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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 FIRST QUARTERLY RESULTS
FOR THE THREE MONTHS ENDED 30 JUNE 2022**

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.

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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\$19.1 million for the three months ended 30 June 2022, representing a decrease of approximately HK\$44.9 million or 70.2% as compared to the Group's revenue of approximately HK\$64.0 million for the three months ended 30 June 2021.
- The Group's gross profit margin increased from approximately 3.3% for the three months ended 30 June 2021 to approximately 5.6% for three months ended 30 June 2022.
- The Group recorded a loss and total comprehensive loss of approximately HK\$0.7 million for the three months ended 30 June 2022, representing a decrease of approximately HK\$0.8 million, as compared to the Group's profit and total comprehensive income of approximately HK\$0.1 million for the three months ended 30 June 2021.
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2022.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated first quarterly results of the Group for the three months ended 30 June 2022 (the “**Reporting Period**”), together with the respective unaudited comparative figures for the corresponding period in 2021 as follows:

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

For the three months ended 30 June 2022

	Notes	Three months ended	
		2022	2021
		2022	2021
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	19,129	63,966
Cost of sales		<u>(18,051)</u>	<u>(61,874)</u>
Gross profit		1,078	2,092
Other income		344	–
Administrative expenses and other operating expenses		(2,061)	(1,962)
Finance costs	5	<u>(92)</u>	<u>(56)</u>
(Loss)/Profit before taxation	4	(731)	74
Income tax expenses	6	<u>–</u>	<u>–</u>
(Loss)/Profit and total comprehensive (loss)/income for the period		<u>(731)</u>	<u>74</u>
(Loss)/Earnings per share			
Basic and diluted (<i>HK cents</i>)	7	<u>(0.18)</u>	<u>0.02</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	Reserve					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000	
At 1 April 2021 (Audited)	4,000	44,810	10	6,338	51,158	55,158
Profit and total comprehensive income for the period	–	–	–	74	74	74
At 30 June 2021 (Unaudited)	4,000	44,810	10	6,412	51,232	55,232
At 1 April 2022 (Audited)	4,000	44,810	10	3,204	48,024	52,024
Loss and total comprehensive loss for the period	–	–	–	(731)	(731)	(731)
At 30 June 2022 (Unaudited)	<u>4,000</u>	<u>44,810</u>	<u>10</u>	<u>2,473</u>	<u>47,293</u>	<u>51,293</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2022

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability 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 at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal place of business is situated in 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") on 8 January 2019 (the "Listing Date").

The condensed consolidated financial statements of the Group for the three months ended 30 June 2022 (the "Condensed Consolidated Financial Statements") are unaudited. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 9 August 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 disclosures required in the annual financial statements and thereby should be read in conjunction with the audited annual financial information for the year ended 31 March 2022 which have been prepared in accordance with HKFRSs issued by the HKICPA and stated in the audited annual report of the Company for the year ended 31 March 2022.

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 the management to make judgments, estimations and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. The estimations 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 estimations.

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 2022, 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 2022 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 30 June	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within HKFRS 15		
Recognised at point in time		
Sales of diesel oil	18,930	63,845
Sales of diesel exhaust fluid	<u>199</u>	<u>121</u>
	<u>19,129</u>	<u>63,966</u>

4. (LOSS)/PROFIT BEFORE TAXATION

	Three months ended 30 June	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
This is stated after charging:		
Staff costs		
Directors' emoluments	582	372
Other staff cost:		
– Salaries and other benefits	1,070	1,329
– Retirement benefits scheme contributions	61	73
	<u>1,713</u>	<u>1,774</u>
Other items		
Auditors' remuneration	120	120
Depreciation of property, plant and equipment		
– cost of sales	618	542
– Right-of-use assets	98	97
– Administrative and other operating expenses	38	71
	<u>754</u>	<u>710</u>

5. FINANCE COSTS

	Three months ended 30 June	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Interest on bank overdrafts	50	49
Imputed interest on lease liabilities	3	7
Bank loan interest	39	–
	<u>92</u>	<u>56</u>

6. INCOME TAX EXPENSES

	Three months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong profits tax	—	—

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

For the three months and three months ended 30 June 2022 and 2021, Hong Kong profits tax has not been provided as the Group had no assessable profits for the periods.

7. (LOSS)/EARNINGS PER SHARE

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

	Three months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Earnings		
(Loss)/Profit for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per Share	<u>(731)</u>	<u>74</u>
Number of shares		
Weighted average number of ordinary Shares for the purposes of basic and diluted earnings per Share	<u>400,000,000</u>	<u>400,000,000</u>

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

8. DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2022 (three months ended 30 June 2021: 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 eight diesel tank wagons of various capacity as at 30 June 2022.

Crude oil prices have been increased significantly during the period largely driven by the stagflation expectation and economic contraction caused by the COVID-19 pandemic and the Russian-Ukrainian War. Brent crude oil reached USD 125 a barrel in June for the first time since March. Our purchase cost of diesel oil was substantially raised and directly creates pressure on the operating cash flow.

The Hong Kong Government announced the Hong Kong economy saw a marked deterioration in the first quarter of 2022, with real GDP contracting by 4.0% year-on-year. Slower growth in global demand and epidemic-induced cross-boundary transportation disruptions pose significant drags to logistic sector. The market demand for diesel oil from cross-boundary transportation sector was significantly reduced.

The Group has recorded a revenue of approximately HK\$19.1 million for the three months ended 30 June 2022, representing a decrease of approximately HK\$44.9 million or 70.2%, as compared to the Group's revenue of approximately HK\$64.0 million for the three months ended 30 June 2021.

The Group recorded a loss attributable to owners of the Company of approximately HK\$0.7 million for the three months ended 30 June 2022, representing a decrease of HK\$0.8 million as compared to profit of approximately HK\$0.1 million for the three months ended 30 June 2021. The decrease in net profit, mainly attributed by drop in sale during incredibly difficult business environment and extremely high in Crude oil prices.

FUTURE PROSPECTS

The uncertainty as to when the COVID-19 pandemic can be fully contained had 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 related risks in its business operations and continue to adopt suitable precautionary measures to ensure the safety of all the staff and working partners as necessary.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$44.9 million or approximately 70.2% from approximately HK\$64.0 million for the three months ended 30 June 2021 to approximately HK\$19.1 million for the three months ended 30 June 2022.

Revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$18.9 million and HK\$0.2 million respectively, representing approximately 99.0% and 1.0% respectively, of the Group's total revenue for the three months ended 30 June 2022. For the three months ended 30 June 2021, the revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$63.9 million and HK\$0.1 million respectively, representing approximately 99.8% and 0.2% respectively, of the Group's total revenue.

Sales quantity

The sales quantity of diesel oil decreased by approximately 86.3% from 16.0 million litres for the three months ended 30 June 2021 to 2.2 million litres for the three months ended 30 June 2022. The sales quantity of diesel exhaust fluid increased by approximately 60.6% from 33 thousand litres for the three months ended 30 June 2021 to 53 thousand litres for the three months ended 30 June 2022.

Selling price

The average selling price of the Group's diesel oil increased by approximately 114.5% from HK\$3.99 per litre for the three months ended 30 June 2021 to HK\$8.56 per litre for the three months ended 30 June 2022 whereas the average selling price of the Group's diesel exhaust fluid remain stable at HK\$3.72 and HK\$3.73 per litre for the three months ended 30 June 2021 and 2022, respectively. The increase of average selling price of the Group's diesel oil was as result of 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 costs and depreciation. The purchase cost for diesel oil and diesel exhaust fluid depends 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 three months ended 30 June 2022, the Group's cost of sales was approximately HK\$18.1 million, representing a decrease of 70.8% from HK\$61.9 million for the three months ended 30 June 2021. Such decrease was in line with the overall drop in revenue.

The largest component of the cost of sales was diesel oil cost, which amounted to approximately HK\$60.0 million and HK\$16.5 million, representing approximately 96.9% and 91.2% of the cost of sales for the three months ended 30 June 2021 and 30 June 2022, respectively. The unit purchase cost of diesel oil increased by 99.2% from approximately HK\$3.75 per litre for the three months ended 30 June 2021 to approximately HK\$7.47 per litre for the three months ended 30 June 2022. The increase in unit purchase cost of diesel oil was in line with the market trend for the three months ended 30 June 2022.

For the three months ended 30 June 2021 and 30 June 2022, the diesel exhaust fluid costs were approximately HK\$89 thousand and HK\$165 thousand respectively, representing approximately 0.1% and 0.9% 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 the products from the oil depot to the customers. The direct labour costs amounted to approximately HK\$0.7 million and HK\$0.6 million for the three months ended 30 June 2021 and 2022, respectively. The Group had seven full-time drivers responsible for the logistics support for the Group's diesel tank wagons as at 30 June 2022.

Depreciation represented depreciation charges for the Group's equipment which comprise mainly of diesel tank wagons. The depreciation has increased from approximately HK\$0.5 million for the three months ended 30 June 2021 to HK\$0.6 million for the three months ended 30 June 2022.

Gross profit and gross profit margin

The gross profit represented the Group's revenue less cost of sales. The Group recorded a decrease in gross profit by approximately HK\$1.0 million or approximately 47.6% from approximately HK\$2.1 million for the three months ended 30 June 2021 to approximately HK\$1.1 million for the three months ended 30 June 2022. The Group's gross profit margin increased from 3.3% for the three months ended 30 June 2021 to 5.6% for the three months ended 30 June 2022 mainly due to a reduction in repairing and related costs of operating diesel tank wagons.

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 increased by approximately HK\$0.1 million or 5.0% from approximately HK\$2.0 million for the three months ended 30 June 2021 to approximately HK\$2.1 million for the three months ended 30 June 2022.

Income tax expenses

All of the Group's profit are derived from Hong Kong and is subject to Hong Kong income tax. The Group's income tax were nil for the three months ended 30 June 2021 and 2022 respectively.

Capital commitments and contingent liabilities

As at 30 June 2022, the Group had no capital commitments in respect of the acquisition of property, plant and equipment that have not been provided in the Group's Condensed Consolidated Financial Statements.

Events after the Reporting Period

No significant events have taken place after the three months ended 30 June 2022 to the date of this announcement.

Capital expenditure

The payment for capital expenditure of the Group was nil for the three months ended 30 June 2021 and 2022 respectively.

Other income

Other income was mainly attributed by 2022 Employment Support Scheme (“**the Scheme**”) under the Anti-epidemic Fund to provide wage subsidies to employees for three months (i.e. May, June and July 2022) to retain the current employees or even employ more staff when the business revives as soon as the epidemic situation permits.

Loss for the period

The Group recorded a decrease in net profit by approximately HK\$0.8 million from a profit of approximately HK\$0.1 million for the three months ended 30 June 2021 to a loss of approximately HK\$0.7 million for the three months ended 30 June 2022, and the Group's net profit margin decreased from a positive of 0.1% for three months ended 30 June 2021 to a negative of 3.8% for the three months ended 30 June 2022.

DIVIDEND

The Board did not recommend the payment of any dividend for the three months ended 30 June 2022.

USE OF PROCEEDS

The shares of the Company were listed on GEM of the Stock Exchange on 8 January 2019 by way of 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 30 June 2022:

	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 30 June 2022 <i>HK\$ million</i>	Unused total Net Proceeds up to 30 June 2022 <i>HK\$ million</i>	Expected timeline for fully utilising the unutilised amount as at 30 June 2022 <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 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 discussed, the Group will apply the Net Proceeds in the manners consistent with the proposed applications 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 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 Hong Kong environmental laws and regulations including the Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong) and the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) in Hong Kong.

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 environment protection measures are adequate to ensure compliance with all applicable laws or regulations in Hong Kong.

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

OTHER INFORMATION

Purchase, Sale or Redemption of the Company’s Listed Securities

As at 30 June 2022, there was no purchase, sale or redemption of any of the Company’s listed securities.

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 30 June 2022, 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 or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, 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 (<i>Note 1</i>)	251,110,000 shares (L) (<i>Note 2</i>)	62.78%

Notes:

- (1) The Company is owned as to 62.78% by Fully Fort which is wholly owned by Mr. Law Ming Yik, the Chairman and an executive Director. Under the SFO, Mr. Law Ming Yik is deemed to be interested in the 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 the date of this announcement, 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 30 June 2022, so far as it is known to 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 of the Company 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 (iii) who will be, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Name of Shareholders	Capacity/nature of interest	Number of shares held	Percentage of shareholding
Mr. Law Ming Yik	Interest in a controlled corporation (<i>Note 1</i>)	251,110,000 shares (Long position)	62.78%
Fully Fort Group Limited	Beneficial owner (<i>Note 1</i>)	251,110,000 shares (Long position)	62.78%

Note:

1. The shares are held by Fully Fort, the equity interest of which is owned as to 100% by Mr. Law Ming Yik. Mr. Law Ming Yik is deemed to be interested in all the shares held by Fully Fort for the purpose of Part XV of SFO.

Save as disclosed above, as at 30 June 2022, 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 30 June 2022.

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.

Audit Committee

The Company established the Audit Committee on 11 December 2018 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 (currently referred as D.3.3) of the CG Code. 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.

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 the Nomination Committee on 11 December 2018 with written terms of reference in compliance with code provision A.5.2 (currently referred as B.3.1) of the CG Code. The Nomination Committee consists of two independent non-executive Directors (namely Mr. Wong Ka Chun Matthew and Mr. Fenn David) and one executive Director (namely Mr. Law Ming Yik). Mr. Law Ming Yik is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the policy concerning diversity of board members and the structure, size and composition of the Board on regular basis and disclose such policy, including any measurable objectives that the committee has set for implementing the policy and progress on achieving those objectives, pursuant to the GEM Listing Rules (including disclosure in the Company's corporate governance report as appropriate); 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, the Nomination Committee should meet 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 the Remuneration Committee on 11 December 2018 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision B.1.2 (currently referred as E.1.2) of the CG Code. The Remuneration Committee consists of two independent non-executive Directors (namely Mr. Fenn David and Mr. Ho Cheung Kong) and one executive Director namely Mr. Law Ming Yik. 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. Since the Listing Date and up to 30 June 2022, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules.

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, 9 August 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 the Stock Exchange website at www.hkexnews.hk 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.