



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 2024**

**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 2024 (the “**Year**”) was approximately RMB38,583,000, representing a decrease of approximately 15.6% as compared to the previous year.
- Loss for the Year attributable to owners of the Company was approximately RMB8,363,000, representing a decrease of approximately 10.8% as compared to the previous year.
- Loss per share for the Year was approximately RMB2.35 cents.
- The Board does 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, together with the comparative figures for the year ended 31 December 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

| | | 2024 | 2023 |
|---|-------|------------------------|-----------------|
| | Notes | RMB'000 | RMB'000 |
| Revenue | 4 | 38,583 | 45,740 |
| Cost of sales | | <u>(9,954)</u> | <u>(12,444)</u> |
| Gross profit | | 28,629 | 33,296 |
| Other gains or losses, net | 6 | 707 | 10,685 |
| Impairment losses on trade, loan and other receivables, net | | (22,542) | (26,416) |
| Impairment losses on interests in associates | | – | (1,984) |
| General and administrative expenses | | <u>(10,038)</u> | <u>(19,883)</u> |
| Loss from operations | | (3,244) | (4,302) |
| Finance cost | 7(a) | <u>(5,119)</u> | <u>(5,076)</u> |
| Loss before tax | 7 | (8,363) | (9,378) |
| Income tax expense | 8 | <u>–</u> | <u>–</u> |
| Loss for the year attributable to owners of the Company | | <u>(8,363)</u> | <u>(9,378)</u> |
| Other comprehensive income, net of tax: | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences on translating foreign operations | | 5,432 | 6,950 |
| <i>Item that will not be reclassified to profit or loss:</i> | | | |
| Gain on fair value change of financial asset at fair value through other comprehensive income | | <u>–</u> | <u>72</u> |
| | | <u>5,432</u> | <u>7,022</u> |
| Total comprehensive expense for the year attributable to owners of the Company | | <u>(2,931)</u> | <u>(2,356)</u> |
| Loss per share | 10 | | |
| Basic and diluted (<i>RMB cents</i>) | | <u>(2.35)</u> | <u>(2.63)</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

| | | 2024 | 2023 |
|---|--------------|-----------------------|----------------|
| | <i>Notes</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Non-current assets | | | |
| Plant and equipment | | – | 317 |
| Goodwill | | – | – |
| Financial asset at fair value through other comprehensive income | | – | 72 |
| Interests in associates | | – | – |
| Loan receivables | 11 | 174,056 | 166,690 |
| | | 174,056 | 167,079 |
| Current assets | | | |
| Trade and other receivables, prepayments and deposits | 11 | 7,220 | 16,932 |
| Loan receivables | 11 | 127,332 | 156,178 |
| Financial assets at fair value through profit or loss | | 57,777 | 35,444 |
| Tax recoverable | | – | 198 |
| Cash and bank balances | | 3,628 | 2,835 |
| | | 195,957 | 211,587 |
| Current liabilities | | | |
| Trade and other payables | 12 | 19,498 | 27,050 |
| Income tax payable | | – | 5 |
| Bonds payables | 13 | 43,082 | – |
| | | 62,580 | 27,055 |
| Net current assets | | 133,377 | 184,532 |
| Total assets less current liabilities | | 307,433 | 351,611 |
| Non-current liabilities | | | |
| Bonds payables | 13 | 17,638 | 58,885 |
| Net assets | | 289,795 | 292,726 |
| Capital and reserves | | | |
| Share capital | | 3,614 | 3,614 |
| Reserves | | 286,181 | 289,112 |
| Total equity | | 289,795 | 292,726 |

NOTES

1. GENERAL INFORMATION

The Company was a limited company incorporated in the Cayman Islands on 1 August 2000 as an exempted company under the Companies Law (2000 Revision) of the Cayman Islands, and its shares have been listed on GEM of the Stock Exchange since 20 July 2001. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. And its head office and principal place of business in Hong Kong 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 of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”), which its collective term includes all individual IFRS Accounting Standards, International Accounting Standards (“IASs”) and Interpretations. The consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance.

The IASB has issued certain new and amendments to IFRS Accounting Standards 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 IFRS ACCOUNTING STANDARDS

(a) Application of amendments to IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024, for the preparation of the consolidated financial statements:

| | |
|--------------------------------|---|
| Amendments to IFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to IAS 1 | Non-current Liabilities with Covenants |
| Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements |

The application of the amendments to IFRS Accounting Standards 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) **New and amendments to IFRS Accounting Standards in issue but not yet effective**

At the date of authorisation of the consolidated financial statements, certain new and amendments to IFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

| | |
|---|--|
| IFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| Amendments to IFRS 9 and IFRS 7 | Classification and Measurement of Financial Instruments ² |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity ² |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |
| Amendments to IAS 21 and IFRS 1 | Lack of Exchangeability ¹ |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards – Volume 11 ² |

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

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effect date to be determined by the IASB

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new IFRS Accounting Standard that is expected to have impact on the consolidated financial statements of the Group is provided below. Other amendments to IFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements* ("IAS 1"). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements; and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

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; and (ii) interest income earned from the money lending business.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers is as follows:

| | 2024 <i>RMB'000</i> | 2023 <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 | 10,443 | 13,099 |
| Revenue from other source | | |
| Interest income from money lending | 28,140 | 32,641 |
| | <u>38,583</u> | <u>45,740</u> |

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

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Timing of revenue recognition: | | |
| A point in time | <u>10,443</u> | <u>13,099</u> |
| Geographical market: | | |
| The People's Republic of China (the "PRC") | <u>10,443</u> | <u>13,099</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 into provision of loans for interest income;
- (ii) the “**Electronic Parts**” segment engages into processing and trading of electronic parts business;
- (iii) the “**Burial Business**” segment engages into sales of burial plots and related services and cemetery maintenance services; and
- (iv) the “**Beauty Business**” segment engages into provision of non-surgical injection treatments with upfront payment.

There was no inter-segment sale or transfer during the years ended 31 December 2024 and 2023. 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 payable, bonds payables and other unallocated head office and corporate liabilities.

Segment revenue and results

| | Money Lending | | Electronic Parts | | Burial Business | | Beauty Business | | Consolidated | |
|--|---------------|---------|------------------|---------|-----------------|---------|-----------------|---------|--------------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Revenue | | | | | | | | | | |
| External sales | 28,140 | 32,641 | 10,443 | 13,099 | - | - | - | - | 38,583 | 45,740 |
| Results | | | | | | | | | | |
| Segment results | (12,272) | (2,018) | (112) | (676) | - | (19) | - | (5,553) | (12,384) | (8,266) |
| Unallocated corporate expenses | | | | | | | | | (1,498) | (4,737) |
| Unallocated other gains, net | | | | | | | | | 7,563 | 10,685 |
| Impairment losses on interests in associates | | | | | | | | | - | (1,984) |
| Reversal of impairment losses on other receivables | | | | | | | | | 3,075 | - |
| Loss from operations | | | | | | | | | (3,244) | (4,302) |
| Finance cost | | | | | | | | | (5,119) | (5,076) |
| Loss before tax | | | | | | | | | (8,363) | (9,378) |

Segment assets and liabilities

| | Money Lending | | Electronic Parts | | Burial Business | | Beauty Business | | Consolidated | |
|-----------------------------------|---------------|---------|------------------|---------|-----------------|---------|-----------------|---------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Assets | | | | | | | | | | |
| Segment assets | 301,388 | 323,977 | 5,387 | 9,782 | - | - | - | 93 | 306,775 | 333,852 |
| Unallocated corporate assets | | | | | | | | | 63,238 | 44,814 |
| | | | | | | | | | <u>370,013</u> | <u>378,666</u> |
| Liabilities | | | | | | | | | | |
| Segment liabilities | 13,522 | 14,368 | 4,988 | 6,447 | - | - | - | - | 18,510 | 20,815 |
| Unallocated corporate liabilities | | | | | | | | | 61,708 | 65,125 |
| | | | | | | | | | <u>80,218</u> | <u>85,940</u> |

6. OTHER GAINS OR LOSSES, NET

| | 2024 | 2023 |
|--|------------|---------------|
| | RMB'000 | RMB'000 |
| Bank interest income | 3 | 6 |
| Realised gains on disposal of financial assets of FVTPL | 3,580 | - |
| Unrealised fair value gains on financial assets of FVTPL | 3,980 | 7,813 |
| Loss on write-off of loan receivables | (6,856) | - |
| Gain on modification of bonds payables (note 13) | - | 2,866 |
| | <u>707</u> | <u>10,685</u> |

7. LOSS BEFORE TAX

Loss before tax is arrived after charging:

(a) Finance cost

| | 2024 | 2023 |
|--------------------------------------|--------------|--------------|
| | RMB'000 | RMB'000 |
| Interest on bonds payables (note 13) | <u>5,119</u> | <u>5,076</u> |

(b) Staff costs (including directors' emoluments)

| | 2024 | 2023 |
|---|--------------|--------------|
| | RMB'000 | RMB'000 |
| Salaries and wages | 1,537 | 1,510 |
| Contributions to defined contribution plans | <u>34</u> | <u>35</u> |
| Total staff costs | <u>1,571</u> | <u>1,545</u> |

(c) **Other items**

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Depreciation of plant and equipment | 323 | 1,100 |
| Auditor's remuneration | 599 | 588 |
| Cost of inventories recognised as expenses | 9,954 | 12,444 |
| Expenses related to short-term leases | 77 | 76 |

8. INCOME TAX EXPENSE

(i) **Hong Kong Profits Tax**

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity incorporated in Hong Kong will be taxed at 8.25% (2023: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2023: 16.5%) for the Year. The profits of the group entities not qualifying for the two-tiered Profit Tax regime will continue to be taxed at a rate of 16.5% (2023: 16.5%) for the Year.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group's entities incorporated in Hong Kong have sufficient tax losses brought forward to set off against assessable profit or there were no assessable profits during the years ended 31 December 2024 and 2023.

(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 its subsidiaries incorporated in the Cayman Islands and the BVI are not subject to any income tax in the Cayman Islands and the BVI, respectively.

(iii) **PRC Enterprise Income Tax ("PRC EIT")**

The subsidiaries of the Company established in the PRC is generally subject to the PRC EIT on its taxable income at an income tax rate of 25% (2023: 25%) for the year ended 31 December 2024.

No provision for the PRC EIT has been made in the consolidated financial statements since the Group's entities established in the PRC have no assessable profits during the years ended 31 December 2024 and 2023.

9. DIVIDEND

The Board does not recommend the payment of any dividend for the Year (2023: nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share for the years ended 31 December 2024 and 2023 is based on the following data:

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Loss | | |
| Loss for the year attributable to owners of the Company for the purpose of basic loss per share | <u>(8,363)</u> | <u>(9,378)</u> |
| | 2024 '000 | 2023 '000 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic loss per share | <u>356,071</u> | <u>356,071</u> |

(b) Diluted loss per share

Diluted loss per share for the years ended 31 December 2024 and 2023 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

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Trade receivables (<i>note (i)</i>) | 5,324 | 9,779 |
| Other receivables | 1,680 | 4,746 |
| Rental and other deposits | 60 | 58 |
| Prepayments | <u>156</u> | <u>2,349</u> |
| | <u>7,220</u> | <u>16,932</u> |
| Loan receivables (<i>note (ii)</i>) | | |
| – Non-current | 174,056 | 166,690 |
| – Current | <u>127,332</u> | <u>156,178</u> |
| | <u>301,388</u> | <u>322,868</u> |
| | <u><u>308,608</u></u> | <u><u>339,800</u></u> |

Notes:

(i) Trade receivables

Ageing analysis of the trade receivables, based on invoice date of trade receivables which approximates to the respective revenue recognition dates, as at the end of the reporting period:

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|--|------------------------|------------------------|
| 0 to 30 days | 867 | 372 |
| 31 to 60 days | 409 | 646 |
| 61 to 90 days | 218 | 802 |
| 91 to 180 days | 3,733 | 2,174 |
| 181 to 365 days | 104 | 5,816 |
| | <hr/> | <hr/> |
| | 5,331 | 9,810 |
| Less: allowance for expected credit losses ("ECL") | (7) | (31) |
| | <hr/> | <hr/> |
| | 5,324 | 9,779 |
| | <hr/> <hr/> | <hr/> <hr/> |

Customers are generally granted with credit term of 120 days during the Year (2023: 120 days).

(ii) Loan receivables

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

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|-------------------------|------------------------|------------------------|
| 0 to 30 days | 47,656 | 44,192 |
| 31 to 60 days | 7,042 | 8,650 |
| 61 to 90 days | 14,428 | 18,667 |
| 91 to 180 days | 55,062 | 70,058 |
| 181 to 365 days | 87,431 | 100,688 |
| Over 365 days | 204,631 | 166,690 |
| | <hr/> | <hr/> |
| | 416,250 | 408,945 |
| Less: allowance for ECL | (114,862) | (86,077) |
| | <hr/> | <hr/> |
| | 301,388 | 322,868 |
| | <hr/> <hr/> | <hr/> <hr/> |

12. TRADE AND OTHER PAYABLES

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| Trade payables | 4,988 | 6,447 |
| Accrued expenses and other payables | 14,510 | 20,603 |
| | <u>19,498</u> | <u>27,050</u> |

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

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|-----------------|------------------------|------------------------|
| 0 to 30 days | 648 | 171 |
| 31 to 90 days | 595 | 1,558 |
| 91 to 180 days | 3,647 | 1,707 |
| 181 to 365 days | – | 2,996 |
| Over 365 days | 98 | 15 |
| | <u>4,988</u> | <u>6,447</u> |

The average credit period on purchases of goods is 90 days during the Year (2023: 90 days).

13. BONDS PAYABLES

| | Bond 1 <i>RMB'000</i> | Bond 2 <i>RMB'000</i> | Total <i>RMB'000</i> |
|--|--------------------------|--------------------------|-------------------------|
| At 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 |
| | <u>40,539</u> | <u>18,346</u> | <u>58,885</u> |
| At 31 December 2023 and 1 January 2024 | 40,539 | 18,346 | 58,885 |
| Interest charged (<i>note 7(a)</i>) | 4,105 | 1,014 | 5,119 |
| Interest paid | (3,133) | (1,014) | (4,147) |
| Early repayment of principal | – | (1,410) | (1,410) |
| Exchange realignment | 1,571 | 702 | 2,273 |
| | <u>43,082</u> | <u>17,638</u> | <u>60,720</u> |
| At 31 December 2024 | 43,082 | 17,638 | 60,720 |

The bonds are repayable:

| | 2024 <i>RMB'000</i> | 2023 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Less than one year | 43,082 | – |
| More than one year, but not exceeding two years | – | 40,539 |
| More than two years, but not exceeding five years | 17,638 | 18,346 |
| | <hr/> | <hr/> |
| | 60,720 | 58,885 |
| Less: amount due within 12 months and classified as current liabilities | (43,082) | – |
| | <hr/> | <hr/> |
| Amount classified as non-current liabilities | 17,638 | 58,885 |
| | <hr/> | <hr/> |

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. The Group provided personal loans, mortgage loans and corporate loans. Interest income earned from the money lending business was approximately RMB28,140,000 during the Year, which represented approximately 72.9% 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 RMB10,443,000 during the Year, which represented 27.1% of the total revenue.

Financial Review

During the Year, the Group recorded an consolidated revenue of approximately RMB38,583,000 (2023: RMB45,740,000), which represented a drop of approximately 15.6% as compared with the corresponding period in 2023.

The decrease of revenue was mainly attributed to reduced demand in the People's Republic of China (the "PRC"), the revenue from processing and trading of electronic parts business decreased by approximately RMB2,656,000 or 20.3% to approximately RMB10,443,000 (2023: RMB13,099,000). Additionally, the revenue from money lending business dropped by approximately RMB4,501,000 or 13.8% as compared with the corresponding period in 2023. The Group generated interest income from its loan portfolio of approximately RMB28,140,000 for the Year (2023: RMB32,641,000).

Other gains or losses, net, decreased from approximately RMB10,685,000 to RMB707,000. This decrease was primarily due to (i) a decline in unrealised fair value gains on financial assets at FVTPL, which dropped from approximately RMB7,813,000 to approximately RMB3,980,000 from the listed securities portfolio held by the Group; (ii) the loss incurred from the write-off of loan receivables due to a borrower's inability to repay; and (iii) partially net off by the increase of realised gains on disposal of financial assets at FVTPL.

The general and administrative expenses for the Year decreased by approximately RMB9,845,000 or 49.5% from approximately RMB19,883,000 to RMB10,038,000. This decrease was primarily attributed to a reduction in advertising expenses and depreciation on plant and equipment during the Year.

Finance costs for the Year increased by approximately RMB43,000 or 0.8% from approximately RMB5,076,000 to RMB5,119,000. This increase primarily represented the interest expenses on the unsecured bonds.

Loss attributable to owners of the Company for the Year amounted to approximately RMB8,363,000 (2023: RMB9,378,000), representing a decrease of approximately RMB1,015,000 or 10.8% compared with the corresponding period in 2023. The decrease was primarily attributable to the decrease in net unrealised fair value gains of financial assets at FVTPL, general and administrative expenses, and no impairment losses were recognised on the interests in associates for the Year as compared with the corresponding period in 2023.

As at 31 December 2024, the Group had trade, loan and other receivables, prepayments and deposits of approximately RMB308,608,000 (2023: RMB339,800,000). The balance primarily represented of trade receivables of approximately RMB5,324,000 (2023: RMB9,779,000), loan receivables of approximately RMB301,388,000 (2023: RMB322,868,000) and other receivables of approximately RMB1,680,000 (2023: RMB4,746,000). The impairment losses on trade, loan and other receivables of approximately RMB22,542,000 (2023: RMB26,416,000) was recognised for the Year.

In money lending business, the Group maintained a net loan portfolio of approximately RMB301,388,000 (2023: RMB322,868,000) with loans to 74 borrowers, of which 65 were individuals and 9 were corporations. The principal amount of the loans ranged from approximately HK\$280,000 to approximately HK\$13,900,000 and the loan terms ranged from 6 months to 3 years. The amount of secured loans was approximately RMB225,261,000 and the amount of unsecured loans was approximately RMB76,127,000. The secured loan is secured by the pledge of assets and guarantee (if any) from the customers. As at 31 December 2024, the net amounts of loan receivables from the five largest borrowers in aggregate amounted to approximately RMB53,345,000, which accounted for approximately 17.7% of the loan receivables of the Group.

| Loan Term | Number of clients | |
|------------------|-------------------|-----------|
| | 2024 | 2023 |
| Within one year | 14 | 24 |
| One to two years | 53 | 50 |
| Over two years | 7 | 10 |
| | <u>74</u> | <u>84</u> |

The following table sets forth the distribution of the remaining maturity of loan receivables:

| | 2024 RMB'000 | 2023 RMB'000 |
|--|-----------------|-----------------|
| Within one year | 127,332 | 156,178 |
| More than one year but not exceeding three years | 174,056 | 166,690 |
| | <u>301,388</u> | <u>322,868</u> |

The Company did not set specific target for customer of any background or industry or operation history. The source of customers of the Company were mainly via the business networks of the management of the Company or customers' referrals or advertisements.

At the end of the Year, the Group performed an impairment assessment on the loan receivables with reference to a valuation prepared by an independent professional valuer. The valuation measured allowance for ECL of loan receivables using the general approach under IFRS 9, which uses three categories for ECL on loan receivables that reflect their credit risk and how the loss provision is determined for each of the categories. Based on the valuation, the allowance for ECL of loan receivables was approximately RMB114,862,000 (2023: RMB86,077,000) based on ECL applied to different stages. The increase in the allowance for ECL was mainly attributable to the economic downturn which had an adverse impact on the financial condition of the borrowers and caused a significant decrease on their ability to meet debt obligations. After assessments based on the borrowers' repayment and financial status and communication with the borrowers' repayment and financial status and communication with the borrowers, certain loan receivables have been transferred to stage where the expected loss rate is highest. All borrowers are independent third parties of the Company and its connected person. The Group has issued demand letters to the borrowers who failed to fulfil his/her/its repayment obligation in the prescribed time and has been negotiating with the borrowers on new repayment arrangements according to the circumstances of the borrowers. Legal actions might be brought against the relevant borrowers if no positive results arise depending on the actual circumstances on a case-by-case basis. The impairment losses were recognised due to the unpredictable and uncontrollable factors which included the economic condition and pandemic. The Directors consider that internal control procedures of the Group significantly reduced the credit risks and were sound and effective.

On 15 January 2024, the Group entered into a sale and purchase agreement to dispose its investment in financial assets measured at fair value through other comprehensive income ("FVTOCI"), an unlisted equity security representing a 5.4% shareholding in Peak Zone Group Limited ("Peak Zone"). Peak Zone is a limited liability company incorporated in the British Virgin Islands, primarily engaged in providing integrated applications. The Group disposed its entire 5.4% equity interest in Peak Zone for a consideration of HK\$80,000, equivalent to approximately RMB72,000. The disposal was completed on 19 March 2024.

Liquidity and Financial Resources

| | 2024 | 2023 |
|--|------------------|-----------|
| Current ratio | 3.1 times | 7.8 times |
| Gearing ratio (Total liabilities/total assets) | 21.7% | 22.7% |

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

As at 31 December 2024, the Group had current assets of approximately RMB195,957,000 (2023: RMB211,587,000) and liquid assets comprising cash and short-term securities investments totalling approximately RMB61,405,000 (2023: RMB38,279,000). The Group's current ratio, calculated based on current assets of approximately RMB195,957,000 (2023: RMB211,587,000) over the current liabilities of approximately RMB62,580,000 (2023: RMB27,055,000), was approximately 3.1 times as at 31 December 2024 (2023: 7.8 times).

As at 31 December 2024, the Group's gearing ratio, being the ratio of total liabilities to total assets, was approximately 21.7% (2023: 22.7%).

As at 31 December 2024, the Group had no lease liabilities (2023: 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 at 31 December 2024.

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. 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 8% per annum and the maturing date is the fifth anniversary of the renewal date.

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.

Significant Investments Held

As at 31 December 2024, the Group had financial assets at FVTPL with a total market value of approximately RMB\$57,777,000 (2023: approximately RMB\$35,444,000). Details of the financial assets at FVTPL were set out as follows:

| Name of securities | Number of shares held | Approximately percentage of shareholding interest | As at 31 December 2024 | | | For the Year ended 31 December 2024 | As at 31 December 2023 | |
|---|-----------------------|---|--|---|--|-------------------------------------|------------------------------------|--|
| | | | Fair value/ carrying value RMB '000 | Approximately percentage to the financial assets at FVTPL | Approximately percentage to the total assets | Realised gain/ (loss) RMB '000 | Unrealised gain/(loss) RMB '000 | Fair value/ carrying value RMB '000 |
| China Investment and Finance Group Limited ("CH INV FIN GP") (Stock code: 1226) (Note 1) | 18,721,920 | 4.5% | 23,406 | 40.5% | 6.3% | (36) | 5,455 | 10,779 |
| Other investments (Note 2) | | | 34,371 | 59.5% | 93.7% | 3,616 | (1,475) | 24,665 |
| | | | <u>57,777</u> | <u>100%</u> | <u>100.0%</u> | <u>3,580</u> | <u>3,980</u> | <u>35,444</u> |

Notes:

- CH INV FIN GP is principally engaged in securities trading and investment holding.
- The fair value of each of these investments represented less than 5% of the total assets of the Group as at 31 December 2024.

During the Year, the Group recorded an unrealised gain of approximately RMB3,980,000 (2023: approximately RMB7,813,000) under the volatile stock market conditions during the Year and the Company did not receive any dividend from the above investments. The future performance of the equity securities held by the Group may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies. Save as disclosed above, there were no other significant investments held by the Group as at 31 December 2024.

Capital Structure

Authorised share capital

As at 31 December 2024, 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 2024, 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 2024, none of the assets of the Group has been pledged to secure any loan granted to the Group (2023: nil).

Human Resources

As at 31 December 2024, the Group had 10 employees (2023: 12 employees) working in Hong Kong and the PRC, comprising of 2 executive Directors (2023: 3). The gender ratio of the Group's workforce (including senior management) was approximately 50% male to approximately 50% female. The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time. The staff costs, including Directors' emoluments, were approximately RMB1,571,000 for the Year (2023: RMB1,545,000). During the years ended 31 December 2024 and 2023, 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, 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 maintained 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 2024, the Group had no contingent liabilities (2023: nil).

Capital Commitment

As at 31 December 2024, the Group did not have any material capital commitment (2023: nil).

BUSINESS OUTLOOK AND PROSPECT

In 2024, the Group anticipates ongoing operational challenges and a decline 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 balanced 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

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 2024, 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 2024, 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 nor cancelled but 157,000 outstanding share options were lapsed under the Share Option Scheme. As at 31 December 2024, there was no share option outstanding under the Share Option Scheme. The number of options available for grant under the Share Option Scheme as of 1 January 2024 and 31 December 2024 was 33,047,205, which represented approximately 9.3% of the issued share capital of the Company as of 31 December 2024. The total number of share available for issue under the Share Option Scheme is 33,047,205, which represented approximately 9.3% of the issued share capital of the Company as at the date of this announcement.

Details of the Share Option Scheme is as follows:

1 *Purposes*

The purpose of the Share Option Scheme is to provide incentives and/or rewards to eligible participants for their contributions to, and continuing efforts to promote the interests of, the Company.

2 *Eligible participants*

Under the terms of the Share Option Scheme, the scope of eligible participants comprises the following persons:

1. any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of our subsidiaries or any Invested Entity;
2. any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
3. any supplier of goods or services to any member of the Group or any Invested Entity;
4. any customer of any member of the Group or any Invested Entity;
5. any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
6. any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
7. any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
8. any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

3 *Maximum number of shares*

The maximum number of shares in respect of which share options may be granted under the Share Option Scheme shall not exceed 10% of the Shares in issue as at the date of approval of the adoption of the Share Option Scheme. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes, must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

4 *Maximum entitlement of each eligible participant*

Maximum entitlement of each eligible participant is 1% of the issued share capital of the Company from time to time within any 12-month period up to the date of the latest grant, any further grant of options to an eligible participant in excess of the Individual Limit (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders' approval in general meeting of the Company with such eligible participant and his/her associates abstaining from voting.

5 *Option period*

The option period is determined by the Board provided that it is not later than 10 years from the date the Board makes an offer of the grant of an option subject to the provision for early termination. There is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms of the Share Option Scheme.

6 *Acceptance of offer*

Options granted must be accepted within 21 days from the date of the offer of grant of the option, upon payment of HK\$1 per grant.

7 *Exercise price*

The exercise price must be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of grant, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant; or (iii) the nominal value of the Shares on the date of offer of the grant.

8 *Remaining life of the scheme*

It shall be effective for a period of ten years commencing on 15 November 2019.

The following table disclosed movements in the Company's share options during the Year:

| Details of grantees | Date granted | Period during which options are exercisable | No. of options outstanding as at 1 January 2024 | Granted during the Year | Exercised during the Year | Cancelled during the Year | Lapsed during the Year | No. of options outstanding as at 31 December 2024 | Exercise price per share | Weighted average closing price of the shares immediately before the date of exercise |
|--------------------------------|--------------|---|---|-------------------------|---------------------------|---------------------------|------------------------|---|--------------------------|--|
| Category: Employee Employee | 8 April 2022 | 8 April 2022 to 7 April 2024 | 157,000 | - | - | - | (157,000) | - | HK\$0.25 | HK\$0.25 |
| | | | <u>157,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(157,000)</u> | <u>-</u> | | |

Notes:

- (i) All share options granted were vested immediately.
- (ii) The remuneration committee of the Company had reviewed, among other things, the Share Option Scheme and approved the grant having considered that the grant was consistent with the aim of maintaining the Share Option Scheme to recognise the contributions of the personnel and to provide incentives to the grantees to continue to work for the success and improved performance of the Group.

Save as disclosed above, no share option had been granted, exercised, cancelled nor lapsed during the Year.

Audit Committee

The Company established the audit committee of the Company (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 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 standards 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, 31 March 2025

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/websevice/008019>.