

ALLUREFEM HOLDING LIMITED

泝人壹方控股有限公司

THIRD QUARTERLY REPORT



2023

(formerly known as Tong Kee (Holding) Limited)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8305)

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Allurefem Holding 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.

This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its publication and be posted on the website of the Company at www.tongkee.com.hk.

CONTENTS

Unaudited Condensed Consolidated Statement of Comprehensive Income	3
Unaudited Condensed Consolidated Statement of Changes in Equity	4
Notes to the Unaudited Condensed Consolidated Financial Statements	5
Management Discussion and Analysis	7

UNAUDITED THIRD QUARTERLY 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 ended 30 September 2023, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED AND THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023	2022	2023	2022
		HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue	3	28,883	23,929	121,997	138,318
Direct cost		(25,942)	(20,117)	(110,422)	(122,194)
Gross profit		2,941	3,812	11,575	16,124
Other income, net		178	1,440	779	3,318
Administrative expenses		(3,760)	(9,464)	(17,533)	(26,028)
Impairment of goodwill		–	–	(10,000)	–
Loss arising from change in fair value of financial assets at fair value through profit or loss		18	36	54	(150)
Finance costs		(710)	(353)	(1,240)	(1,354)
Loss before taxation		(1,333)	(4,529)	(16,365)	(8,090)
Income tax expense	4	–	–	–	–
Loss and total comprehensive expense for the period		(1,333)	(4,529)	(16,365)	(8,090)
Loss per share – Basic and diluted (HK cents)	6	(0.13)	(0.43)	(1.56)	(0.77)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Retained profits/ (Accumulated losses) HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	10,500	87,874	1,941	(28,523)	71,792
Loss and total comprehensive expense for the period	-	-	-	(16,365)	(16,365)
At 30 September 2023 (unaudited)	10,500	87,874	1,941	(44,888)	(55,427)
At 1 January 2022 (audited)	10,500	87,874	1,941	(3,886)	96,429
Loss and total comprehensive expense for the period	-	-	-	(8,090)	(8,090)
At 30 September 2022 (unaudited)	10,500	87,874	1,941	(11,976)	88,339

Note: Capital reserve represents the difference between the Company's Share capital and the combined share capital of the subsidiaries of the Company pursuant to a reorganisation for the listing.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 10 April 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The immediate and ultimate holding company is Advanced Pacific Enterprises Limited, a company incorporated in the British Virgin Islands, which is controlled by Mr. Heung Chung Sum (“Controlling Shareholder” or “Mr. Heung”). The address of the registered office and principal place of business of the Company are at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and Room 2502, 25/F, 148 Electric Road, North Point, Hong Kong, respectively. The Company’s shares are subsequently listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 July 2018 (the “Listing”).

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are multi-disciplinary contractors which are principally engaged in performing repair, maintenance, alteration and addition (“RMAA”) works, new construction works and cathodic protection works in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollar (“HK\$”) which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousands (“HK\$’000”), except where otherwise indicated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2023 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the interim report of the Group for the period ended 30 June 2023.

In current period, HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the company, there have been no significant changes to the accounting policies applied in these financial statements for the period presented as a result of these developments.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

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

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

3. REVENUE

Revenue represents the fair value of amounts received and receivable by the Group in respect of the provision of building renovation and construction services to external customers. The Group's operations are solely derived from the building renovation and construction services in Hong Kong during the period. For the purposes of resources allocation and performance assessment, the chief operating decision maker (the "CODM"), being the executive directors of the Company, reviews the overall results and financial position of the Group as a whole prepared based on the same set of accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

4. INCOME TAX EXPENSE

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is accordingly not subject to income tax in the Cayman Islands.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group has no estimated assessable profits for both periods.

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Hong Kong Profits Tax – Current year	–	–	–	–

5. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2023.

6. LOSS PER SHARE

The calculations of basic loss per share attributable to the owners of the Company for the three months and nine months ended 30 September 2023 are based on the followings:

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Loss:				
Loss for the period attributable to equity holder of the company	(1,333)	(4,529)	(16,365)	(8,090)
	'000	'000	'000	'000
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,050,000	1,050,000	1,050,000	1,050,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Company and its subsidiaries (collectively referred to as the “Group”) is an established multi-disciplinary contractor for the provision of renovation and maintenance works, alteration and addition works (“RMAA”), new construction works, and cathodic protection works in Hong Kong. The Group is responsible for the overall management, implementation and supervision of projects. The Group focuses on the management of projects, development of work programmes, procurement of works materials, operation of site works, co-ordination with the customers or their consultants and quality control of the works carried by the employees and the subcontractors.

For RMAA works, the Group provides repair, maintenance, alteration and addition, modification, rehabilitation, steel, civil and demolition works in various venues such as residential building, commercial building, carpark, road, footbridge and theme park in Hong Kong. For new construction works, the Group provides a variety of constructions and related alteration and additions works and facilities such as noise mitigation work, architectural metalwork, bus shelter, dangerous goods store building, innovative and creative structure such as air balloon. For cathodic protection works, the Group provides installation of cathodic protection systems including sacrificial anodes protection and impressed current systems.

For the nine months ended 30 September 2023 (“Relevant Period”), there were 110 projects (corresponding period in 2022: 108 projects) with revenue contribution undertaken by the Group. The revenue of the Group reported an increase in current period, the demands for the Group’s RMAA and fitting-out works services remain steady and is on an increasing trend. During the nine months ended 30 September 2023, the Group was awarded 46 new projects, with total original contract sum of approximately HK\$131.6 million.

Looking forward, the Directors consider that the future opportunities and challenges facing the Group will continue to be affected by the development of the property market and expansion on the infrastructure in Hong Kong as well as factors affecting the labour costs and material costs. The Directors are of the view that the number of properties to be built and maintained in Hong Kong remains to be the key driver for the growth of the Hong Kong RMAA and new construction works industry.

MANAGEMENT DISCUSSION AND ANALYSIS

The outbreak of the novel coronavirus (COVID-19) and its escalation on a global scale has triggered unprecedented disruptions in business operations and to the economy. While it would be difficult to gauge the longer term impact of such events as the situation is dynamically evolving, the Group has been proactive in closely monitoring the market conditions and taking appropriate measures to respond to the challenges. The Group will continue to monitor the development of the COVID-19 epidemic and its impact on the operations and results of the Group, if any. The Group will continue to strengthen its cost control and resources management as well as to actively participate in project tenders, in order to maintain its competitiveness in the market.

With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under such future challenges that are commonly faced by all competitors, and the Group will continue to strengthen the market position in the industry and expand the market share by securing more RMAA and cathodic protection works contracts by utilising the net proceeds from the Listing of the Shares on GEM of the Stock Exchange on 4 July 2018 (the "Listing Date").

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately HK\$138.3 million for the nine months ended 30 September 2022 to approximately HK\$121.9 million for the nine months ended 30 September 2023, representing a decrease of approximately 11.8%. Such decrease was mainly due to the combined effect of the decrease in RMAA and new works projects undertaken by the Group as a result of the overall development in the construction industry in Hong Kong.

Direct Cost

The cost of sales decreased from approximately HK\$122.2 million for the nine months ended 30 September 2022 to approximately HK\$110.4 million for the nine months ended 30 September 2023, representing a decrease of approximately 9.6%. Such decrease was mainly attributable to the decrease in the subcontracting charges incurred with the decrease in the revenue recognised by the RMAA and new work projects undertaken by the Group during the period.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit

Gross profit of the Group decreased by approximately HK\$4.6 million from approximately HK\$16.1 million for the nine months ended 30 September 2022 to approximately HK\$11.5 million for the nine months ended 30 September 2023. The decrease was mainly driven by the decrease in revenue for the nine months ended 30 September 2023 as discussed above. The overall gross profit margin decreased from approximately 11.7% for the nine months ended 30 September 2022 to 9.5% for the nine months ended 30 September 2023. The decrease in gross profit margin is mainly due to the competition environment in the industry, the Group has to trim down the margin to secure more jobs.

Administrative Expenses

Administrative expenses of the Group decreased by approximately HK\$8.5 million or 32.6% from approximately HK\$26.0 million for the nine months ended 30 September 2022 to approximately HK\$17.5 million for the nine months ended 30 September 2023.

Administrative expenses primarily consist of staff costs, depreciation, transportation and motor vehicle expense, professional service fee and other costs incurred for daily operation. The decrease was mainly attributable to the decrease in staff cost and the cost control plan implemented in late of 2022.

Other Income

The other income of HK\$3.3 million in prior period mainly represent the Anti-epidemic Fund provided by the Hong Kong Special Administrative Region Government to subsidise the challenges brought by the COVID-19 epidemic, and there was no such subsidy in current period, therefore the other income decreased to HK\$0.7 million accordingly.

Finance Costs

Finance costs decreased mildly by HK\$0.1 million from HK\$1.3 million for the nine months ended 30 September 2022 to HK\$1.2 million for the nine months ended 30 September 2023.

Provision for Impairment of Goodwill

On 19 October 2021, the Group entered into the sale and purchase agreement with an independent third party (the "Vendor"), pursuant to which the Group has agreed to purchase and the Vendor has conditionally agreed to sell the sale share, representing 100% of the issued share capital of Treasure Mark Global Limited. Pursuant to the sale and purchase agreement, the consideration shall be HK\$24.0 million satisfied (i) as to HK\$18.5 million by allotting and issuing to the Vendor an aggregate of 185,000,000 ordinary shares of the Company ("Issued shares"), credited as fully paid, at the issue price of HK\$0.10 per share; and (ii) the remaining balance of HK\$5.5 million by way of cash by the placing arrangement.

MANAGEMENT DISCUSSION AND ANALYSIS

The transaction was completed on 30 December 2021. As at completion date, the fair value of the consideration was increased to HK\$56.4 million due the fair value of the issued shares prices was increased. And the goodwill arising on acquisition of the subsidiary was HK\$50.9 million.

Management has calculated that the value in use of the CGU is less than the total carrying amount of the CGU and the respective allocated goodwill, accordingly, the Group provide the impairment loss of approximately HK\$10,000,000 for the nine months ended 30 September 2023 (impairment loss on goodwill of approximately HK\$10,000,000 for the year ended 31 December 2022) and recognised in the condensed consolidated statement of profit or loss and other comprehensive income during the period end 30 September 2023.

Income Tax Expense

Income tax expense remained nil for the nine months ended 30 September 2022 and for the nine months ended 30 September 2023.

Loss for the Period

As a result of foregoing, the Group recognised a loss for the period of approximately HK\$16.3 million for the nine months ended 30 September 2023, representing an increase in loss of approximately HK\$8.3 million when compared to the nine months ended 30 September 2022. Such increase was mainly attributable to the decrease in gross profit, decrease in administrative expense and other income, and provision of impairment of goodwill as discussed above.

LIQUIDITY AND FINANCIAL RESOURCES

The current ratio remained stable at approximately 1.4 times as at 31 December 2022 and 30 September 2023.

As at 30 September 2023, the Group had total borrowings of approximately HK\$26.5 million (31 December 2022: approximately HK\$30.1 million). The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the year/period and multiplied by 100%, decreased from approximately 42.0% as at 31 December 2022 to approximately 39.9% as at 30 September 2023 due to the repayment of bank borrowings. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

The Group's borrowings and bank balances are denominated in HK\$ and there was no significant exposure to foreign exchange rate fluctuations during the Relevant Period.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Relevant Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL STRUCTURE

The shares of the Company were listed on the GEM of the Stock Exchange on 4 July 2018. There has been no change in the capital structure of the Group since then. The share capital of the Company only consists of ordinary shares.

As at the date of this report, the Company's issued share capital was HK\$10,500,000 and the number of its issued ordinary shares was 1,050,000,000 of HK\$0.01 each.

COMMITMENTS

The Group has no operating lease commitments as at 31 December 2022 and 30 September 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2023, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the nine months ended 30 September 2023, the Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

The Group did not have other material contingent liabilities.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group's revenue generating operations are mainly transacted in HK\$. The Directors consider the impact of foreign exchange exposure to the Group is minimal.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGE OF GROUP'S ASSETS

As at 30 September 2023, the Group pledged certain amount of land and building and investments in life insurance policies to secure short-term bank borrowings and other general banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group employed a total of 87 employees (31 December 2022: 102 employees). The staff costs, including Directors' emoluments, of the Group were approximately HK\$26.1 million for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: approximately HK\$33.0 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Apart from basic remuneration, share options may be granted to eligible employees by reference to the Group's performance as well as individual contribution.

USE OF PROCEEDS

The net proceeds from the listing, after deducting listing related expenses, were approximately HK\$25.2 million. After the listing, these proceeds were used for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus. All of the net proceeds from the listing date were fully utilized during the year ended 31 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2023, the Company was wholly owned by Advanced Pacific Enterprises Limited, which the ultimate owner is Mr. Heung Chung Sum.

As at the date of this report, interests or short positions of the Directors, chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) 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 under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) 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:

(i) Long Position in the Company's Shares

Name of Director	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Heung Chung Sum	Interest in a controlled corporation	535,670,000 ordinary shares	51%

(ii) Long Position in the Ordinary Shares of Associated Corporations

Name of Director	Name of associated corporations	Capacity	Number and class of securities	Approximate percentage of shareholding
Mr. Heung Chung Sum	Advanced Pacific Enterprises Limited	Beneficial owner	2 ordinary shares	100%

MANAGEMENT DISCUSSION AND ANALYSIS

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the date of this report, the interest and short positions of the person (other than the Directors or chief executive of the Company) or company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number and class of securities	Long/short position	Approximate percentage of shareholding
Advanced Pacific Enterprises Limited	Beneficial owner	535,670,000 ordinary shares	Long	51%

Save as disclosed above, as at the date of this report and so far as is known to the Directors, no person, other than the Directors and chief executive of the Company whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 30 September 2023.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE GOVERNANCE CODE

Pursuant to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Heung Chung Sum currently assumes the role of both chairman of the Company and chief executive of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies. The Board will review the need of appointing suitable candidate to assume the role of chief executive when necessary.

As at 30 September 2023, save as disclosed above, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors throughout the nine months ended 30 September 2023.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2023.

SHARE OPTION SCHEME

The Company has conditionally adopted a share option scheme on 4 June 2018 ("the Scheme"). The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

No share options has been granted during the Relevant Period and there were no share options outstanding as at 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

AUDIT COMMITTEE

The Company established an audit committee (“Audit Committee”) with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, and to monitor the integrity of the Company’s annual report and interim financial reports before submission to the Board. The Audit Committee consists of three members, namely Mr. Chan Chi Hang, Dr. Ip Wai Hung, Mr. Ko, Wilson Wai Shun, all being independent non- executive Directors of the Company. Mr. Chan Chi Hang currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed this report and the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2023.

By order of the Board
Allurefem Holding Limited
Heung Chung Sum
Chairman and Executive Director

Hong Kong, 10 November 2023

As at the date of this report, the executive Directors are Mr. Heung Chung Sum and Mr. Chan Wai Hon, Alan, and the non-executive Directors are Ms. Heung Joe Yee, Ms. Heung Joe Tung, and the independent non-executive Directors are Dr. Ip Wai Hung, Mr. Ko, Wilson Wai Shun, and Mr. Chan Chi Hang.