



HAO WEN HOLDINGS LIMITED

皓文控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8019



**2021**

THIRD QUARTERLY REPORT

## 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 report, 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 report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## HIGHLIGHTS

- Turnover of the Group for the nine months ended 30 September 2021 (the “Period”) was approximately RMB50,640,000, representing an increase of approximately 55.2% as compared with that of the corresponding period in 2020.
- Loss attributable to owners of the Company for the nine months ended 30 September 2021 was approximately RMB638,000.
- Loss per share was approximately RMB0.248 cents.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2021.

## UNAUDITED FINANCIAL RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the nine months and three months ended 30 September 2021, together with the comparative unaudited figures for the corresponding periods in last financial year, as follows:

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

	Note	For the nine months ended 30 September		For the three months ended 30 September	
		2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
<b>Turnover</b>	3	<b>50,640</b>	32,635	<b>16,080</b>	11,438
Cost of sales		<b>(22,514)</b>	(9,107)	<b>(7,487)</b>	(3,313)
<b>Gross profit</b>		<b>28,126</b>	23,528	<b>8,593</b>	8,125
Other gains and losses	5	<b>1,545</b>	(1,288)	<b>4,778</b>	(89)
General and administrative expenses		<b>(26,046)</b>	(20,063)	<b>(11,709)</b>	(7,404)
<b>Profit from operations</b>		<b>3,625</b>	2,177	<b>1,662</b>	632
Share of results of associates		<b>12</b>	(78)	<b>4</b>	(13)
Finance costs	6(a)	<b>(3,945)</b>	(3,353)	<b>(1,313)</b>	(1,101)
<b>(Loss)/profit before taxation</b>	6	<b>(308)</b>	(1,254)	<b>353</b>	(482)
Income tax expenses	7	<b>(398)</b>	(79)	<b>–</b>	(38)
<b>(Loss)/profit for the period</b>		<b>(706)</b>	(1,333)	<b>353</b>	(520)
<b>(Loss)/profit for the period attributable to:</b>					
Owners of the Company		<b>(638)</b>	(1,325)	<b>376</b>	(518)
Non-controlling interests		<b>(68)</b>	(8)	<b>(23)</b>	(2)
			(Restated)		(Restated)
<b>(Loss)/earnings per share</b>					
– Basic and diluted (RMB cents)	8	<b>(0.248)</b>	(0.605)	<b>0.146</b>	(0.237)

	For the nine months ended 30 September		For the three months ended 30 September	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
<b>(Loss)/profit for the period</b>	<b>(706)</b>	(1,333)	<b>353</b>	(520)
<b>Other comprehensive income for the period, net of income tax</b> <i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	<b>(4,920)</b>	(8,846)	<b>(719)</b>	(14,878)
<b>Total comprehensive loss for the period</b>	<b>(5,626)</b>	(10,179)	<b>(366)</b>	(15,398)
<b>Total comprehensive loss for the period attributable to:</b>				
Owners of the Company	<b>(5,558)</b>	(10,171)	<b>(343)</b>	(15,936)
Non-controlling interests	<b>(68)</b>	(8)	<b>(23)</b>	(2)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 1 August 2000 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands, and its shares have been listed on the GEM of the Stock Exchange with effect from 20 July 2001. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Level 12, Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Group is primarily engaged in money lending business, processing and trading of electronic parts business and sales of burial plots and cemetery maintenance services.

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

### 2. BASIS OF PREPARATION

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

The condensed consolidated financial information should be read in conjunction with the 2020 annual financial statements. The accounting policies and methods of computation used in preparation of these condensed financial information are consistent with those used in the annual financial statements for the year ended 31 December 2020 except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") which are effective for the accounting periods beginning on or after 1 January 2021 and relevant to its operations. The adoption of the new IFRSs has no material impact on the Group's results and financial position for current or prior periods. The Group has not applied any new standard or interpretation that is not yet effective for the current period, which has no material impact on the Group.

### 3. TURNOVER

Revenue represents (i) the sales value of goods supplied to customers, which net of value added tax and is stated after deduction of goods returns and trade discounts, (ii) interest income earned from the money lending business, and (iii) sales of burial plots.

	(Unaudited) For the nine months ended 30 September		(Unaudited) For the three months ended 30 September	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Interest income on money lending business	22,538	22,570	7,834	7,664
Processing and trading of electronic parts	19,527	10,065	8,246	3,774
Sales of burial plots	8,575	–	–	–
	<b>50,640</b>	32,635	<b>16,080</b>	11,438

#### 4. SEGMENT REPORTING

##### Segment revenues and results

	(Unaudited)							
	Money lending		For the nine months ended 30 September				Consolidated	
	2021 RMB'000	2020 RMB'000	Electronic parts		Burial business		2021 RMB'000	2020 RMB'000
		2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000			
<b>Turnover</b>								
External sales	22,538	22,570	19,527	10,065	8,575	-	50,640	32,635
<b>Result</b>								
Segment results	8,331	8,430	1,770	947	1,444	-	11,545	9,377
Unallocated corporate expenses							(9,365)	(5,886)
Gain/(loss) on fair value of financial assets at fair value through profit or loss							1,395	(1,314)
Gain on disposal of financial assets at fair value through profit or loss							50	-
Profit from operations							3,625	2,177
Share of results of associates							12	(78)
Finance costs							(3,945)	(3,353)
Loss before taxation							(308)	(1,254)
Income tax expenses							(398)	(79)
Loss for the period							(706)	(1,333)

	(Unaudited)							
	For the three months ended 30 September							
	Money lending		Electronic parts		Burial business		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Turnover</b>								
External sales	7,834	7,664	8,246	3,774	-	-	16,080	11,438
<b>Result</b>								
Segment results	1,747	1,417	759	461	152	-	2,658	1,878
Unallocated corporate expenses							(5,758)	(1,131)
Gain/(loss) on fair value of financial assets at fair value through profit or loss							4,762	(115)
Profit from operations							1,662	632
Share of results of associates							4	(13)
Finance costs							(1,313)	(1,101)
Profit/(loss) before taxation							353	(482)
Income tax expenses							-	(38)
Profit/(loss) for the period							353	(520)

## 5. OTHER GAINS AND LOSSES

	(Unaudited)			
	For the nine months ended 30 September		For the three months ended 30 September	
	2021	2020	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Gain/(loss) on fair value of financial assets at fair value through profit or loss	1,395	(1,314)	4,762	(115)
Gain on disposal of financial assets at fair value through profit or loss	50	-	-	-
Sundry income	100	26	16	26
	1,545	(1,288)	4,778	(89)



## 6. (LOSS)/PROFIT BEFORE TAXATION

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

	(Unaudited) For the nine months ended 30 September		(Unaudited) For the three months ended 30 September	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
<b>(a) Finance costs</b>				
Interest on unsecured bonds	3,945	3,353	1,313	1,101
<b>(b) Staff costs (including directors' remuneration)</b>				
– Contributions to defined contribution plans	39	47	15	18
– Salaries, wages and other benefits	1,485	1,620	494	449
Total staff costs	1,524	1,667	509	467
<b>(c) Other items</b>				
Depreciation	373	526	42	20
Depreciation on right-of-use assets	24	40	14	40
Auditors' remuneration	387	644	129	212
Cost of inventories sold	22,514	9,107	7,487	3,313

## 7. INCOME TAX EXPENSES

	(Unaudited) For the nine months ended 30 September		(Unaudited) For the three months ended 30 September	
	2021 RMB'000	2020 RMB'000	2021 RMB'000	2020 RMB'000
Current tax				
Hong Kong	–	79	–	38
PRC Enterprises Income Tax	399	–	–	–
	399	79	–	38
Over-provision in prior year – Hong Kong	(1)	–	–	–
	398	79	–	38

## (i) Hong Kong profits tax

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25% (2020: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% in respect of the Period (2020: 16.5%). The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5% in respect of the Period (2020: 16.5%).

## (ii) Income taxes outside Hong Kong

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Company and the Company's subsidiaries registered in the BVI are not subject to any income tax in the Cayman Islands and BVI, respectively. The subsidiary of the Company established in the PRC is generally subject to PRC Enterprise Income Tax on its taxable income at an income tax rate of 25% in respect of the Period (2020: 25%).

## 8. (LOSS)/EARNINGS PER SHARE

The calculation of basic earnings/(loss) per share for the three months ended 30 September 2021 was based on the profit for the period attributable to owners of the Company of approximately RMB376,000 (2020: loss attributable to owners of the Company of approximately RMB518,000) and on the weighted average number of ordinary shares of approximately 257,572,058 shares (2020 (restated): 218,990,966 shares).

The calculation of basic loss per share for the nine months ended 30 September 2021 was based on the loss for the period attributable to owners of the Company of approximately RMB638,000 (2020: RMB1,325,000) and on the weighted average number of ordinary shares of approximately 257,572,058 shares (2020 (restated): 218,990,966 shares).

The outstanding share options for the three months ended 30 September 2021 and 2020; and nine months ended 30 September 2021 and 2020 have an anti-dilutive effect on the basic (loss)/earnings per share.

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

	Share capital	Share premium	Capital reduction reserve	Share-based compensation reserve	Financial assets at fair value through other comprehensive income reserve	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At 1 January 2020	36,184	357,643	495,170	-	(11,465)	27,552	(542,967)	362,117	(13,368)	348,749
Loss for the period	-	-	-	-	-	-	(1,325)	(1,325)	(8)	(1,333)
Exchange differences on translating foreign operations	-	-	-	-	-	(8,846)	-	(8,846)	-	(8,846)
Total comprehensive income for the nine months ended 30 September 2020	-	-	-	-	-	(8,846)	(1,325)	(10,171)	(8)	(10,179)
At 30 September 2020	36,184	357,643	495,170	-	(11,465)	18,706	(544,292)	351,946	(13,376)	338,570
At 1 January 2021	43,630	358,848	495,170	1,432	(14,065)	7,255	(568,538)	323,732	(13,385)	310,347
Loss for the period	-	-	-	-	-	-	(638)	(638)	(68)	(706)
Exchange differences on translating foreign operation	-	-	-	-	-	(4,920)	-	(4,920)	-	(4,920)
Total comprehensive loss for the nine months ended 30 September 2021	-	-	-	-	-	(4,920)	(638)	(5,558)	(68)	(5,626)
Capital reduction (Note 1)	(40,855)	-	40,855	-	-	-	-	-	-	-
At 30 September 2021	2,775	358,848	536,025	1,432	(14,065)	2,335	(569,176)	318,174	(13,453)	304,721

## Note 1:

On 3 September 2020, the Company proposed to implement the capital reduction involving the reduction of the par value of each issued share from HK\$0.20 to HK\$0.01 by cancelling the paid up share capital to the extent of HK\$0.19 per issued share. An extraordinary general meeting of the Company was held on 5 October 2020 and the resolution was duly passed by poll as a special resolution. Accordingly, the capital reduction became effective on 29 January 2021. Details of the capital reduction were set out in the Company's circular dated 11 September 2020 and the Company's announcements dated 3 September 2020, 5 October 2020, 25 January 2021 and 28 January 2021.

## 10. DIVIDEND

The Directors do not recommend the payment of any dividends for the nine months ended 30 September 2021 (2020: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

For the nine months ended 30 September 2021, the Group recorded an unaudited consolidated turnover of approximately RMB50,640,000 (2020: RMB32,635,000), which represented an increase of approximately 55.2% as compared with that of the corresponding period in 2020.

The increase of turnover was mainly attributed to the increase in revenue earned from the processing and trading of electronic parts business and the burial business which commenced since 2020. The income from processing and trading of electronic parts business has increased by approximately RMB9,462,000 or 94.0% to approximately RMB19,527,000 (2020: RMB10,065,000). The increase was due to the demand rebound in the PRC. Meanwhile, the revenue generated from the burial business was approximately RMB8,575,000. During the Period, the demand in the loan market remained stable, the revenue from money lending business slightly dropped by approximately RMB32,000 or 0.1% as compared with the corresponding period in 2020. The Group has derived interest income from our loan portfolio of approximately RMB22,538,000 for the Period (2020: RMB22,570,000).

The gain/loss on financial assets at fair value through profit or loss were turnaround from a net unrealised loss of approximately RMB1,314,000 to net unrealized gain of approximately RMB1,395,000 from the listed securities portfolio held by the Group and a net realised gain of approximately RMB50,000 from the disposal of listed securities for the Period.

The general and administrative expenses for the Period increased by approximately RMB5,983,000 or 29.8% as compared with the corresponding period in 2020. The increase was mainly attributed to more corporate expenses and the increase in allowance for expected credit losses incurred during the Period.

Finance costs for the Period increased by approximately RMB592,000 or 17.7% as compared with the corresponding period in 2020 which mainly represented the interest expenses on the unsecured bonds.

Loss attributable to owners of the Company for the Period amounted to RMB638,000 (2020: RMB1,325,000), which represented approximately RMB687,000 or 51.8% decrease as compared with the corresponding period in 2020. The loss incurred was mainly attributable to the increase in turnover and the gain on fair value of financial assets at fair value through profit or loss.

### BUSINESS REVIEW AND FUTURE PROSPECT

During the Period, the Group continued engaging in the money lending business and processing and trading of electronic parts business and the burial business.

The Group engaged in money lending business by providing both secured and unsecured loans to individuals and corporate customers. We provide personal loans, mortgage loans and corporate loans. Interest income earned from the money lending business was approximately RMB22,538,000 during the Period, which represented approximately 44.5% of the total revenue. Meanwhile, 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 RMB19,527,000 during the Period, which represented 38.6% of the total revenue. Since 2020, the Group expanded into the death care service industry in the PRC which included the sale of burial plots and cemetery maintenance services. Revenue earned from the burial business was approximately RMB8,575,000 during the Period, which represented 16.9% of the total revenue. In the view of the poor performance of the burial business, the Group minimise the capital expenditure and cut the unnecessary costs during the Period.

Looking forward, the Group will continue to dedicate efforts on the processing and trading of electronic 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.

## **CHARGES ON GROUP ASSETS**

As at 30 September 2021, none of the assets of the Group has been pledged to secure any loan granted to the Group (31 December 2020: Nil).

## **CAPITAL COMMITMENT**

As at 30 September 2021, the Group did not have any material capital commitment (31 December 2020: Nil).

## **SIGNIFICANT INVESTMENTS**

The Group had no significant investment during the Period.

## **MATERIAL ACQUISITION AND DISPOSAL**

The Group had no material acquisition nor disposal during the Period.

## **EMPLOYEE INFORMATION**

As at 30 September 2021, the Group has about 30 employees working in Hong Kong and in the PRC. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. The staff costs, including Directors' emoluments, were approximately RMB1,485,000 for the Period (2020: RMB1,620,000).

## GEARING RATIO

As at 30 September 2021, the Group's gearing ratio, being the ratio of total liabilities to total assets, was approximately 17.1% (31 December 2020: 15.4%).

## BONDS

On 12 January 2018, the Company issued unsecured bonds to independent third parties with principal amount of HK\$30,000,000 and an 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 an effective interest rate of 11% per annum and the maturing date is the fifth anniversary of the renewal date.

On 12 July 2019, the Company issued unsecured bonds to independent third parties with principal amount of HK\$15,000,000 and an effective interest rate of 11% per annum, the maturity date of which is 3 years.

## CONTINGENT LIABILITIES

As at 30 September 2021, the Group did not have any material contingent liabilities (31 December 2020: nil).

## OTHER INFORMATION

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

As at 30 September 2021, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 under the Laws of Hong Kong ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to 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 COMPANY

Name of Director	Nature of Interests	Capacity	Number of unlisted share options	Approximately percentage of shareholding
Ms. Tsui Annie	2,146,000	Beneficial owner	2,146,000	0.83%
Mr. Feng Keming	2,146,000	Beneficial owner	2,146,000	0.83%
Ms. Ho Yuen Ki	2,146,000	Beneficial owner	2,146,000	0.83%

Save as disclosed above, as at 30 September 2021, 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.

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

As at 30 September 2021, 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 (other than the Directors and chief executive of the Company) 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.

## SHARE OPTION

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 Period, no share option were granted, exercised, cancelled nor lapsed. As at 30 September 2021, there were outstanding 21,460,000 options.

Details of the outstanding options under the Share Option Scheme are as follows:

Details of grantees	Date granted	Period during which options are exercisable	Outstanding as at 1 January 2020		Exercised/ cancelled/ lapsed	Outstanding as at 31 December 2020 and 1 January 2021		Granted/ exercised/ cancelled/ lapsed during the Period	Outstanding as at 30 September 2021	Exercise price per share	Closing price per share immediately before the date of grant
			1 January 2020	Granted		1 January 2021	31 December 2020				
<b>Category: Directors</b>											
Ms. Tsui Annie	8 October 2020	8 October 2020 to 7 October 2022	-	2,146,000	-	2,146,000	-	2,146,000	HK\$0.20	HK\$0.17	
Mr. Feng Keming	8 October 2020	8 October 2020 to 7 October 2022	-	2,146,000	-	2,146,000	-	2,146,000	HK\$0.20	HK\$0.17	
Ms. Ho Yuen Ki	8 October 2020	8 October 2020 to 7 October 2022	-	2,146,000	-	2,146,000	-	2,146,000	HK\$0.20	HK\$0.17	
<b>Category: Employees</b>											
Employees	8 October 2020	8 October 2020 to 7 October 2022	-	15,022,000	-	15,022,000	-	15,022,000	HK\$0.20	HK\$0.17	
			-	21,460,000	-	21,460,000	-	21,460,000			

Note: All share options granted were vested immediately.

**DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

As at 30 September 2021, save for the Share Option Scheme, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate, and none of the Directors, chief executives or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company, or had exercised any such right.

**COMPETING INTEREST**

Up to the date of this report, none of the Directors or the management shareholders or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) of the Company has an interest in any business which directly or indirectly competes with the business of the Group, or has any other conflict of interests with the Group.

**CHANGES IN THE INFORMATION OF THE DIRECTORS SINCE THE DATE OF THE ANNUAL REPORT**

Since 23 March 2020 (the date of publication of the Annual Report), there has been no change in the information of the Directors as required to be disclosed pursuant to Rule 17.50B of the GEM Listing Rules.

**AUDIT COMMITTEE**

The Company established an audit committee ("Audit Committee") in July 2001 with terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee include the review and supervision of the financial reporting process and the internal control and risk management systems of the Group on ongoing basis. During the Period, the Audit Committee comprised of three members and all of whom are independent non-executive Directors. Mr. CHAN Kwan Yiu who possess appropriate professional qualifications, accounting and related financial management expertise, is the Chairman of the Audit Committee. The Audit Committee meets at least quarterly. The Group's unaudited results for the Period have not been audited by the Company's auditors but have been reviewed by the Audit Committee, and it was in its opinion that the preparation of such results complied with the applicable standards and statutory requirements and the requirements of the Stock Exchange. During the Period, no material matters were identified and reported by the Audit Committee to the Board.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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



**CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

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 Period.

**COMPLIANCE WITH PROVISIONS OF CORPORATE GOVERNANCE CODE**

Save as disclosed below, none of the Directors is aware of any information which would reasonably indicate that the Company has not, for any part of the Period, complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules. As to the deviation from code provisions A.4.1 that non-executive directors are not appointed for specific terms but are subject to retirement by rotation and re-election in accordance with the articles of association of the Company, and A.6.7 that independent non-executive Directors did not attend all general meetings; the Board will continue to review the current situation from time to time and shall make necessary changes when appropriate and, the compliance officer and company secretary of the Company had reminded and will continue to remind the relevant independent non-executive Directors as well as all current independent non-executive Directors to attend the general meetings of the Company in future.

**EVENTS AFTER THE REPORTING PERIOD**

The Group has no material events after the reporting period.

By Order of the Board  
**Hao Wen Holdings Limited**  
**TSUI Annie**  
*Chairperson*

Hong Kong, 9 November 2021

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

*Executive Directors:*

Ms. TSUI Annie  
Mr. FENG Keming

*Independent non-executive Directors:*

Mr. CHAN Kwan Yiu  
Ms. MA Sijing  
Ms. HO Yuen Ki