

TARGET

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LUEN WONG GROUP HOLDINGS LTD: THIS COMPANY HAS A RECORD AS BEING A LOSER – IT IS UNLIKELY TO SELECT A DIFFERENT PATH

Since going public on The Growth Enterprise Market (the **GEM**) of The Stock Exchange of Hongkong Ltd on April 12, 2016, with the exceptions of the two Financial Years, ended March 31, 2017, Senior Management of Luen Wong Group Holdings Ltd (聯旺集團控股有限公司) (Code: 8217), has been required, by circumstances, to declare nothing but Net Losses Attributable to Shareholders.

Luen Wong Group Holdings Ltd is engaged in the provision of civil engineering works, decoration, and renovation works, in the main.

It is, also, engaged in works, relating to roads and drainage, associated footpaths, planting areas, drains, sewers, water mains and utilities diversions.

It has only five customers of note, those customers, being responsible for nearly all the annual revenues of the Company, with the largest, single customer, having been responsible for approximately 66 percent of annual revenues.

The loss of any one of the Company's relatively small band of customers, as one may surmise, is quite likely to have an immediate, deleterious effect.

As pointed out in the 2021 Annual Report of Luen Wong Group Holdings Ltd, at Page Eight, during the 2020 and 2021 Financial Years, Management '*had no general banking facilities.*'

The Company appears to be living off cash, derived from the direct results of Share Placements as well as the issuance of Rights Shares to extant shareholders, both of which exercises appear, thus far, to have brought in the shekels, sufficient, that is, only to keep creditors from knocking on the doors of the Company.

The 2021 Annual Report Of Luen Wong Group Holdings Ltd

On Monday, June 28, 2021, Management of Luen Wong Group Holdings Ltd published and disseminated its 2021 Annual Report with regard to the Financial Year, ended March 31, 2021.

At Page Three of this Report, Mr So Kwok Hung (蘇國雄), the Chairman and an Executive Director of the Company, said, inter alia, under the subheading, ‘**A YEAR IN REVIEW**’:

*‘The shares of the Company (the “**Shares**”) were successfully listed on GEM of the Stock Exchange on 12 April 2016 (the “**Listing**”) by way of placing (the “**Placing**”). The Listing has enhanced the Group’s profile and recognition and assist us in reinforcing our brand awareness and image. The net proceeds raised have also strengthened the Group’s operational capacity.*

‘The total revenue of the Group decreased by approximately HK\$186,584,000 from approximately HK\$354,884,000 for the year ended 31 March 2020 to approximately HK\$168,300,000 for the Reporting Period. Such decrease was mainly due to few large construction projects reaching completion stage and the construction industry in Hong Kong has been negatively impact by the outbreak of COVID-19 which cause some construction sites were closed temporarily to prevent construction workers from being infected by the contagious disease.’

(This medium has never heard of construction workers, contracting COVID-19, or any other organically borne epidemic or pandemic, for that matter, from ‘being infected by the contagious disease’ by just being involved at work at construction sites: Inorganic diseases secreted into construction machines, n'est-ce pas?)

At Page Six of the 2021 Annual Report, it was stated that the Government of the **Hongkong Special Administrative Region (HKSAR)** had awarded the sum of \$HK8,034,000 to the Company ‘mainly due to government grants ... in relation to the Employment Support Scheme.’

At Page 49 of the 2021 Annual Report, the ‘**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**’ was presented, the highlights of which included:

	2021	2020	Percentage Increase/(Decrease) *
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated)		
Revenue	168,300	354,884	(52.58)
Gross Loss	(2,283)	(20,196)	(88.70)
Other Gains or Losses	(5,214)	(14,397)	(63.79)
Loss and Total Comprehensive Expense for the Year Attributable to Shareholders	(13,130)	(55,567)	(76.37)
Loss Per Share	(\$HK0.0378)	(\$HK0.01781)	(112.24)

* These are **TARGET**’s calculations.

At Page 50 of the 2021 Annual Report, it was shown that cash and cash balances stood at \$HK15,572,000 (2020: \$HK3,819,000).

The Net Assets of the Company (Shareholders' Funds), as at March 31, 2021, were said to have been \$HK24,760,000 (2020: \$HK31,221,000).

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