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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 2023**

**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\$31.9 million for the three months ended 30 June 2023, representing an increase of approximately HK\$12.8 million or 67.0% as compared to the Group's revenue of approximately HK\$19.1 million for the three months ended 30 June 2022.
- The Group's gross profit margin increased from approximately 5.6% for the three months ended 30 June 2022 to approximately 7.9% for three months ended 30 June 2023.
- The Group recorded a profit and total comprehensive income of approximately HK\$0.6 million for the three months ended 30 June 2023, representing an increase of approximately HK\$1.3 million, as compared to the Group's loss and total comprehensive loss of approximately HK\$0.7 million for the three months ended 30 June 2022.
- The Board does not recommend the payment of any dividend for the three months ended 30 June 2023 (for the three months ended 30 June 2022: Nil).

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 2023 (the “**Reporting Period**”), together with the respective unaudited comparative figures for the corresponding period in 2022 as follows:

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

For the three months ended 30 June 2023

	<i>Notes</i>	<b>Three months ended</b>	
		<b>30 June</b>	
		<b>2023</b>	2022
		<b>HK\$’000</b>	<i>HK\$’000</i>
		<b>(Unaudited)</b>	(Unaudited)
<b>Revenue</b>	3	<b>31,871</b>	19,129
Cost of sales		<u>(29,340)</u>	<u>(18,051)</u>
<b>Gross profit</b>		<b>2,531</b>	1,078
Other income		–	344
Administrative expenses and other operating expenses		<b>(1,773)</b>	(2,061)
Finance costs	5	<u>(153)</u>	<u>(92)</u>
<b>Profit/(Loss) before taxation</b>	4	<b>605</b>	(731)
Income tax expenses	6	<u>–</u>	<u>–</u>
<b>Profit/(Loss) and total comprehensive income/(loss) for the period</b>		<b><u>605</u></b>	<b><u>(731)</u></b>
<b>Earnings/(Loss) per share</b>			
Basic and diluted ( <i>HK cents</i> )	7	<b><u>0.15</u></b>	<b><u>(0.18)</u></b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Reserve		Total <i>HK\$'000</i>	Total <i>HK\$'000</i>
			Capital reserve <i>HK\$'000</i>	Accumulated profits <i>HK\$'000</i>		
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)	4,000	44,810	10	2,473	47,293	51,293
<b>At 1 April 2023 (Audited)</b>	<b>4,000</b>	<b>44,810</b>	<b>10</b>	<b>(8,862)</b>	<b>35,958</b>	<b>39,958</b>
Profit and total comprehensive income for the period	—	—	—	605	605	605
<b>At 30 June 2023 (Unaudited)</b>	<b>4,000</b>	<b>44,810</b>	<b>10</b>	<b>(8,257)</b>	<b>36,563</b>	<b>40,563</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2023*

## 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 Section C of Lot No. 1345 in D.D. 121, 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 2023 (the "Condensed Consolidated Financial Statements") are unaudited. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 10 August 2023.

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

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 2023 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 2023.

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 2023.

### 3. REVENUE

	<b>Three months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Revenue from contracts with customers within HKFRS 15</b>		
<b>Recognised at point in time</b>		
Sales of diesel oil	31,583	18,930
Sales of diesel exhaust fluid	<u>264</u>	<u>199</u>
	<b>31,847</b>	19,129
<b>Recognised over time</b>		
Ancillary transaction service	<u>24</u>	–
	<b><u>31,871</u></b>	<b><u>19,129</u></b>

#### 4. PROFIT/(LOSS) BEFORE TAXATION

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
This is stated after charging:		
<b>Staff costs</b>		
Directors' emoluments	502	582
Other staff cost:		
– Salaries and other benefits	765	1,070
– Retirement benefits scheme contributions	47	61
	<u>1,314</u>	<u>1,713</u>
<b>Other items</b>		
Auditors' remuneration	120	120
Depreciation of property, plant and equipment		
– cost of sales	618	618
– Right-of-use assets	–	98
– Administrative and othe operating expenses	1	38
	<u>619</u>	<u>754</u>

#### 5. FINANCE COSTS

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank overdrafts	85	50
Imputed interest on lease liabilities	–	3
Bank loan interest	68	39
	<u>153</u>	<u>92</u>

## 6. INCOME TAX EXPENSES

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Current tax</b>		
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 2023 and 2022, Hong Kong profits tax has not been provided as the Group had no assessable profits for the periods.

## 7. EARNINGS/(LOSS) PER SHARE

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

	Three months ended 30 June	
	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit/(Loss) for the period attributable to owners of the Company for the purpose of basic and diluted earnings/(losses) per Share	<u>605</u>	<u>(731)</u>
<b>Number of shares</b>		
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 2023 (three months ended 30 June 2022: 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 seven diesel tank wagons of various capacity as at 30 June 2023.

Hong Kong and Mainland China cancelled a series of precautionary and quarantine control measures in the first quarter of 2023 and the late fourth quarter of 2022 respectively. The demand in diesel oil from cross-boundary transportation sector was improved accordingly, however, the demand is still below pre COVID-19 crisis level. On the other hand, the demand in diesel oil from construction sector was stable in the first half of 2023.

The average crude oil price was reduced compared with the same period in the previous year due to the effect of Russian-Ukrainian War. Crude in last year. Oil prices maintained at uptrend throughout the first half of 2023. Our purchase cost of diesel oil was substantially raised and directly creates pressure on the operating cash flow.

The Group has recorded a revenue of approximately HK\$31.9 million for the three months ended 30 June 2023, representing an increase of approximately HK\$12.8 million or 67.0%, as compared to the Group's revenue of approximately HK\$19.1 million for the three months ended 30 June 2022.

The Group recorded a profit attributable to owners of the Company of approximately HK\$0.6 million for the three months ended 30 June 2023, representing an increase of HK\$1.3 million as compared to a loss of approximately HK\$0.7 million for the three months ended 30 June 2022. The increase in net profit mainly attributed to the increase in sales as the demand in diesel oil from cross-boundary transportation section was picking up accordingly.

## **FUTURE PROSPECTS**

Slow recovery from COVID crisis, global freight overcapacity, stagflation and geopolitical tensions are critical to the Group's business and operating environment. The Group will continue to closely monitor the diesel market demand, 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.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately HK\$12.8 million or approximately 67.0% from approximately HK\$19.1 million for the three months ended 30 June 2022 to approximately HK\$31.9 million for the three months ended 30 June 2023.

Revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$31.6 million and HK\$0.3 million respectively, representing approximately 99.1% and 0.8% respectively, of the Group's total revenue for the three months ended 30 June 2023. For the three months ended 30 June 2022, the 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.

### **Sales quantity**

The sales quantity of diesel oil increased by approximately 168.2% from 2.2 million litres for the three months ended 30 June 2022 to 5.9 million litres for the three months ended 30 June 2023. The sales quantity of diesel exhaust fluid increased by approximately 45.3% from 53 thousand litres for the three months ended 30 June 2022 to 77 thousand litres for the three months ended 30 June 2023.

### **Selling price**

The average selling price of the Group's diesel oil decreased by approximately 37.0% from HK\$8.56 per litre for the three months ended 30 June 2022 to HK\$5.39 per litre for the three months ended 30 June 2023, whereas the average selling price of the Group's diesel exhaust fluid decreased by approximately 8.0% from HK\$3.73 per litre for the three months ended 30 June 2022 to HK\$3.43 per litre for the three months ended 30 June 2023. The decrease in average selling price of the Group's diesel oil was in line with the decreasing 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 2023, the Group's cost of sales was approximately HK\$29.3 million, representing an increase of 61.9% from HK\$18.1 million for the three months ended 30 June 2022. Such increase was in line with the overall increase in revenue.

The largest component of the cost of sales was diesel oil cost, which amounted to approximately HK\$16.5 million and HK\$28.1 million, representing approximately 91.2% and 95.9% of the cost of sales for the three months ended 30 June 2022 and 30 June 2023, respectively. The unit purchase cost of diesel oil decreased by 35.7% from approximately HK\$7.47 per litre for the three months ended 30 June 2022 to approximately HK\$4.80 per litre for the three months ended 30 June 2023. The decrease in unit purchase cost of diesel oil was in line with the market trend for the three months ended 30 June 2023.

For the three months ended 30 June 2022 and 30 June 2023, the diesel exhaust fluid costs were approximately HK\$165 thousand and HK\$155 thousand respectively, representing approximately 0.9% and 0.5% 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\$0.6 million and HK\$0.2 million for the three months ended 30 June 2022 and 2023, respectively. The Group had four full-time drivers responsible for the logistics support for the Group's diesel tank wagons as at 30 June 2023.

Depreciation represented depreciation charges for the Group's equipment which comprise mainly of diesel tank wagons. The depreciation remain stable at approximately HK\$0.6 million for the three months ended 30 June 2022 and 2023.

### **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\$1.4 million or approximately 127.3% from approximately HK\$1.1 million for the three months ended 30 June 2022 to approximately HK\$2.5 million for the three months ended 30 June 2023. The Group's gross profit margin increased from 5.6% for the three months ended 30 June 2022 to 7.9% for the three months ended 30 June 2023 mainly due to a reduction in direct labour costs 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 decreased by approximately HK\$0.3 million or 14.3% from approximately HK\$2.1 million for the three months ended 30 June 2022 to approximately HK\$1.8 million for the three months ended 30 June 2023.

## **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 2022 and 2023 respectively.

## **Capital commitments and contingent liabilities**

As at 30 June 2023, the Group had approximately HK\$1.7 million of capital commitments in respect of the acquisition of property 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 2023 to the date of this announcement.

## **Capital expenditure**

During the Reporting Period, the payment for capital expenditure of the Group was approximately HK\$3.6 million, which was related to the deposit payment for upgrading information technology systems (For the three months ended 30 June 2022: Nil).

## **Profit for the period**

The Group recorded an increase in net profit by approximately HK\$1.3 million from a loss of approximately HK\$0.7 million for the three months ended 30 June 2022 to a profit of approximately HK\$0.6 million for the three months ended 30 June 2023, and the Group's net profit margin increased from a negative of 3.8% for three months ended 30 June 2022 to a positive of 1.9% for the three months ended 30 June 2023.

## DIVIDEND

The Board did not recommend the payment of any dividend for the three months ended 30 June 2023 (For the three months ended 30 June 2022: Nil).

## 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, 18 August 2020 (the “**UOP Announcements**”) and 23 March 2023 (the “**UOP Announcement 2023**”). Set out below is the actual use of the Net Proceeds up to 30 June 2023:

	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 Announcements <i>HK\$ million</i>	Further change in use of Net Proceeds as set forth in the UOP announcement 2023 <i>HK\$ million</i>	Actual use of Net Proceeds up to 30 June 2023 <i>HK\$ million</i>	Unused total Net Proceeds up to 30 June 2023 <i>HK\$ million</i>	Expected timeline for fully utilising the unutilised amount as at 30 June 2023 <i>(Note 1)</i>
Purchase of diesel tank wagons	15.0	–	(2.6)	(12.4)	–	N/A
Expand manpower	12.5	(10.8)	–	(1.7)	–	N/A
Upgrade information technology systems	5.0	–	–	(3.6)	1.4	By 31 March 2024 <i>(Note 2)</i>
Working capital	2.3	10.8	2.6	(13.1)	2.6	By 31 March 2024
Total	<u>34.8</u>			<u>30.8</u>	<u>4.0</u>	

*Note:*

- The expected timeline for 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.

2. The Group planned to utilize approximately HK\$5.0 million of the Net Proceeds for upgrading the information technology systems of the Group. Up to the date of this announcement, the Group has engaged vendor in upgrading the Group's information technology systems and the upgrade is expected to be completed by 31 March 2024. 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. 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**

During the Reporting Period, 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 2023, 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 Group Limited (“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 2023, so far as it is known to the Directors, the following persons 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.

<b>Name of Shareholders</b>	<b>Capacity/nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of shareholding</b>
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 2023, 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 2023.

### **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. Chan Ting Fung, Mr. Wong Ka Chun Matthew and Mr. Fenn David. Mr. Wong Ka Chun Matthew 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. Chan Ting Fung) 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. 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, 10 August 2023

*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. CHAN Ting Fung.*

*This announcement will remain on the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) 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).*