross profit		33,296	38,910
Other gains or losses, net	6	2,872	(14,598)
Gains/(losses) on fair value changes of financial assets at fair value through profit or loss		7,813	(12,986)
Impairment losses on trade, loan and other receivables		(26,416)	(28,339)
Impairment losses on interests in associates		(1,984)	(2,540)
General and administrative expenses		(19,883)	(29,314)
Loss from operations		(4,302)	(48,867)
Share of results of associates		–	(19)
Finance cost	7(a)	(5,076)	(4,910)
Loss before tax	7	(9,378)	(53,796)
Income tax credit	8	–	995
Loss for the year attributable to owners of the Company		(9,378)	(52,801)
Other comprehensive income, net of income tax:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		6,950	23,843
Share of changes in other comprehensive income in associates		–	745
<i>Item that will not be reclassified to profit or loss:</i>			
Gain/(loss) on fair value change of a financial asset at fair value through other comprehensive income		72	(1,137)
		7,022	23,451
Total comprehensive loss for the year attributable to owners of the Company		(2,356)	(29,350)
Loss per share	10		
Basic and diluted (<i>RMB cents</i>)		(2.63)	(16.81)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
Non-current assets			
Plant and equipment		317	1,390
Goodwill		–	–
Financial asset at fair value through other comprehensive income		72	–
Interests in associates		–	1,947
Loan receivables	11	166,690	119,156
		<u>167,079</u>	<u>122,493</u>
Current assets			
Trade and other receivables, prepayments and deposits	11	16,932	21,224
Loan receivables	11	156,178	199,313
Financial assets at fair value through profit or loss		35,444	13,048
Tax recoverable		198	198
Cash and bank balances		2,835	4,364
		<u>211,587</u>	<u>238,147</u>
Current liabilities			
Trade and other payables	12	27,050	8,074
Income tax payables		5	5
		<u>27,055</u>	<u>8,079</u>
Net current assets		<u>184,532</u>	<u>230,068</u>
Total assets less current liabilities		<u>351,611</u>	<u>352,561</u>
Non-current liabilities			
Deferred tax liabilities		–	–
Bonds payables	13	58,885	57,479
		<u>58,885</u>	<u>57,479</u>
Net assets		<u>292,726</u>	<u>295,082</u>
Capital and reserves			
Share capital	14	3,614	3,614
Reserves		289,112	291,468
		<u>292,726</u>	<u>295,082</u>
Total equity		<u>292,726</u>	<u>295,082</u>

NOTES

1. GENERAL INFORMATION

The Company was a public limited company 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 are listed on 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 12, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Group are primarily engaged in the money lending, processing and trading of electronic parts, provision of beauty treatment services and sales of burial plots and related services and cemetery maintenance services.

2. BASIS OF PREPARATION

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

The IASB has issued certain new and amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments for the current and prior accounting periods reflected in the consolidated financial statements.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRSs

(a) Application of new and revised IFRSs

The Group has applied the following new and amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the October 2020 and February 2022 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to IFRSs in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current ¹
Amendments to IAS 1	Non-current Liabilities with Covenants ¹
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ¹
Amendments to IAS 21	Lack of Exchangeability ³
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ¹

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of the above amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

Revenue represents (i) the sales value of goods supplied to customers, net of value added tax and is stated after deduction of goods returns and trade discounts, if any; (ii) interest income earned from the money lending business; and (iii) provision of beauty treatment services.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines:		
– Sales of electronic parts	13,099	21,204
– Provision of beauty treatment services	–	8,140
	13,099	29,344
Revenue from other source		
Interest income from money lending	32,641	33,064
	45,740	62,408

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical regions:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Timing of revenue recognition:		
A point in time	<u>13,099</u>	<u>29,344</u>
Geographical market:		
The People's Republic of China (the "PRC"), excluding Hong Kong	<u>13,099</u>	21,204
Hong Kong	<u>–</u>	<u>8,140</u>
	<u>13,099</u>	<u>29,344</u>

5. SEGMENT INFORMATION

The executive directors of the Company are identified as the chief operating decision maker (the "CODM") of the Group for the purposes of resources allocation and performance assessment. The information reported to the CODM for the purposes of resources allocation and performance assessment focuses specifically on respective businesses of the Group. The Group's operating and reportable segments are as follows:

- (i) the "Money Lending" segment engages in interest income earned from the money lending business;
- (ii) the "Electronic Parts" segment engages in processing and trading of electronic parts business;
- (iii) the "Burial Business" segment engages in sales of burial plots and related services business and cemetery maintenance service; and
- (iv) the "Beauty Business" segment engages in provision of non-surgical injection treatments with no upfront payment.

The accounting policies of the operating segments are the same as those described in the consolidated financial statements. There was no inter-segment sale or transfer during the years ended 31 December 2023 and 2022. Central income and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the CODM for assessment of segment performance. Segment assets do not include interests in associates, financial asset at fair value through other comprehensive income ("FVTOCI"), financial assets at fair value through profit or loss ("FVTPL"), tax recoverable, and other unallocated head office and corporate assets. Segment liabilities do not include income tax payables, bonds payables and other unallocated head office and corporate liabilities.

Segment revenue and results

	Money Lending		Electronic Parts		Burial Business		Beauty Business		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue										
External sales	32,641	33,064	13,099	21,204	-	-	-	8,140	45,740	62,408
Results										
Segment results	(2,018)	(4,853)	(676)	554	(19)	(10,506)	(5,553)	(1,345)	(8,266)	(16,150)
Unallocated corporate expenses									(4,737)	(492)
Other gains or losses, net									2,872	(14,598)
Gains/(losses) on fair value changes of financial assets at FVTPL									7,813	(12,986)
Impairment losses on interests in associates									(1,984)	(2,540)
Equity-settled share-based payment expense									-	(2,101)
Loss from operations									(4,302)	(48,867)
Share of results of associates									-	(19)
Finance cost									(5,076)	(4,910)
Loss before tax									(9,378)	(53,796)

Segment assets and liabilities

	Money Lending		Electronic Parts		Burial Business		Beauty Business		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets										
Segment assets	323,977	325,376	9,782	7,977	-	-	93	5,523	333,852	338,876
Unallocated corporate assets									44,814	21,764
									378,666	360,640
Liabilities										
Segment liabilities	14,368	559	6,447	1,928	-	-	-	-	20,815	2,487
Unallocated corporate liabilities									65,125	63,071
									85,940	65,558

Other segment information

The following is an analysis of the Group's other segment information:

	Money Lending		Electronic parts		Burial Business		Beauty Business		Unallocated		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation on plant and equipment	422	403	678	863	-	-	-	1,355	-	-	1,100	2,621
Impairment losses on interests in associates	-	-	-	-	-	-	-	-	1,984	2,540	1,984	2,540
Share of results of associates	-	-	-	-	-	-	-	-	-	19	-	19
Impairment losses/(reversal of impairment losses) on trade, loan and other receivables	17,641	17,807	(44)	26	-	10,506	8,819	-	-	-	26,416	28,339
(Gains)/losses on fair value changes of financial assets at FVTPL	-	-	-	-	-	-	-	-	(2,872)	12,986	(2,872)	12,986
Finance cost	-	-	-	-	-	-	-	-	5,076	4,910	5,076	4,910
Loss on disposal of plant and equipment	-	-	-	-	-	-	-	-	-	448	-	448
Gain on modification of bonds payables	-	-	-	-	-	-	-	-	(2,866)	-	(2,866)	-
Bank interest income	-	-	-	-	-	-	-	-	(6)	(64)	(6)	(64)

Geographical information

The Group operates in two principal geographical areas, the PRC (excluding Hong Kong) and Hong Kong. The Group's revenue from the external customers by location of operations and information about its non-current assets are detailed below.

	Revenue		Non-current assets*	
	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000
The PRC, excluding Hong Kong	13,099	21,204	-	-
Hong Kong	32,641	41,204	317	3,337
	<u>45,740</u>	<u>62,408</u>	<u>317</u>	<u>3,337</u>

* Non-current assets excludes financial instruments.

During the years ended 31 December 2023 and 2022, there was no customer individually contributing 10% of the total revenue of the Group.

6. OTHER GAINS OR LOSSES, NET

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Bank interest income	6	64
Loss on disposal of subsidiaries	–	(14,214)
Loss on disposal of plant and equipment	–	(448)
Gain on modification of bonds payables (<i>note 13</i>)	<u>2,866</u>	<u>–</u>
	<u><u>2,872</u></u>	<u><u>(14,598)</u></u>

7. LOSS BEFORE TAX

Loss before tax is arrived after charging:

(a) Finance cost

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Interest on bonds payables (<i>note 13</i>)	<u>5,076</u>	<u>4,910</u>

(b) Staff costs (including directors' emoluments)

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Salaries and wages	1,510	2,686
Contributions to defined contribution plans	35	46
Equity-settled share-based payment expenses	<u>–</u>	<u>2,101</u>
Total staff costs	<u><u>1,545</u></u>	<u><u>4,833</u></u>

(c) Other items

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Depreciation of plant and equipment	1,100	2,621
Auditor's remuneration	588	535
Cost of inventories recognised as expenses	12,444	23,498
Expenses related to short-term leases	<u>76</u>	<u>953</u>

8. INCOME TAX CREDIT

Income tax credit in the consolidated statement of profit or loss and other comprehensive income represents:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
PRC Enterprise Income Tax (“EIT”)		
– Over-provision in prior year	–	(56)
Deferred taxation		
– Credited to the consolidated statement of profit or loss and other comprehensive income	–	(939)
	<u>–</u>	<u>(995)</u>

9. DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2023 (2022: nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share for the years ended 31 December 2023 and 2022 is based on the following data:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Loss		
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	<u>(9,378)</u>	<u>(52,801)</u>
	2023 '000	2022 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>356,071</u>	<u>314,046</u>

(b) Diluted loss per share

Diluted loss per share for the years ended 31 December 2023 and 2022 were same as the basic loss per share as the assumptions of the exercise of the Company’s outstanding share options would have anti-dilutive effect.

11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS AND LOAN RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables (<i>note (i)</i>)	9,779	5,442
Other receivables	4,746	8,620
Rental and other deposits	58	4,679
Prepayments	2,349	2,483
	<u>16,932</u>	<u>21,224</u>
Loan receivables (<i>note (ii)</i>)		
– Non-current	166,690	119,156
– Current	156,178	199,313
	<u>322,868</u>	<u>318,469</u>
	<u><u>339,800</u></u>	<u><u>339,693</u></u>

Notes:

(i) Trade receivables

Ageing analysis of the trade receivables, based on invoice date of trade receivables, as at the end of the reporting period:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 to 30 days	372	1,699
31 to 60 days	646	3,342
61 to 90 days	802	476
91 to 180 days	2,174	–
181 to 365 days	5,816	–
	<u>9,810</u>	<u>5,517</u>
Less: allowance for expected credit losses (“ECL”)	<u>(31)</u>	<u>(75)</u>
	<u><u>9,779</u></u>	<u><u>5,442</u></u>

Customers are generally granted with credit term of 120 days (2022: 90-120 days) during the year ended 31 December 2023.

(ii) **Loan receivables**

The maturity profile of these loan receivables, at the end of the reporting period, analysed by the contracts maturity days, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 to 30 days	44,192	29,540
31 to 60 days	8,650	25,995
61 to 90 days	18,667	49,373
91 to 180 days	70,058	81,161
181 to 365 days	100,688	89,711
Over 365 days	166,690	123,598
	<hr/>	<hr/>
	408,945	399,378
Less: allowance for ECL	(86,077)	(80,909)
	<hr/>	<hr/>
	322,868	318,469
	<hr/> <hr/>	<hr/> <hr/>

The loan receivables from independent borrowers bear fixed interest rates ranging from 6.5% to 12% (2022: 6% to 15%) per annum and repayable according to the respective loan agreements.

12. TRADE AND OTHER PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade payables	6,447	1,932
Accrued expenses and other payables	20,603	6,142
	<hr/>	<hr/>
	27,050	8,074
	<hr/> <hr/>	<hr/> <hr/>

Included in trade payables are trade creditors with the following ageing analysis based on the invoice date:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
0 to 30 days	171	837
31 to 90 days	1,558	1,095
91 to 180 days	1,707	–
181 to 365 days	2,996	–
Over 365 days	15	–
	<hr/>	<hr/>
	6,447	1,932
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchases of goods is 90 days during the year ended 31 December 2023 (2022: 60-90 days).

13. BONDS PAYABLES

	Bond 1	Bond 2	Bond 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022	12,889	35,352	–	48,241
Issue of bond	–	–	17,353	17,353
Transaction cost on issue of bond	–	–	(86)	(86)
Interest charged (<i>note 7(a)</i>)	356	4,036	518	4,910
Interest paid	(356)	(3,272)	–	(3,628)
Settlement	(13,622)	–	–	(13,622)
Exchange realignment	733	3,081	497	4,311
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022 and 1 January 2023	–	39,197	18,282	57,479
Interest charged (<i>note 7(a)</i>)	–	4,081	995	5,076
Interest paid	–	–	(995)	(995)
Gain on modification (<i>note 6</i>)	–	(2,866)	–	(2,866)
Exchange realignment	–	127	64	191
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	<u>–</u>	<u>40,539</u>	<u>18,346</u>	<u>58,885</u>

The bonds are repayable:

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
More than one year, but not exceeding two years	40,539	–
More than two years, but not exceeding five years	18,346	57,479
	<hr/>	<hr/>
	<u>58,885</u>	<u>57,479</u>

14. SHARE CAPITAL

	Number of shares '000	Nominal value HK\$'000	
Authorised:			
Ordinary shares of HK\$0.01 each			
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>100,000,000</u>	<u>1,000,000</u>	
	Number of shares '000	Nominal value of ordinary shares HK\$'000 RMB'000	
Issued and fully paid:			
Ordinary shares of HK\$0.01 each			
At 1 January 2022	257,571	2,575	2,775
Placing of new shares (<i>note (i)</i>)	51,500	515	439
Issue of shares upon exercise of share options (<i>note (ii)</i>)	47,000	470	400
	<u>356,071</u>	<u>3,560</u>	<u>3,614</u>
At 31 December 2022, 1 January 2023 and 31 December 2023	<u>356,071</u>	<u>3,560</u>	<u>3,614</u>

Notes:

- (i) On 5 May 2022, the Group announced that a placing agreement has been entered with the Company and the placing agent. An aggregate of 51,500,000 shares have been successfully placed at HK\$0.22 per placing share. The placing have been completed on 23 May 2022. The net proceeds received by the Company from the placing of new shares were approximately HK\$11,046,000 (equivalent to approximately RMB9,413,000), among which approximately RMB439,000 were credited to the share capital account and the balance of approximately RMB8,974,000 were credited to the share premium account.
- (ii) On 13 May 2022 and 29 June 2022, 21,400,000 and 25,600,000 share options were exercised at the exercise price of HK\$0.20 and HK\$0.25 per share, respectively. The net consideration received from the issuance of 47,000,000 shares of HK\$0.01 each was approximately HK\$10,680,000 (equivalent to approximately RMB8,990,000), of which RMB400,000 was credited to issued share capital. The remaining balance of RMB8,590,000 was credited to the share premium account. In addition, amount attributable to the related share options of approximately RMB3,505,000 has been transferred from share option reserve to the share premium account.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Year, the Group continued to focus on the money lending business and processing and trading of electronic parts business.

The Group engaged in money lending business by providing both secured and unsecured loans to individuals and corporate customers. We provide personal loans and corporate loans. Interest income earned from the money lending business was approximately RMB32,641,000 during the Year, which represented approximately 71.4% of the total revenue. The business segment for processing and trading of electronic parts of the Group engaged in sourcing, processing and sales of computer-related and smartphone-related electronic parts and components, such as CPU, LED screen panel, hard-disk and smartphone chipsets and lens. Revenue earned from the processing and trading of electronic parts business was approximately RMB13,099,000 during the Year, which represented 28.6% of the total revenue. With the intense competition in the beauty treatment services business, the performance of this business is unsatisfactory. During the Year, no sale was recognised from the provision of beauty treatment business which included the non-surgical medical aesthetic services and traditional beauty.

Financial Review

During the Year, the Group recorded an consolidated revenue of approximately RMB45,740,000 (2022: RMB62,408,000), which represented a drop of approximately 26.7% as compared with that of 2022.

The decrease of revenue was mainly due to the decrease in demand in the processing and trading of electronic parts business and no revenue has been generated from the beauty treatment services business since the late 2022. Due to the decrease in demand in the People's Republic of China ("PRC"), the revenue from processing and trading of electronic parts business dropped by approximately RMB8,105,000 or 38.2% to approximately RMB13,099,000 (2022: RMB21,204,000). The demand in the loan market remained stable, the revenue from money lending business slightly dropped by approximately RMB423,000 or 1.3% as compared with the corresponding period in 2022. The Group has derived interest income from our loan portfolio of approximately RMB32,641,000 for the Year (2022: RMB33,064,000).

The other gains and losses, net, turnaround from a net loss of approximately RMB14,598,000 to a net gain of RMB2,872,000. The turnaround was mainly due to the gain on modification of unsecured bonds with principal amount of HK\$42,500,000. The terms of effective interest rate has been modified from 11% to 8% per annum, while the other terms remained unchanged.

The gains/losses on financial assets at fair value through profit or loss were turnaround from a net unrealised loss of approximately RMB12,986,000 to a net unrealised gain of approximately RMB7,813,000 from the listed securities portfolio held by the Group.

The general and administrative expenses for the Year decreased by approximately RMB9,431,000 or 32.2% from approximately RMB29,314,000 to RMB19,883,000. This decrease was primarily attributed to the decrease in staff cost and depreciation on plant and equipment during the Year.

Finance costs for the Year increased by approximately RMB166,000 or 3.4% from approximately RMB4,910,000 to RMB5,076,000 which mainly represented the interest expenses on the unsecured bonds.

Loss attributable to owners of the Company for the Year amounted to approximately RMB9,378,000 (2022: RMB52,801,000), which represented approximately RMB43,423,000 or 82.2% decrease as compared with the corresponding year. The drop in loss was mainly attributable to the net unrealised gain on fair value change of financial assets at FVTPL and the absence of loss on the disposal of subsidiaries as compared with the corresponding year in 2022.

Liquidity and Financial Resources

	2023	2022
Current ratio	7.8 times	29.5 times
Gearing ratio (Total Liabilities/total Assets)	22.7%	18.2%

The Group generally finances its operations through internally-generated cash flows, issued unsecured bonds to independent third parties and shareholder's equity.

As at 31 December 2023, the Group had current assets of approximately RMB211,587,000 (2022: RMB238,147,000) and liquid assets comprising cash and short-term securities investments totalling approximately RMB38,279,000 (2022: RMB17,412,000). The Group's current ratio, calculated based on current assets of approximately RMB211,587,000 (2022: RMB238,147,000) over the current liabilities of approximately RMB27,055,000 (2022: RMB8,079,000), was approximately 7.8 times as at 31 December 2023 (2022: 29.5 times).

As at 31 December 2023, the Group's gearing ratio, being the ratio of total liabilities to total assets, was approximately 22.7% (2022: 18.2%).

As at 31 December 2023, the Group had no lease liabilities (2022: Nil).

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

Material Acquisition and Disposal

The Group had no material acquisition nor disposal of subsidiaries, associates and joint ventures during the Year.

Future Plan for Material Investment of Capital Assets

Saved as disclosed in this announcement, the Group did not have plans for material investments and capital assets as of 31 December 2023.

Bonds

On 12 January 2018, the Company issued unsecured bonds to independent third parties with principal amount of HK\$30,000,000 and with effective interest rate of 11% per annum. The maturity date of which is 3 years after issue of the unsecured bonds. On 1 November 2020, the Company renewed the unsecured bonds with the same independent third parties with revised principal amount of HK\$42,500,000 and effective interest rate of 11% per annum and the maturing date is the fifth anniversary of the renewal date. The terms of effective interest rate has been modified from 11% to 8% per annum. As a result of this modification, a gain on modification of unsecured bonds RMB2,866,000 has been recognised during the Year, while the other terms remained unchanged.

On 16 June 2022, the Company issued unsecured bonds to independent third parties with principal amount of HK\$20,000,000 which bears interest at 5.5% per annum. The maturity date of which is 5 years after issue of the unsecured bonds.

Placing of New Shares Under General Mandate

On 5 May 2022, the Company entered into the placing agreement with the placing agent, pursuant to which the Company has conditionally agreed to issue and the placing agent has conditionally agreed to procure, on a best effort basis, up to 51,500,000 placing shares at the placing price of HK\$0.22 per placing share to not less than six placees who and whose beneficial owners shall be independent third parties. The placing was completed on 23 May 2022 and the net proceeds of the placing were approximately HK\$11.05 million. As at 31 December 2022, the net proceeds were fully utilised for the bond repayment as intended. For details, please refer to the Company's announcement dated 5 May 2022 and 23 May 2022.

Significant Investments

The Group had no significant investments during the Year.

Capital Structure

Authorised share capital

As at 31 December 2023, the authorised share capital of the Company (the “**Authorised Share Capital**”) was HK\$1,000,000,000 divided into 100,000,000,000 shares of HK\$0.01 each. The Authorised Share Capital had no change during the Year.

Issued share capital

As at 31 December 2023, the number of shares in issue was 356,072,058 shares of HK\$0.01 each.

Foreign Exchange Exposure

Most of the Group's assets, liabilities and transactions are denominated in Hong Kong dollars and Renminbi. The Group has not implemented any hedging policy during the Year, but the Directors will continue to monitor its foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

Charges on Group Assets

As at 31 December 2023, none of the assets of the Group has been pledged to secure any loan granted to the Group (2022: Nil).

Human Resources

As at 31 December 2023, the Group had 12 employees (2022: 26 employees) working in Hong Kong and the PRC, comprising of 2 executive Directors (2022: 2). The staff costs, including directors' emoluments, were approximately RMB1,545,000 for the Year (2022: RMB4,833,000). During the years ended 31 December 2023 and 2022, the Group had no forfeited contributions under the MPF Scheme and the retirement benefit scheme in the PRC that might be used by the Group to reduce the existing level of contributions.

The emolument policy of the Directors are decided by the board of Directors (the "**Board**"), taking into account recommendation from the remuneration committee of the Board, having regard to merit, qualification and competence of each Director. The Group remunerates its employees based on their performance, experience and the prevailing industrial practice. Benefits plans maintain by the Group including contribution to statutory mandatory provident fund scheme, medical insurance, the Share Option Scheme and discretionary bonus.

Contingent Liabilities

As at 31 December 2023, the Group had no contingent liabilities (2022: Nil).

Capital Commitment

As at 31 December 2023, the Group did not have any material capital commitment (2022: Nil).

BUSINESS OUTLOOK AND PROSPECT

In 2024, the Group anticipates ongoing operational challenges and a stable in economic growth. These changing economic conditions may have an impact on the financial results of the Group. To mitigate these potential effects, the Group will closely monitor market developments and proactively respond to safeguard its financial position and operating results.

Despite the challenges ahead, the Group is pleased with the positioning of its loan portfolio and will continue to adopt a prudent but sensible risk management policy to maintain a balance risk reward.

Looking forward, the Group will continue to dedicate efforts on the processing and trading of electronics parts business with the view to achieving product upgrade and takes various cost-savings and quality improvement measures for the business. The Group is confident that it will be well positioned in facing the upcoming challenges and preserving long-term profitability growth for its shareholders. The Group would also explore other potential investment opportunities in order to broaden our income sources.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and the auditor’s report thereon (the “**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 2023, the Directors and the chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company and 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, are as follows:

Long positions in the shares of the Company

Name of Director	Capacity	Number of issued shares	Total	Approximately percentage of shareholding
Mr. Feng Keming	Beneficial owner	2,140,000	2,140,000	0.60%
Ms. Ho Yuen Ki	Beneficial owner	2,140,000	2,140,000	0.60%

Save as disclosed above, as at 31 December 2023, none of the Directors or the chief executive of the Company or any of their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations.

Share Option Scheme

The Company has adopted the share option scheme (the “**Share Option Scheme**”) on 15 November 2019 which will remain in force for a period of 10 years from the effective date of the Share Option Scheme. During the Year, no share options were granted, exercised, cancelled nor lapsed. As at 31 December 2023, there were 157,000 outstanding share options not yet exercised under the Share Option Scheme, representing approximately 0.04% of the issued share capital of the Company. Details of the outstanding options under the Share Option Scheme are as follows:

Details of grantees	Date granted	Period during which options are exercisable	No. of options outstanding as at 1 January 2023	Granted/ exercised/ cancelled/ lapsed during the Year	Outstanding as at 31 December 2023	Exercise price per share	Weighted average closing price per share immediately before the date on which the options were exercised
Category: Employees							
Employees	8 April 2022	8 April 2022 to 7 April 2024	157,000	–	157,000	HK\$0.25	HK\$0.25
			157,000	–	157,000		
			157,000	–	157,000		

Note:

- (i) All share options granted were vested immediately.
- (ii) The closing price of the securities immediately before the date on which the options were granted was HK\$0.25.

The estimate of the fair value of the share options granted during the year 2022 is measured based on a binomial option pricing model on the date which the options were granted, i.e. 8 April 2022. Fair value of share options granted and assumptions are as follows:

Employees

Fair value of each share option at grant date	HK\$0.0945
Share price of each share at grant date	HK\$0.25
Exercise price of each share option	HK\$0.25
Expected volatility	90.18%
Option life	2 years
Expected dividend yield	0%
Risk-free interest rate	1.94%

The expected volatility is based on the historical volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. The assumptions used in computing the fair value of the share options are based on management’s best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

Based on the fair values derived from the above pricing model, the fair value of the share options granted on 8 April 2022 was approximately HK\$2,434,000 (equivalent to approximately RMB2,101,000), such amount has been charged as share-based compensation expenses to profit or loss during the year 2022.

There was no market vesting condition or non-market performance condition associated with the options granted.

Directors' and Chief Executives' Rights to Acquire Shares or Debt Securities

As at 31 December 2023, 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.

Substantial Shareholders and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

As at 31 December 2023, 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 positions 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.

Competing Interest

The Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) 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 Year.

Audit Committee

The Company established an audit committee (the “**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, among others, 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 Year, the Audit Committee comprised of three members and all of whom are independent non-executive Directors. Mr. CHAN Kwan Yiu 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 consolidated financial 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 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 Year, 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 Year.

Corporate Governance

Throughout the Year, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the GEM Listing Rules, except rule C.1.6 of the CG Code that independent non-executive Directors did not attend all general meetings.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The internal control system includes safeguarding of the interest of shareholders and the Group's assets. It has been an important duty of the Board to conduct a review of internal control system to ensure the effectiveness and adequacy of the system of the Group annually or at any time necessary. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions.

Compliance with the Model Code

The Company has adopted the standard set out in Rules 5.48 to 5.67 (the "**Model Code**") of the GEM Listing Rules, in relation to the dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors, each Director has confirmed that he/she has complied with the standards set out in the Model Code during the Year.

Events After the Reporting Year

There were no significant events after the Year and up to the date of this announcement.

By Order of the Board
HAO WEN HOLDINGS LIMITED
FENG Keming
Executive Director

Hong Kong, 28 March 2024

As at the date hereof, the Board comprises Mr. FENG Keming and Ms. BAI Jie as executive Directors, and Mr. CHAN Kwan Yiu, Ms. MA Sijing and Ms. HO Yuen Ki as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the HKEX website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at <http://www.tricor.com.hk/webservice/008019>.