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**SUN KONG HOLDINGS LIMITED**  
**申港控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8631)**

**ANNOUNCEMENT OF THIRD QUARTERLY RESULTS  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2021**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “**Directors**”) of Sun Kong 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 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$191.0 million for the nine months ended 31 December 2021, representing an increase of approximately HK\$10.2 million or 5.6% as compared to the Group's revenue of approximately HK\$180.8 million for the nine months ended 31 December 2020.
- The Group's gross profit margin increased from approximately 1.7% for the nine months ended 31 December 2020 to approximately 2.8% for the nine months ended 31 December 2021.
- The Group recorded a loss attributable to the owners of the Company of approximately HK\$0.8 million for the nine months ended 31 December 2021, representing a decrease of approximately HK\$2.2 million or 73.3%, as compared to the Group's loss attributable to the owners of the Company of approximately HK\$3.0 million for the nine months ended 31 December 2020.
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2021.

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated third quarterly results of the Group for the three months ended 31 December 2021 and nine months ended 31 December 2021 (the “**Reporting Period**”), together with the respective unaudited comparative figures for the corresponding periods in 2020, as follows:

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

For the three months and the nine months ended 31 December 2021

	Notes	Three months ended		Nine months ended	
		31 December		31 December	
		2021	2020	2021	2020
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	3	<b>57,787</b>	55,322	<b>190,952</b>	180,798
Cost of sales		<u>(56,954)</u>	<u>(54,340)</u>	<u>(185,524)</u>	<u>(177,745)</u>
<b>Gross profit</b>		<b>833</b>	982	<b>5,428</b>	3,053
Other income		<b>261</b>	–	<b>281</b>	1,246
Administrative and other operating expenses		<b>(2,095)</b>	(3,026)	<b>(6,349)</b>	(7,855)
Finance costs	4	<u>(81)</u>	<u>(48)</u>	<u>(193)</u>	<u>(149)</u>
<b>Loss before tax</b>	4	<b>(1,082)</b>	(2,092)	<b>(833)</b>	(3,705)
Income tax credit	5	<u>–</u>	<u>317</u>	<u>–</u>	<u>719</u>
Loss and total comprehensive loss for the period		<u><b>(1,082)</b></u>	<u>(1,775)</u>	<u><b>(833)</b></u>	<u>(2,986)</u>
<b>Loss per share</b>					
Basic and diluted (HK cents)	6	<u><b>(0.27)</b></u>	<u>(0.44)</u>	<u><b>(0.21)</b></u>	<u>(0.75)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Share capital <i>HK\$'000</i>	Reserves				Total <i>HK\$'000</i>	Total <i>HK\$'000</i>
		Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated profits <i>HK\$'000</i>			
At 1 April 2020 (Audited)	4,000	44,810	10	13,841	58,661	62,661	
Loss and total comprehensive loss for the period	—	—	—	(2,986)	(2,986)	(2,986)	
At 31 December 2020 (Unaudited)	4,000	44,810	10	10,855	55,675	59,675	
<b>At 1 April 2021 (Audited)</b>	<b>4,000</b>	<b>44,810</b>	<b>10</b>	<b>6,338</b>	<b>51,158</b>	<b>55,158</b>	
Loss and total comprehensive loss for the period	—	—	—	(833)	(833)	(833)	
<b>At 31 December 2021 (Unaudited)</b>	<b>4,000</b>	<b>44,810</b>	<b>10</b>	<b>5,505</b>	<b>50,325</b>	<b>54,325</b>	

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months and the nine months ended 31 December 2021*

## 1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 31 October 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal place of business is situated at 20/F., Glassview Commercial Building, No. 65 Castle Peak Road Yuen Long, Yuen Long, New Territories, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the business of the sale of diesel oil and related products in Hong Kong.

The shares of the Company (the "Shares") have been listed on GEM of the Stock Exchange by way of placing and public offer (collectively the "Share Offer") since 8 January 2019 (the "Listing Date").

The condensed consolidated financial statements of the Group for the three months and nine months ended 31 December 2021 (the "Condensed Consolidated Financial Statements") are unaudited, but have been reviewed by the audit committee of the Company (the "Audit Committee"). The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 27 January 2022.

The Condensed Consolidated Financial Statements are presented in Hong Kong Dollar ("HK\$"), which is also the functional currency of the Company and its principal subsidiaries and all values are rounded to the nearest thousands (HK\$'000), except when otherwise stated.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

### (a) Basis of preparation

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

The Condensed Consolidated Financial Statements do not include all the information and disclosure required in the annual financial statements and thereby should be read in conjunction with the annual audited financial statements for the year ended 31 March 2021 which have been prepared in accordance with HKFRSs issued by the HKICPA and stated in the annual report of the Company for the year ended 31 March 2021.

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis. The preparation of the Condensed Consolidated Financial Statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies adopted in preparing the Condensed Consolidated Financial Statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2021, except for the adoption of the new/revised HKFRSs which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1 April 2021 as described below.

**(b) Adoption of new/revised HKFRSs**

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

Interest Rate Benchmark Reform – Phase 2

Amendments to HKFRS 16

Covid-19-Related Rent Concessions (amendments)

The adoption of these new/revised HKFRSs has no material impact on the Group's results and financial position for the current or prior periods and does not result in any significant change in accounting policies of the Group.

### 3. REVENUE

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
<b>Revenue from contracts with customers within HKFRS 15</b>				
<b>Recognised at point in time</b>				
Sales of diesel oil	<b>57,644</b>	55,095	<b>190,556</b>	180,190
Sales of diesel exhaust fluid	<b>143</b>	132	<b>396</b>	333
	<b>57,787</b>	55,227	<b>190,952</b>	180,523
<b>Recognised over time</b>				
Ancillary transportation service	–	95	–	275
	<b>57,787</b>	55,322	<b>190,952</b>	180,798

All the revenue from contracts with customers within HKFRS 15 arises in Hong Kong.

#### 4. LOSS BEFORE TAX

This is stated after charging:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Finance costs</b>				
Interest on bank overdrafts	48	42	146	128
Interest on lease liabilities	6	6	20	21
Bank loan interest	27	–	27	–
	<u>81</u>	<u>48</u>	<u>193</u>	<u>149</u>
<b>Staff costs</b>				
Directors' emoluments	512	378	1,256	1,026
Other staff cost:				
– Salaries and other benefits	1,247	1,320	3,903	3,720
– Retirement benefits scheme contributions	69	72	215	211
	<u>1,316</u>	<u>1,392</u>	<u>4,118</u>	<u>3,931</u>
<b>Other items</b>				
Auditors' remuneration	120	120	360	360
Depreciation of property, plant and equipment				
– cost of sales	644	585	1,842	1,880
– administrative and other operating expenses	35	75	153	224
Depreciation of right-of-use assets:				
– administrative and other operating expenses	98	100	293	299
	<u>98</u>	<u>100</u>	<u>293</u>	<u>299</u>

## 5. TAXATION

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Current tax</b>				
Hong Kong profits tax	—	—	—	—
<b>Deferred tax</b>				
Origination and reversal of temporary difference	—	(317)	—	(719)
Total income tax credit	<u>—</u>	<u>(317)</u>	<u>—</u>	<u>(719)</u>

The Group's entities established in the Cayman Islands and the British Virgin Islands are exempted from income tax.

For the three months and nine months ended 31 December 2021 and 2020, Hong Kong profits tax has not been provided as the Group had no assessable profits for the periods.

## 6. LOSS PER SHARE

The calculation of the basic and diluted loss per Share is based on the following data:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Loss</b>				
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per Share	<u>(1,082)</u>	<u>(1,775)</u>	<u>(833)</u>	<u>(2,986)</u>
<b>Number of shares</b>				
Weighted average number of ordinary Shares for the purposes of basic and diluted loss per Share	<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>

No diluted loss per Share for both periods were presented as there were no potential ordinary Shares in issue during both periods.

## 7. DIVIDENDS

The Board does not recommend a payment of dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is principally engaged in the sale of diesel oil and related products in Hong Kong. The services of the Group include sourcing and transportation of diesel oil and related products in Hong Kong. Most of the Group's customers are logistic companies and construction companies which require diesel oil to operate their logistic fleets. The Group had nine diesel tank wagons of various capacity as at 31 December 2021.

Crude oil prices experienced significant fluctuation since the outbreak of novel coronavirus (“COVID-19”) pandemic. Brent crude oil price was traded at average of USD 18.38 per barrel in April, which is the lower average in 2020. After that, while the demand begins to return, Brent crude oil price rebounded and recently reached a year high of USD 86.70 per barrel in fourth quarter of 2021, representing increase by over three times. Our purchase cost of diesel oil are substantially raised and directly creates pressure on the operating cash flow.

Custom clearance arrangements between mainland China and Hong Kong continues that cross-border trucks drivers from Hong Kong must present a negative COVID-19 test result and a viral nucleic acid test report within 7 days of travel, or possess relevant mainland China health codes, before entering any mainland land port in mainland China. As a result, cross-border transportation service was affected and the market demand for diesel oil from the logistics sector was then reduced.

Construction in Hong Kong has resumed to normal after successful control of spread of COVID-19 and ongoing distribution of vaccines. The market demand for diesel oil for machineries on construction sites was then recovery.

The Group has recorded a revenue of approximately HK\$191.0 million for the nine months ended 31 December 2021, representing an increase of approximately HK\$10.2 million or 5.6%, as compared to the Group's revenue of approximately HK\$180.8 million for the nine months ended 31 December 2020.

The Group recorded a net loss of approximately HK\$0.8 million for the nine months ended 31 December 2021, representing a decrease of approximately HK\$2.2 million or 73.3% from a net loss of approximately HK\$3.0 million for the nine months ended 31 December 2020.

## **FUTURE PROSPECTS**

The uncertainty as to when the COVID-19 pandemic can be fully contained has made the Group's operating environment extremely challenging. The Group will continue to closely monitor the development of the COVID-19 pandemic, pay close attention to its cash flow management, integrate existing resources and actively adjust business plans to ensure stability of its operations amid such difficult times while being fully prepared for business recovery immediately upon the COVID-19 pandemic being contained.

Furthermore, the Group will continue to carefully review the current situation of the COVID-19 pandemic to reduce the risks relating to business operations and continue to adopt suitable precautionary measure(s) to ensure the safety of all the staff members and working partners as necessary.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately HK\$10.2 million or approximately 5.6% from approximately HK\$180.8 million for the nine months ended 31 December 2020 to approximately HK\$191.0 million for the nine months ended 31 December 2021.

Revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$190.6 million and HK\$0.4 million respectively, representing approximately 99.8% and 0.2%, respectively, of the Group's total revenue for the nine months ended 31 December 2021. For the nine months ended 31 December 2020, the revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$180.2 million and HK\$0.3 million respectively, representing approximately 99.7% and 0.2%, respectively, of the Group's total revenue. Sales of diesel oil remained the largest contributor to the Group's revenue.

### **Sales quantity**

The sales quantity of diesel oil decreased by approximately 38.1% from 69.8 million litres for the nine months ended 31 December 2020 to 43.2 million litres for the nine months ended 31 December 2021. The sales quantity of diesel exhaust fluid increased by approximately 42.1% from 71.5 thousand litres for the nine months ended 31 December 2020 to 101.6 thousand litres for the nine months ended 31 December 2021.

## **Selling price**

The average selling price of the Group's diesel oil increased by approximately 71.3% from HK\$2.58 per litre for the nine months ended 31 December 2020 to HK\$4.42 per litre for the nine months ended 31 December 2021, whereas the average selling price of the Group's diesel exhaust fluid decreased by approximately 16.1% from HK\$4.65 per litre for the nine months ended 31 December 2020 to HK\$3.90 per litre for the nine months ended 31 December 2021. The increase of the average selling price of the Group's diesel oil was in line with the increasing trend in the prevailing market prices.

## **Cost of sales**

Cost of sales primarily consists of diesel oil costs, diesel exhaust fluid costs, direct labour cost and depreciation. The purchase costs for diesel oil and diesel exhaust fluid depend on the domestic purchase price offered by the Group's oil suppliers, with reference to the price indices such as Europe Brent spot crude price.

For the nine months ended 31 December 2021, the Group's cost of sales was approximately HK\$185.5 million, representing an increase of 4.4% from HK\$177.7 million for the nine months ended 31 December 2020. Such increase was in line with the overall rise in revenue.

The largest component of the cost of sales was diesel oil costs, which amounted to approximately HK\$172.3 million and HK\$180.1 million, representing approximately 97.0% and 97.1% of the cost of sales for the nine months ended 31 December 2020 and 31 December 2021, respectively. The average unit purchase cost of diesel oil increased by 68.8% from approximately HK\$2.47 per litre for the nine months ended 31 December 2020 to approximately HK\$4.17 per litre for the nine months ended 31 December 2021. The increase in average unit purchase cost of diesel oil was in line with the market trend for the nine months ended 31 December 2021.

For the nine months ended 31 December 2021 and the corresponding period in 2020, the diesel exhaust fluid costs were approximately HK\$287,000 and HK\$192,000 respectively, representing approximately 0.2% and 0.1% of the cost of sales, respectively.

The direct labour costs comprise wages and benefits, including wages, bonuses, retirement benefit costs and other allowances and benefits payable to the diesel tank wagons drivers and logistics assistants involved in the transportation of products from the oil depot to the customers. The direct labour costs amounted to approximately HK\$1.8 million and HK\$1.9 million for the nine months ended 31 December 2020 and 31 December 2021, respectively. The Group had ten full-time drivers responsible for the logistics support for the Group's diesel tank wagons as at 31 December 2021.

Depreciation represented depreciation charges for the Group's fixed assets which consist mainly of diesel tank wagons. The depreciation amounted to approximately HK\$1.9 million and HK\$1.8 million for the nine months ended 31 December 2020 and 31 December 2021, respectively.

### **Gross profit and gross profit margin**

The gross profit represented the Group's revenue less cost of sales. The Group recorded an increase in gross profit by approximately HK\$2.3 million or approximately 74.2% from approximately HK\$3.1 million for the nine months ended 31 December 2020 to approximately HK\$5.4 million for the nine months ended 31 December 2021. The Group's gross profit margin increased from approximately 1.7% for the nine months ended 31 December 2020 to approximately 2.8% for the nine months ended 31 December 2021.

### **Administrative and other operating expenses**

Administrative and other operating expenses mainly include administrative staff costs, professional service fees, rent and rate and others. The Group's administrative and other operating expenses decreased by approximately HK\$1.6 million or 20.3% from approximately HK\$7.9 million for the nine months ended 31 December 2020 to approximately HK\$6.3 million for the nine months ended 31 December 2021.

### **Income tax credit**

All of the Group's profit are derived from Hong Kong and is subject to Hong Kong income tax. The Group has no income tax for the nine months ended 31 December 2021 (2020: an income tax credit of approximately HK\$0.7 million).

## **Events after the Reporting Period**

As at 31 December 2021, the Group was unable to reliably estimate the financial impact of the outbreak of COVID-19 pandemic on the Group. The management of the Group considers that there is no significant event subsequent to 31 December 2021 which would materially affect the financial performance and operation of the Group. Thus, the Board is not aware of any significant events requiring disclosure that have occurred.

## **Capital expenditure**

During the Reporting Period, the payment for capital expenditure of the Group decreased by approximately HK\$1.8 million or 62.1% as compared with the corresponding period last year to approximately HK\$1.1 million (2020: approximately HK\$2.9 million), which was mainly related to the payment for the purchase of the diesel tank wagon.

## **Loss for the period**

The Group recorded a net loss of approximately HK\$0.8 million for the nine months ended 31 December 2021, representing a decrease of approximately HK\$2.2 million or 73.3% from a net loss of approximately HK\$3.0 million for the nine months ended 31 December 2020 due to an increase in gross profit amidst a slightly improved business environment caused by COVID-19 pandemic and continuous decrease in operating costs.

## **DIVIDEND**

The Board did not recommend the payment of any dividend for the nine months ended 31 December 2021.

## USE OF PROCEEDS

The Shares were listed on GEM on 8 January 2019 by way of placing and public offer (collectively the “Share Offer”). The Directors intend to apply the net proceeds (the “Net Proceeds”) from the Share Offer in accordance with the proposed implementation plan as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The Net Proceeds after deducting underwriting commission and other listing expenses, amounted to approximately HK\$34.8 million. Details of the change in use of Net Proceeds are set out in the Company’s announcements dated 3 July 2020 (the “UOP Announcement”) and 18 August 2020 (the “Supplemental Announcement”). Set out below is the actual use of the Net Proceeds up to 31 December 2021:

	Intended allocation of Net Proceeds as set forth in the Prospectus <i>HK\$ million</i>	The change in use of Net Proceeds as set forth in the UOP Announcement <i>HK\$ million</i>	Revised allocation of the Net Proceeds as set forth in the UOP Announcement and the Supplemental Announcement <i>HK\$ million</i>	Actual use of Net Proceeds up to 31 December 2021 <i>HK\$ million</i>	Unused total Net Proceeds up to 31 December 2021 <i>HK\$ million</i>	Expected timeline for fully utilising the unutilised amount as at 31 December 2021 <i>(Note 1)</i>
Purchase of diesel tank wagons <i>(Note 2)</i>	15.0	–	15.0	12.4	2.6	By 31 March 2023 <i>(Note 3)</i>
Expand manpower	12.5	(10.8)	1.7	1.7	–	N/A
Upgrade information technology systems	5.0	–	5.0	–	5.0	By 31 March 2023 <i>(Note 4)</i>
Working capital	2.3	10.8	13.1	13.1	–	N/A
Total	<u>34.8</u>		<u>34.8</u>	<u>27.2</u>	<u>7.6</u>	

### Notes:

- The expected timeline for fully utilising the unutilised Net Proceeds is based on the best estimation of the future market conditions made by the Group. It may be subject to change based on the current and future development of market conditions.
- One new diesel tank wagon has been ordered in May 2020 and was available for use in June 2021.
- As disclosed in the Prospectus, the original expected timeline for the Net Proceeds in the purchase of diesel tank wagons to be fully utilised by 31 March 2021. However, the Group has not fully utilised the planned Net Proceeds in accordance with the proceeds allocation as set out in the Prospectus. As a result, there was a delay in fully utilising the Net Proceeds assigned to purchase of diesel tank wagons. It is expected the unutilised amount of approximately HK\$2.6 million will be fully utilised by 31 March 2023 as set out in the above table. Save as disclosed above, the Directors are not aware of any material change to the implementation plans in relation to the Net Proceeds as stated in the Prospectus.

4. As disclosed in the Supplemental Announcement, the Group planned to utilise approximately HK\$5.0 million of the Net Proceeds for upgrading the information technology systems of the Group and such proposal was still in negotiation with the potential suppliers on the requirements and specification of the new office administrative information technology systems as at 31 March 2020. As such the original expected timeline as set out in the Prospectus will be extended to 31 March 2021. Nonetheless, the Company will continue to adopt a prudent approach for such purpose and will continue to apply the Net Proceeds in accordance with the proceeds allocation as set out in the Prospectus and it is expected to be fully utilised by 31 March 2023 as set out in the above table. Save as disclosed above, the Directors are not aware of any material change to the implementation plans in relation to the Net Proceeds as stated in the Prospectus.

Save as disclosed above, the Group will apply the Net Proceeds in the manner consistent with the proposed plan set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The implementation plans for business strategies and use of Net Proceeds as stated in the Prospectus as revised by the UOP Announcement and Supplemental Announcement were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus. The Group implemented its business strategies and applied the Net Proceeds based on the actual development of the Group’s business and industry, as well as market conditions.

## **ENVIRONMENT POLICIES AND PERFORMANCE**

The principal activity of the Group is governed by environmental laws and regulations in Hong Kong such as those in relation to air pollution control as set out in the section headed “Regulatory Overview” in the Prospectus.

The Group recognises the importance of environmental protection and has implemented various environmental protection measures, such as reducing air pollutant emissions and preventing leakage of oil products or other hazardous substance, in order to minimise the operation impact on the environment and natural resources.

The Group will continue to monitor the business operations in order to ensure that it does not have any significant adverse effect on the environment and that the Group’s environmental protection measures are adequate to ensure compliance with all applicable laws and regulations in Hong Kong.

As at the date of this announcement, no prosecution, penalty or punishment has been imposed on the Group for the violation of any applicable environmental laws and regulations.

## **OTHER INFORMATION**

### **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 the Company’s listed securities during the nine months ended 31 December 2021.

## Interests and short positions of Directors and chief executive in the Shares, underlying Shares or debentures of the Company and its associated corporations

As at 31 December 2021, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of 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) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO, or (iii) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, were as follows:

### *Long position in the Shares*

Name of Director	Capacity/ Nature of Interest	Number of Shares	Percentage of issued share capital of the Company
Mr. Law Ming Yik	Interest in a controlled corporation (Note 1)	251,110,000 Shares(L) (Note 2)	62.78%

#### *Notes:*

- (1) The Company is owned as to 62.78% by Fully Fort Group Limited (“Fully Fort”) which is wholly owned by Mr. Law, the chairman of the Board and the executive Director. Under the SFO, Mr. Law is deemed to be interested in Shares held by Fully Fort.
- (2) The letter “L” denotes the person’s long position in the relevant Shares.

Save as disclosed above, as at 31 December 2021, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of 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 under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, notified to the Company and the Stock Exchange.

**Interests and short positions of the substantial shareholders and other persons in the Shares, underlying Shares and debentures of the Company and its associated corporations**

As at 31 December 2021, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests in Shares or underlying Shares which (i) were recorded in the register required to be kept by the Company under Section 336 of the SFO, or (ii) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Company.

<b>Name of shareholders</b>	<b>Capacity/ nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of shareholding</b>
Fully Fort Group Limited	Beneficial owner ( <i>Note 1</i> )	251,110,000 Shares (L) ( <i>Note 2</i> )	62.78%

*Notes:*

- (1) Fully Fort is the beneficial owner of 251,110,000 Shares, representing 62.78% of the Company's issued share capital. Fully Fort is wholly owned by Mr. Law.
- (2) The Letter "L" denotes the person's long position in the relevant Shares.

Save as disclosed above, as at 31 December 2021, the Directors have not been notified by any person who had interests or short positions in the Shares, underlying Shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## **Share Option Scheme**

The Company's share option scheme (the "**Share Option Scheme**") was conditionally adopted on 11 December 2018, which became effective on the commencement of dealings of the Shares on the Stock Exchange on the Listing Date. The principal terms of the Share Option Scheme are summarised in the section headed "Statutory and general information – Share option scheme" in Appendix IV to the Prospectus.

During the Reporting Period and up to the date of this announcement, there were no options granted, exercised, lapsed or cancelled under the Share Option Scheme and there were no outstanding share options as at 31 December 2021.

## **Competing Interests**

The Directors confirm that none of the controlling shareholders of the Company or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the Reporting Period and up to the date of this announcement.

## **Interests of the Compliance Adviser**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Giraffe Capital Limited ("**Giraffe Capital**") to be the compliance adviser. Giraffe Capital has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Neither Giraffe Capital nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## **Audit Committee**

The Company has established the Audit Committee on 11 December 2018 in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Ho Cheung Kong, Mr. Wong Ka Chun Matthew and Mr. Fenn David. Mr. Ho Cheung Kong is the chairman of the Audit Committee and he holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules.

The unaudited Condensed Consolidated Financial Statements had been reviewed by the Audit Committee, which was of the opinion that the unaudited Condensed Consolidated Financial Statements have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules.

## **Nomination Committee**

The Company established a nomination committee (the “**Nomination Committee**”) on 11 December 2018 which comprises Mr. Law, an executive Director, and two independent non-executive Directors, namely Mr. Wong Ka Chun Matthew and Mr. Fenn David. Mr. Law is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. The full terms of reference setting out details of the authority, duties and responsibilities of the Nomination Committee is available on both the GEM’s website and the Company’s website.

Pursuant to the terms of reference of the Nomination Committee, meetings shall be held at least once a year and additional meetings should be held if the committee shall so request.

The Nomination Committee has reviewed the structure, size and composition of the Board as well as discussing matters regarding the retirement and re-election of Directors.

## **Remuneration Committee**

The Company established a remuneration committee (the “**Remuneration Committee**”) on 11 December 2018 in compliance with Appendix 15 of the GEM Listing Rules, which comprises Mr. Law, an executive Director, and two independent non-executive Directors, namely Mr. Fenn David and Mr. Ho Cheung Kong. Mr. Fenn David is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review and approve the management’s remuneration proposals, and ensure none of the Directors determine their own remuneration.

The full terms of reference setting out details of duties of the Remuneration Committee is available on both the GEM’s website and the Company’s website.

The Remuneration Committee recommends the Directors’ remuneration with reference to the benchmarking of the market. The Company also looks into individual Director’s competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

Pursuant to the terms of reference of the Remuneration Committee, meeting shall be held at least once a year and additional meetings should be held if the committee shall so request.

## **Directors' Securities Transactions**

The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all of the Directors complied with such required standard of dealings and its code of conduct regarding directors' securities transactions as at the date of this announcement.

## **Corporate Governance**

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules throughout the Reporting Period.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained a sufficient public float as required under the GEM Listing Rules.

On behalf of the Board  
**Sun Kong Holdings Limited**  
**Law Ming Yik**  
*Chairman and executive Director*

Hong Kong, 27 January 2022

*As at the date of this announcement, the executive Directors of the Company are Mr. LAW Ming Yik (chairman) and Mr. LI Isaiah (chief executive officer); and the independent non-executive Directors of the Company are Mr. FENN David, Mr. WONG Ka Chun Matthew and Mr. HO Cheung Kong.*

*This announcement will remain on GEM's website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Listed Company Information" page for at least 7 days from the date of its publication and on the Company's website at [www.skhl.com.hk](http://www.skhl.com.hk).*