

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

**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 2018**

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

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, 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.**

*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, 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\$375.5 million for the nine months ended 31 December 2018, representing an increase of approximately HK\$32.3 million or 9.4% as compared to the nine months ended 31 December 2017.
- The Group recorded a profit attributable to the owners of the Company of approximately HK\$6.8 million for the nine months ended 31 December 2018, representing an increase of approximately HK\$2.6 million, as compared to the Group's profit attributable to the owners of the Company of approximately HK\$4.2 million for the nine months ended 31 December 2017. The increase was mainly due to the recognition of the listing expenses of approximately HK\$3.3 million in connection with the listing of the Company's shares on GEM (the "**Listing**") for the nine months ended 31 December 2018, as compared to HK\$7.1 million for the nine months ended 31 December 2017. Excluding the non-recurring Listing expenses, the profit attributable to the owners of the Company would have been approximately HK\$10.1 million and HK\$11.3 million for the nine months ended 31 December 2018 and the nine months ended 31 December 2017 respectively.
- The Board does not recommend the payment of any dividend for the nine months ended 31 December 2018.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated third quarterly results of the Group for the three months and nine months ended 31 December 2018 (the “**Reporting Period**”), together with the respective unaudited comparative figures for the corresponding periods in 2017, 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 2018

	Notes	Three months ended		Nine months ended	
		31 December		31 December	
		2018	2017	2018	2017
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	3	<b>127,593</b>	145,370	<b>375,477</b>	343,194
Cost of sales		<u>(122,000)</u>	<u>(137,867)</u>	<u>(359,226)</u>	<u>(326,026)</u>
<b>Gross profit</b>		<b>5,593</b>	7,503	<b>16,251</b>	17,168
Administrative expenses and other operating expenses	4	(1,616)	(1,560)	(4,100)	(3,475)
Expenses for initial listing		(2,914)	(3,079)	(3,289)	(7,089)
Finance costs	5	<u>(49)</u>	<u>(39)</u>	<u>(174)</u>	<u>(113)</u>
<b>Profit before taxation</b>	4	<b>1,014</b>	2,825	<b>8,688</b>	6,491
Income tax expense	6	<u>(515)</u>	<u>(989)</u>	<u>(1,911)</u>	<u>(2,284)</u>
<b>Profit for the period</b>		<b><u>499</u></b>	<b><u>1,836</u></b>	<b><u>6,777</u></b>	<b><u>4,207</u></b>
<b>Earnings per share</b>					
Basic and diluted ( <i>HK cents</i> )	7	<b><u>0.17</u></b>	<b><u>0.61</u></b>	<b><u>2.26</u></b>	<b><u>1.40</u></b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2018

	Share capital <i>HK\$'000</i>	Capital contribution reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (Audited)	–	10	10,639	10,649
Profit and total comprehensive income for the period	–	–	4,207	4,207
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017 (Unaudited)	<u>–</u>	<u>10</u>	<u>14,846</u>	<u>14,856</u>
At 1 April 2018 (Audited)	–	10	12,321	12,331
Profit and total comprehensive income for the period	–	–	6,777	6,777
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2018 (Unaudited)</b>	<u>–</u>	<u>10</u>	<u>19,098</u>	<u>19,108</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 31 December 2018*

## 1. GENERAL INFORMATION

Sun Kong Holdings Limited (the “**Company**”, together with its subsidiaries are hereinafter collectively referred to as the “**Group**”) 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 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The 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 and its subsidiaries 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 of Hong Kong Limited (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 and nine months ended 31 December 2018 (the “**Condensed Consolidated Financial Statements**”) are unaudited, but have been reviewed by the audit committee of the Company. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 12 February 2019.

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 annual financial information for the year ended 31 March 2018 (the “**2018 Financial Information**”) which have been prepared in accordance with HKFRSs issued by the HKICPA and stated in Appendix I of the prospectus of the Company dated 21 December 2018 (the “**Prospectus**”).

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on the GEM of the Stock Exchange (the "**Reorganisation**"), the group entities were under the control of Mr. Law Ming Yik. Details of the Reorganisation are set out in the section headed "History and Development, Reorganisation and Group Structure" in the Prospectus. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group. Accordingly, for the purpose of the preparation of the Condensed Consolidated Financial Statements, the Company has been considered as the holding company of the companies now comprising the Group throughout the periods presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Law Ming Yik prior to and after the Reorganisation. 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 judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income 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 judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

### 3. REVENUE

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sale of Diesel oil	127,423	145,199	375,030	342,692
Sale of Diesel exhaust fluid	136	171	413	502
Ancillary transportation service	34	–	34	–
	<u>127,593</u>	<u>145,370</u>	<u>375,477</u>	<u>343,194</u>

#### 4. PROFIT BEFORE TAXATION

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
This is stated after charging:				
<b>Staff cost</b>				
Directors' emoluments	108	108	325	325
Other staff cost:				
– Salaries and other benefits	507	499	1,516	1,242
– Retirement benefits scheme contributions	23	23	67	59
	<u>638</u>	<u>630</u>	<u>1,908</u>	<u>1,626</u>
<b>Other items</b>				
Auditors' remuneration	155	25	465	75
Depreciation of property, plant and equipment				
– cost of sales	240	310	749	931
– administrative expenses	205	187	614	566
	445	497	1,363	1,497
Operating lease charges for premises	<u>90</u>	<u>90</u>	<u>270</u>	<u>267</u>

## 5. FINANCE COSTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Finance charges on obligations under finance leases	23	39	73	113
Finance charge on interest-bearing borrowings	26	–	101	–
	<u>49</u>	<u>39</u>	<u>174</u>	<u>113</u>

## 6. INCOME TAX EXPENSES

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Current tax				
Hong Kong Profits Tax	<u>515</u>	<u>989</u>	<u>1,911</u>	<u>2,284</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% to the estimated assessable profit for each of the three months and nine months ended 31 December 2018 and 2017.

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

## 7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Three months ended		Nine months ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Earnings</b>				
Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>499</u>	<u>1,836</u>	<u>6,777</u>	<u>4,207</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the effect of the capitalisation issue upon the completion of the share offer as disclosed in the Prospectus had been effective on 1 April 2017.

No diluted earnings per share for both periods was presented as there were no potential ordinary shares in issue during both periods.

## 8. DIVIDENDS

The Board does not recommend a payment of dividend for the nine months ended 31 December 2018 (nine months ended 31 December 2017: Nil).

# **MANAGEMENT DISCUSSION AND ANALYSIS**

## **BUSINESS REVIEW**

The Group principally engaged in the sale of diesel oil in Hong Kong. The services of the Group includes 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. In addition to the sale services as described above, the Group also provide ancillary transportation service to an Oil Major whereby help the Oil Major transport the diesel to its customers. The Group had seven diesel tank wagons of various capacity as at 31 December 2018.

The Group has recorded a revenue of approximately HK\$375.5 million for the nine months ended 31 December 2018, representing an increase of approximately HK\$32.3 million or 9.4%, as compared to the nine months ended 31 December 2017. The increase was mainly contributed by the increase in average selling price of diesel oil due to our increased purchase cost of diesel oil. The Group recorded a profit attributable to the owners of the Company of approximately HK\$6.8 million for the nine months ended 31 December 2018. The increase of HK\$2.6 as compared to HK\$4.2 million for the nine months ended 31 December 2017, was mainly due to the recognition of the Listing expenses of approximately HK\$3.3 million in connection with the Listing for the nine months ended 31 December 2018, as compared to HK\$7.1 million for the nine months ended 31 December 2017. Excluding the non-recurring Listing expenses, the profit attributable to the owners of the Company would have been approximately HK\$10.1 million and HK\$11.3 million for the nine months ended 31 December 2018, and the nine months ended 31 December 2017, respectively.

## **FUTURE PROSPECTS**

The Board believes that market trend of sales of diesel oil in Hong Kong remains stable demand from transportation and construction sectors respectively.

According to the market research report prepared by China Insights Consultancy as set out in the section headed "Industry Overview" in the Prospectus, Hong Kong's market size for diesel is expected to grow at a compound annual growth rate of 1.0%, reaching a total 1,468.7 thousand kilolitres by 2022, among which industrial processes/equipment is expected to consume 249.4 thousand kilolitres and transportation is expected to consume 1,219.3 thousand kilolitres. The market development is positive.

The opening of Hong Kong-Zhuhai-Macau Bridge is expected to provide more convenient transportation in the Greater Bay Area, which is anticipated to increase the demands for ground logistic services in the area. On the other hand, stable and high level investment in local public infrastructure supports demand for diesel oil in the construction sector.

In view of the challenging business environment and keen competition in the diesel oil sales market in Hong Kong, the Group will continue to deploy more resources on talent recruitment and strengthen the Group's business development and marketing strategy on diesel oil and will also proactively seek potential business opportunities that will broaden sources of income and enhance value to the shareholders.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased by approximately HK\$32.3 million or approximately 9.4% from approximately HK\$343.2 million for the nine months ended 31 December 2017 to approximately HK\$375.5 million for the nine months ended 31 December 2018.

Revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$375.0 million and HK\$0.4 million respectively, representing approximately 99.9% and 0.1% respectively, of the Group's total revenue for the nine months ended 31 December 2018. For the nine months ended 31 December 2017, the revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$342.7 million and HK\$0.5 million respectively, representing approximately 99.9% and 0.1% respectively, of the Group's total revenue. Sales of diesel oil remained the largest contributor to the Group's revenue.

Sine September 2018, the Group started to provided ancillary transportation service to an Oil Major whereby we help the Oil Major transport the diesel oil to its customers.

### **Sales quantity**

The sales quantity of diesel oil decreased by approximately 13.3% from 88.6 million litres for the nine months ended 31 December 2017 to 76.8 million litres for the nine months ended 31 December 2018, which showed less diesel oil was required from the logistics customers during the nine months ended 31 December 2018. The sales quantity of diesel exhaust fluid decreased by approximately 20.0% from 0.1 million litres for the nine months ended 31 December 2017 to 0.08 million litres for the nine months ended 31 December 2018.

## **Selling price**

The average selling price of the Group's diesel oil increased by approximately 26.1% from HK\$3.87 per litre for the nine months ended 31 December 2017 to HK\$4.88 per litre for the nine months ended 31 December 2018 whereas the average selling price of the Group's diesel exhaust fluid decreased by approximately 1.6% from HK\$4.98 per litre for the nine months ended 31 December 2017 to HK\$4.90 per litre for the nine months ended 31 December 2018. The increase of the average selling price of the Group's diesel oil was adjusted upwards as a 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 nine months ended 31 December 2018, the Group's cost of sales was approximately HK\$359.2 million, representing an increase of 10.2% from HK\$326.0 million for the nine months ended 31 December 2017. Such increase was in line with the overall raise in revenue.

The largest component of the cost of sales was diesel oil cost, which amounted to approximately HK\$321.4 million and HK\$355.2 million, representing approximately 98.5% and 98.9% of the cost of sales for the nine-month periods ended 31 December 2017 and 31 December 2018, respectively. The unit purchase cost of diesel oil increased by 19.1% from approximately HK\$3.88 per litre for the nine months ended 31 December 2017 to approximately HK\$4.62 per litre for the nine months ended 31 December 2018. The unit purchase costs of diesel exhaust fluid increased by 1.9% from approximately HK\$3.14 per litre for the nine months ended 31 December 2017 to approximately HK\$3.20 per litre for the nine months ended 31 December 2018. The increase in unit purchase cost of diesel oil was in line with the market trend for the nine months ended 31 December 2018.

For the nine months ended 31 December 2017 and the corresponding period in 2018, the diesel exhaust fluid costs were approximately HK\$0.3 million and HK\$0.3 million respectively, representing approximately 0.1% 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 all the Group's 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\$2.1 million and HK\$2.2 million for the nine-month periods ended 31 December 2017 and 31 December 2018, respectively. The Group had seven and seven full-time employees (drivers and logistics assistants) responsible for the logistics support for the Group's diesel tank wagons as at 31 December 2018 and 31 December 2017, respectively.

Depreciation represented depreciation charges for the Group's equipments which comprise mainly of diesel tank wagons. The depreciation amounted to approximately HK\$0.7 million and HK\$0.9 million for the nine-month periods ended 31 December 2018 and 31 December 2017, respectively.

### **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\$0.9 million or approximately 5.3% from approximately HK\$17.2 million for the nine months ended 31 December 2017 to approximately HK\$16.3 million for the nine months ended 31 December 2018. The Group's gross profit margin decreased, slightly from 5.0% for the nine months ended 31 December 2017 to 4.3% for the nine months ended 31 December 2018.

### **Profit for the period**

As a result of the foregoing, the Group's net profit for the nine months ended 31 December 2017 increased by approximately HK\$2.6 million from approximately HK\$4.2 million to approximately HK\$6.8 million for the nine months ended 31 December 2018, and the Group's net profit margin increased from approximately 1.2% to 1.8% during the same periods. The increase in the net profit and net profit margin for the period ended 31 December 2018 was mainly due to the decrease in the recognition of Listing expenses during the Reporting Period as compared to the nine months ended 31 December 2017.

### **DIVIDENDS**

The Board did not recommend a payment of any dividend for the nine-month periods ended 31 December 2017 and 31 December 2018.

## USE OF PROCEEDS

The Shares were listed on GEM on 8 January 2019 by way of Share Offer. The Directors intend to apply 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 received by the Company from the Share Offer, after deducting underwriting commission and other Listing expenses, amounted to approximately HK\$34.8 million. The Group intends to utilise the net proceeds allocated for the respective purposes according to the percentage of proceeds as disclosed in the Prospectus:

	<b>HK\$ million</b>	<b>Total % of proceeds</b>
Purchase diesel tank wagons	15.0	43.1
Expand manpower	12.5	35.9
Upgrade information technology systems	5.0	14.4
Working Capital	2.3	6.6
	<u>34.8</u>	<u>100.0</u>

## ENVIRONMENT POLICIES AND PERFORMANCE

The principal activity of the Group is governed by environmental laws and regulations in Hong Kong such as those 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 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 31 December 2018, there was no purchase, sale or redemption of any Company's listed securities.

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

As the Listing took place on 8 January 2019, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, Cap 571 Laws of Hong Kong ("SFO") and section 352 of the SFO were not applicable to the Directors and chief executive as at 31 December 2018.

Upon Listing and as at the date of this announcement, the interests and short positions of the Directors and chief executive of the Company 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 or 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 pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

#### *Long position in the shares*

<b>Name of Director</b>	<b>Capacity/ Nature of Interest</b>	<b>Number of Shares</b>	<b>Percentage of issued share capital of the Company</b>
Mr. Law Ming Yik	Interest in a controlled corporation ( <i>Note 1</i> )	300,000,000 Shares (L) ( <i>Note 2</i> )	75%

#### *Notes:*

- (1) The entire issued share capital of Fully Fort Group Limited ("**Fully Fort**") is legally and beneficially owned as to 100% by Mr. Law Ming Yik. Fully Fort, in turn, directly holds 300,000,000 Shares of the Company. Accordingly, Mr. Law Ming Yik is deemed to be interested in the 300,000,000 Shares of the Company which Fully Fort is deemed to be interested in.
- (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.

### **Competing Interests**

The Directors confirm that none of the Controlling Shareholders 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 Kingsway Capital Limited (“**Kingsway**”) to be the compliance adviser. Neither Kingsway 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 an audit committee (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 of the Group for the nine months ended 31 December 2018 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 Ming Yik and two independent non-executive Directors, namely Mr. Wong Ka Chun Matthew and Mr. Fenn David. Mr. Law Ming Yik 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 website and the Company’s website.

Pursuant to the terms of reference of the Nomination Committee, meeting 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 and the Policy 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 two independent non-executive Directors, namely Mr. Fenn David and Mr. Ho Cheung Kong together with 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 website and the Company’s website.

The Remuneration Committee determines Directors’ remuneration by 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 31 December 2018, the Company has complied with the code provisions set out in the Corporate Governance Code (the "**Code Provisions**") contained in Appendix 15 of the GEM Listing Rules.

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

Hong Kong, 12 February 2019

*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 posting. This announcement will also be published on the Company's website at [www.skhl.com.hk](http://www.skhl.com.hk).*