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LUEN WONG GROUP HOLDINGS LIMITED

聯旺集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8217)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2021

The board (“**Board**”) of directors (“**Directors**”) of Luen Wong Group Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited results of the Group for the three months ended 30 June 2021. This announcement, containing the full text of the 2021 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of quarterly results.

By order of the Board
Luen Wong Group Holdings Limited
So Kwok Hung
Executive Director

Hong Kong, 13 August 2021

As at the date of this announcement, the executive Directors are Mr. So Kwok Hung and Ms. Yu Xiao and the independent non-executive Directors are Mr. Wong Chi Kan, Ms. Lao In Iam and Mr. Liao Honghao.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of GEM of the Stock Exchange’s website at www.hkgem.com for a minimum period of 7 days from the date of its posting and on the website of the Company at www.todayir.com/en/showcases.php?code=8217.

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2021

FIRST
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 Luen Wong Group 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 (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company and its subsidiaries (together, the “Group”). 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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

FINANCIAL HIGHLIGHTS

For the three months ended 30 June 2021, the operating results of the Company and its subsidiaries (collectively referred to as the “Group”) were as follows:

- Revenue amounted to approximately HK\$22.2 million for the three months ended 30 June 2021, representing a decrease of approximately HK\$30.0 million as compared with the corresponding period in 2020;
- Gross result for the three months ended 30 June 2021 turnaround to profit of approximately HK\$1.0 million from loss of approximately HK\$2.3 million for the corresponding period in 2020;
- Profit and total comprehensive income for the three months ended 30 June 2021 attributable to equity holders of the Company amounted to approximately HK\$6.8 million, representing a turnaround from loss of approximately HK\$2.0 million as compared with the corresponding period in 2020;
- Basic and diluted earnings per share for the three months ended 30 June 2021 amounted to approximately HK cent 1.81 and HK cent 1.79 respectively, representing a turnaround from loss per share of approximately HK cent 0.63 as compared with the corresponding period in 2020; and
- The Directors do not recommend the payment of an interim dividend for the three months ended 30 June 2021.

FIRST QUARTERLY RESULTS

The board (the “Board”) of directors (the “Directors”) is pleased to announce the unaudited condensed consolidated results of the Group for the three months ended 30 June 2021 together with the unaudited comparative figures for the corresponding period of 2020.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 30 June 2021

		Three months ended 30 June	
	Note	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	22,160	52,227
Cost of sales		(21,193)	(54,483)
Gross profit/(loss)		967	(2,256)
Other gain or loss		7,829	2,741
Administrative and other operating expenses		(1,648)	(2,456)
Profit/(loss) from operations		7,148	(1,971)
Finance costs		(364)	(8)
Profit/(loss) before income tax		6,784	(1,979)
Income tax expense	4	–	–
Profit/(loss) and total comprehensive income/(loss) for the period attributable to equity holders of the Company		6,784	(1,979)
		HK cents	HK cents
Earnings/(loss) per share attributable to equity holders of the Company			
Basic	6	1.81	(0.63)
Diluted	6	1.79	(0.63)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 30 June 2021

	Total equity attributable to equity holders of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Share-based payments reserve HK\$'000	Other reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
Balance as at 1 April 2020 (audited)	12,480	36,672	4,329	10,400	3,820	(36,480)	31,221
Loss and total comprehensive loss for the period	—	—	—	—	—	(1,979)	(1,979)
Balance as at 30 June 2020 (unaudited)	12,480	36,672	4,329	10,400	3,820	(38,459)	29,242
Balance as at 1 April 2021 (audited)	14,976	39,242	5,338	10,400	3,820	(49,016)	24,760
Profit and total comprehensive income for the period	—	—	—	—	—	6,784	6,784
Balance as at 30 June 2021 (unaudited)	14,976	39,242	5,338	10,400	3,820	(42,232)	31,544

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2021

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 16 October 2015. The addresses of the Company's registered office and principal place of business are P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and Unit 2202, 22/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong respectively.

The Company is an investment holding company, and the Group is principally engaged in the provision of civil engineering works and investment holding.

The Company's shares are listed on the GEM of the Stock Exchange on 12 April 2016.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2021 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 March 2021. The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements of the Group for the year ended 31 March 2021.

As at the date of authorisation of these unaudited condensed consolidated financial statements, HKICPA has issued a number of new and amended HKFRSs. For those which are effective for accounting period beginning on 1 April 2021, the adoption of these new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. The Group has not early adopted any new and amended HKFRSs that are relevant to the Group have been issued but are not yet effective for the current accounting period.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies set out in the annual consolidated financial statements of the Group for the year ended 31 March 2021.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars ("HK\$"), which is the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands ("HK\$'000"), except when otherwise indicated.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the accounting policies of the Group.

The unaudited condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the Company's audit committee.

2. BASIS OF PREPARATION (Continued)

Application of amendments to HKFRSs

In the current period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9, HKAS 39,
HKFRS 7, HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform – Phase 2

The amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amount reported and/or disclosures.

The application of the amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior years and/ or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

Revenue represents the consideration received and receivable from the provision of civil engineering works.

4. INCOME TAX EXPENSE

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax		
– Hong Kong profits tax	–	–
– Deferred tax	–	–
Income tax expense	–	–

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rate regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rate regime, the first HK\$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

For the six months ended 30 June 2021 and 2020, Hong Kong Profits Tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

For the six months ended 30 June 2021, Hong Kong Profits Tax was calculated at a flat rate of 16.5% (2020: 16.5%) of the estimated assessable profits.

The directors are in the view that the impact of the two-tiered profits tax rates regime on the Group's current and deferred tax position is not material.

5. DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2021 and 2020.

6. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings per share

The calculation of basic earnings/loss per share attributable to equity holders of the Company is based on the following:

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Earnings/(loss)		
Profit/(loss) for the period attributable to equity holders of the Company	<u>6,784</u>	<u>(1,979)</u>
Number of shares		
Weighted average number of ordinary shares (in thousands)	<u>374,400</u>	<u>312,000</u>

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to ordinary equity shareholders of the Company of HK\$6,784,000 and the weighted average number of ordinary shares of 379,511,719 shares, calculated as follows:

Weighted average number of ordinary shares at 1 April 2021	374,400,000
Effect of deemed issues of shares under the Company's share option scheme	<u>5,111,719</u>
Weighted average number of ordinary shares at 30 June 2021	<u>379,511,719</u>

The computation of diluted loss per share for the six months ended 30 June 2020 does not assume the exercise of the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group has over 21 years of experience in providing civil engineering works as a subcontractor in Hong Kong. The civil engineering works undertaken by the Group are mainly related to (i) roads and drainage works (including construction and improvement of local road, carriageway with junction improvement and the associated footpaths, planting areas, drains, sewers, water mains and utilities diversion); (ii) structural works (including construction of reinforced concrete structures for bridges and retaining walls); and (iii) site formation works (including excavation and/or filling works for forming a new site or achieving designed formation level for later development).

The Group experienced a decrease in revenue for the three months ended 30 June 2021 compared with the corresponding period in 2020. Such decrease was mainly due to some large constructions projects reaching completion stage and the outbreak of COVID-19 affected the progress of the projects.

In the 2021-22 Budget Speech, the Government reiterated its commitment to infrastructure and announced the annual capital works expenditure will exceed HK\$100 billion in coming years and the annual total construction output will increase to around HK\$300 billion. It is expected construction projects is about to remain at a stable level in the next few years. However, challenges like delaying in budget approval due to filibustering, delaying in progress due to social demonstration and shortage of manpower will continue to strike the civil engineering industry.

As to the Group, we are confident with the prospects of the Group for the next few years as we have recently secured few projects. These projects could ensure sustainability of the Group and increase employees' loyalty towards the Group.

2022 is expected to be full of opportunities and challenges. The planned commitment in the Government's public expenditure on infrastructure will result in more business opportunities being presented to the market. Whilst factors including but not limited to difficult geological conditions, adverse weather conditions, variations to the construction plans instructed by customers and other unforeseen problems or circumstances that occur during project implementation continue being threats that likely affect the Group's profit as a subcontractor.

Looking forward, the Group will continue to strengthen the competitive edge of the Group over the competitors in the civil engineering industry and at the same time carefully evaluate each projects and control the Group's overall costs to a reasonable level; which in turn is expected to increase shareholders' return. Besides, in order to increase shareholders' return, the Group will put efforts to evaluate the feasibility of obtaining necessary licenses to carry out civil engineering works and related operations in other countries, such as Japan and Thailand.

FINANCIAL REVIEW

Revenue

All of the Group's revenue was generated from the provision of civil engineering works. The total revenue of the Group decreased by approximately HK\$30,067,000 from approximately HK\$52,227,000 for the three months ended 30 June 2020 to approximately HK\$22,160,000 for the three months ended 30 June 2021. Such decrease was mainly due to some large constructions projects reaching completion stage and the outbreak of COVID-19 affected the progress of the projects.

Gross Profit and Gross Profit Margin

The Group's gross results turnaround to profit of approximately HK\$967,000 from loss of approximately HK\$2,256,000 for the three months ended 30 June 2020.

The gross profit margin varied substantially from project to project and is mainly attributable to its pricing strategy, which is determined based on a cost-plus pricing model in general with markup determined on a project-by-project basis. Details are set out in the paragraph headed "Gross Profit and Gross Profit Margin" in the section headed "Management Discussion and Analysis" in the Company's 2021 annual report dated 25 June 2021.

Other Gain or Loss

Other gain or loss of the Group increase from gain of approximately HK\$2,741,000 for the three months ended 30 June 2020 to gain of approximately HK\$7,829,000 for the three months ended 30 June 2021. It mainly comprised of the unrealised of fair value gain recognised during the three months ended 30 June 2021.

Administrative Expenses

Administrative expenses of the Group decreased by approximately HK\$808,000 from approximately HK\$2,456,000 for the three months ended 30 June 2020 to approximately HK\$1,648,000 for the three months ended 30 June 2021. Administrative expenses consist primarily of staff costs, professional fees, depreciation, rental expenses and other administrative expenses. Such decrease was primarily attributable to the decrease in staff related expenses.

Finance Costs

Finance costs for the Group increased from approximately HK\$8,000 for the three months ended 30 June 2020 to approximately HK\$364,000 for the three months ended 30 June 2021.

Income Tax Expense

Income tax expense for the Group remained stable at HK\$Nil for the three months ended 30 June 2020 and 2021.

Profit/(loss) and total comprehensive income/(loss) for the period attributable to equity holders of the Company

Results for the period attributable to equity holders of the Company turnaround to profit of approximately HK\$6,784,000 from loss of approximately HK\$1,979,000 for the three months ended 30 June 2020. Such turnaround was primarily attributable to the effect of the increase in gross profit and the unrealised fair value gain of financial assets at fair value through profit or loss and decrease in administrative and other operating expenses for the three months ended 30 June 2021 as discussed above.

DISCLOSURE OF INTERESTS

A. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2021, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in the shares and underlying shares of the Company

Name of Director	Number of issued ordinary shares/ underlying shares of the Company	Personal interests	Total	Percentage of the issued shares capital of the Company
So Kwok Hung – Unlisted share options	6,240,000		6,240,000	1.67%
Yu Xiao – Unlisted share options	6,240,000		6,240,000	1.67%
Wong Chi Kan – Unlisted share options	3,120,000		3,120,000	0.83%
Liao Honghao – Unlisted share options	3,120,000		3,120,000	0.83%
Lao In lam – Unlisted share options	3,120,000		3,120,000	0.83%

Save as disclosed above, as at 30 June 2021, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

B. SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 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 disclosed above) 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of Company's listed securities during the three months ended 30 June 2021.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "Code") in Appendix 15 of the GEM Listing Rules. The Directors consider that during the three months ended 30 June 2021 and up to the date of this report, the Company has complied with all the applicable code provisions set out in the Code.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors in respect of the Shares (the "Code of Conduct"). The Company has made specific enquiry to all Directors, and all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the three months ended 30 June 2021 and up to the date of this report.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2021.

DISCLOSURE REQUIRED UNDER RULE 17.50(2) OF THE GEM LISTING RULES

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information in relation to the Directors that is required to be disclosed pursuant to Rules 17.50(2) of the GEM Listing Rules as at the date of this report.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") has been adopted by way of shareholder's written resolution passed on 24 March 2016. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

As at 30 June 2021, 56,160,000 share options has been granted by the Company pursuant to such Share Option Scheme. The options are unlisted. Each option gives the holder the right to subscribe for one share of HK\$0.04 each of the Company.

	Date of grant	Exercise price per option	Exercise period	Vesting period	Balance as at 1 April 2021	Granted during the period	Lapsed during the period	Balance as at 30 June 2021
Directors								
So Kwok Hung	11 July 2019	HK\$0.404	5 years from the date of grant	No	3,120,000	–	–	3,120,000
	18 August 2020	HK\$0.090	5 years from the date of grant	No	3,120,000	–	–	3,120,000 (note (iii))
Yu Xiao	11 July 2019	HK\$0.404	5 years from the date of grant	No	3,120,000	–	–	3,120,000
	18 August 2020	HK\$0.090	5 years from the date of grant	No	3,120,000	–	–	3,120,000 (note (iii))
Wong Chi Kan	18 August 2020	HK\$0.090	5 years from the date of grant	No	3,120,000	–	–	3,120,000 (note (iii))
Liao Honghao	18 August 2020	HK\$0.090	5 years from the date of grant	No	3,120,000	–	–	3,120,000 (note (iii))
Lao In lam	18 August 2020	HK\$0.090	5 years from the date of grant	No	3,120,000	–	–	3,120,000 (note (iii))
Other employees								
	11 July 2019	HK\$0.404	5 years from the date of grant	No	12,480,000	–	–	12,480,000 (note (i))
	18 August 2020	HK\$0.090	5 years from the date of grant	No	12,480,000	–	–	12,480,000 (note (i)&(iii))
Consultants								
	11 July 2019	HK\$0.404	5 years from the date of grant	No	9,360,000	–	–	9,360,000 (note (ii))
Total					56,160,000	–	–	56,160,000

Notes:

- (i) The share options have been granted to 4 employees and each of them hold 3,120,000 share options.
- (ii) The share options have been granted to 3 consultants and each of them hold 3,120,000 share options.

Each consultant provides consultancy services and business development support to the Group, including but not limited to provision of consultancy services in relation to the construction projects, sourcing potential construction projects and business development opportunity to the Group.

The management consider that in view of the limited resources of the Group and to maintain a long-term growth, the options granted to the consultants can help to retain and motivates these non-employees to generate growth in company value. The options were granted as in incentive for these consultants to provide ongoing service to the Group and to maintain a long-term relationship with them so that the Group can maintain a streamline operation with stability. Apart from the options granted, the Company has not provided any other remuneration to these consultants for their services provided.

- (iii) The share options were exercised in July 2021. For details, please refer to the next day disclosure returns dated 15 July 2021.

EVENTS AFTER THE REPORTING PERIOD

On 12 July 2021, a total of 37,440,000 share options were granted to certain employees to subscribe for an aggregate of 37,440,000 shares of HK\$0.04 each in the share capital of the Company. For details, please refer to the Company's announcement dated 12 July 2021.

The closing price of the Company's shares immediately before the date of grant of share options on 12 July 2021 was HK\$0.090.

On 2 August 2021, the Company proposed (i) a share consolidation which involves the consolidation of every four (4) issued and unissued existing shares of par value HK\$0.04 each into one (1) consolidated share of par value of HK\$0.16 each; and (ii) proposed to implement the rights issue on the basis of two (2) rights shares for every one (1) consolidated share held on the record date at the subscription price of HK\$0.26 per rights share. For details, please refer to the announcement of the Company dated 2 August 2021.

Save as disclosed in this report, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 30 June 2021 and up to the date of this report.

AUDIT COMMITTEE

An audit committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs C.3.3 and C.3.7 of the Code. The audit committee consists of three members, namely Mr. Liao Honghao, Mr. Wong Chi Kan and Ms. Lao In lam, all being independent non-executive Directors. Mr. Wong Chi Kan currently serves as the chairman of the audit committee.

The committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of the Group, and as to the adequacy of the external and internal audits.

The audit committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 30 June 2021 and is of the view that such results complied with the applicable accounting standards, principles and policies, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board
Luen Wong Group Holdings Limited
So Kwok Hung
Executive Director

Hong Kong, 13 August 2021

As at the date of this report, the executive Directors are Mr. So Kwok Hung and Ms. Yu Xiao and the independent non-executive Directors are Mr. Wong Chi Kan, Ms. Lao In lam and Mr. Liao Honghao.