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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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 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\$56.3 million for the six months ended 30 September 2023, representing an increase of approximately HK\$20.1 million or 55.5% as compared to the Group's revenue of approximately HK\$36.2 million for the six months ended 30 September 2022.
- The Group's gross profit margin increased from approximately 3.2% for the six months ended 30 September 2022 to approximately 8.7% for the six months ended 30 September 2023.
- The Group recorded a profit attributable to the owners of the Company of approximately HK\$1.3 million for the six months ended 30 September 2023, representing an increase of approximately HK\$4.2 million, as compared to the Group's loss attributable to the owners of the Company of approximately HK\$2.9 million for the six months ended 30 September 2022.
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2023.

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the three months and six months ended 30 September 2023 (the “**Reporting Period**”), together with the respective unaudited comparative figures for the corresponding periods in 2022, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 30 September 2023

	Notes	Three months ended		Six months ended	
		30 September	30 September	30 September	30 September
		2023	2022	2023	2022
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	24,435	17,109	56,306	36,238
Cost of sales		<u>(22,064)</u>	<u>(17,020)</u>	<u>(51,404)</u>	<u>(35,071)</u>
Gross profit		2,371	89	4,902	1,167
Other income	4	–	170	–	514
Administrative expenses and other operating expenses		(1,501)	(2,367)	(3,275)	(4,429)
Finance costs	5	<u>(170)</u>	<u>(101)</u>	<u>(322)</u>	<u>(193)</u>
Profit/(Loss) before tax	5	700	(2,209)	1,305	(2,941)
Income tax expense	6	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Profit/(Loss) and total comprehensive income (loss) for the period		<u>700</u>	<u>(2,209)</u>	<u>1,305</u>	<u>(2,941)</u>
		<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>	<i>HK Cents</i>
Earnings/(Loss) per share					
Basic and diluted	8	<u>0.18</u>	<u>(0.55)</u>	<u>0.33</u>	<u>(0.74)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023

		At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	9	3,484	4,721
Right-of-use assets	10	–	–
Financial assets at fair value through profit or loss (“FVPL”)		1,737	1,737
Deposit paid for acquisition of property, plant and equipment		<u>3,681</u>	<u>3,517</u>
		<u>8,902</u>	<u>9,975</u>
Current assets			
Trade receivables	11	51,933	45,901
Other receivables	12	815	1,980
Bank balances and cash		<u>40</u>	<u>376</u>
		<u>52,788</u>	<u>48,257</u>
Current liabilities			
Trade payables	13	2,725	2,239
Other payables	14	5,204	3,850
Bank overdrafts	15	4,959	4,255
Lease liabilities	10	–	–
Bank borrowings	19	<u>7,539</u>	<u>7,930</u>
		<u>20,427</u>	<u>18,274</u>
Net current assets		<u>32,361</u>	<u>29,983</u>
NET ASSETS		<u><u>41,263</u></u>	<u><u>39,958</u></u>
Capital and reserves			
Share capital	16	4,000	4,000
Reserves		<u>37,263</u>	<u>35,958</u>
TOTAL EQUITY		<u><u>41,263</u></u>	<u><u>39,958</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Share capital HK\$'000 <i>(Note 16)</i>	Reserves				Total HK\$'000	Total HK\$'000
		Share premium HK\$'000	Capital reserve HK\$'000	Accumulated profits HK\$'000	Total		
At 1 April 2022 (Audited)	4,000	44,810	10	3,204	48,024	52,024	
Loss and total comprehensive loss for the period	—	—	—	(2,941)	(2,941)	(2,941)	
At 30 September 2022 (Unaudited)	4,000	44,810	10	263	45,083	49,083	
At 1 April 2023 (Audited)	4,000	44,810	10	(8,862)	35,958	39,958	
Profit and total comprehensive income for the period	—	—	—	1,305	1,305	1,305	
At 30 September 2023 (Unaudited)	4,000	44,810	10	(7,557)	37,263	41,263	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended	
	30 September	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Cash used in operations	(163)	(247)
Interest paid	(322)	(111)
Income tax paid	—	—
	<u> </u>	<u> </u>
Net cash used in operating activities	(485)	(358)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(164)	—
Proceeds from disposal of property, plant and equipment	—	120
	<u> </u>	<u> </u>
Net cash (used in) from investing activities	(164)	120
FINANCING ACTIVITY		
Repayment of bank borrowings	(391)	(341)
Repayment of lease liabilities	—	(228)
	<u> </u>	<u> </u>
Net cash used in financing activity	(391)	(569)
Net decrease in cash and cash equivalents	(1,040)	(807)
Cash and cash equivalents at the beginning of the reporting period	(3,879)	(2,798)
Cash and cash equivalents at the end of the reporting period	(4,919)	(3,605)
	<u><u> </u></u>	<u><u> </u></u>
Represented by:		
Bank balances and cash	40	742
Bank overdrafts	(4,959)	(4,347)
	<u> </u>	<u> </u>
Total cash and cash equivalents	(4,919)	(3,605)
	<u><u> </u></u>	<u><u> </u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and six months ended 30 September 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, Yuen Long, New Territories, Hong Kong.

The principal activity of the Company is investment holding and the Company together with its subsidiaries (**"the Group"**) are principally engaged in sales of diesel oil and related products in Hong Kong.

In opinion of the directors of the Company, the immediate and ultimate holding company is Fully Fort Group Limited, which is incorporated in the British Virgin Islands. The ultimate controlling party is Mr. Law Ming Yik.

The condensed consolidated financial statements of the Group for the three months and six months ended 30 September 2023 (the **"Condensed Consolidated Financial Statements"**) are unaudited. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 8 November 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

The Condensed Consolidated Financial Statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules and Hong Kong Accounting Standards (**"HKASs"**) 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**).

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 Hong Kong Financial Reporting Standards (**"HKFRSs"**) issued by the HKICPA and stated in the annual announcement 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 management to make judgments, 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 judgments about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The accounting policies adopted in preparing the Condensed Consolidated Financial Statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 March 2023.

3. REVENUE AND SEGMENT INFORMATION

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers within HKFRS 15				
Recognised at point in time				
Sales of diesel oil	24,136	16,760	55,719	35,690
Sales of diesel exhaust fluid	254	335	518	534
	<u>24,390</u>	<u>17,095</u>	<u>56,237</u>	<u>36,224</u>
Recognised over time				
Ancillary transportation service	45	14	69	14
	<u>24,435</u>	<u>17,109</u>	<u>56,306</u>	<u>36,238</u>

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

The executive Directors have determined that the Group has only one operating and reportable segment throughout the reporting period, as the Group manages its business as a whole which is the sale of diesel oil and related products in Hong Kong. The sale services include sourcing diesel oil and diesel exhaust fluid through oil trading companies, dispatching the fleet of diesel tank wagons of the Group to collect diesel oil from oil depots designated by the suppliers of the Group, and eventually delivering diesel oil to destinations designated by the customers of the Group. The executive Directors of the Company, being the chief operating decision-makers of the Group, regularly review the internal financial reports on the same basis for the purposes of allocating resources and assessing the performance of the Group.

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. All of the Group's revenue from external customers during the Reporting Period is derived from Hong Kong and all of the Group's assets and liabilities are located in Hong Kong.

4. OTHER INCOME

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	–	20	–	20
Government grants (<i>Note</i>)	–	147	–	491
Discount received	–	3	–	3
	<u>–</u>	<u>170</u>	<u>–</u>	<u>514</u>

Note: Government grants were the 2022 Employment Support Scheme (“ESS”) under the Anti-epidemic Fund to provide wage subsidies to employees for three months (i.e. May, June and July 2022) to retain their current employees or even employ more staff when the business revives as soon as the epidemic situation permits.

5. PROFIT/(LOSS) BEFORE TAX

This is stated after charging:

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance costs				
Interest on bank overdrafts	101	61	185	111
Interest on lease liabilities	–	2	–	5
Bank Loan Interest	69	38	137	77
	<u>170</u>	<u>101</u>	<u>322</u>	<u>193</u>
Staff costs				
Directors' emoluments	342	582	844	1,164
Other staff cost:				
Salaries and other benefits	559	1,047	1,324	2,271
Retirement benefits scheme contributions	40	59	87	119
	<u>941</u>	<u>1,688</u>	<u>2,255</u>	<u>3,554</u>
Other items				
Auditor's remuneration	120	120	240	240
Cost of inventories (<i>Note</i>)	21,060	15,840	49,411	32,581
Depreciation of property, plant and equipment:				
Cost of sales	617	618	1,235	1,235
Administrative and other operating expenses	1	37	2	75
Depreciation of right-of-use assets:				
Administrative and other operating expenses	–	98	–	195
	<u>–</u>	<u>98</u>	<u>–</u>	<u>195</u>

Note: Cost of inventories excluded approximately HK\$1,004,000 for the three months ended 30 September 2023 (three months ended 30 September 2022: approximately HK\$1,169,000), and approximately HK\$1,993,000 for the six months ended 30 September 2023 (six months ended 30 September 2022: approximately HK\$2,447,000), which were expenses relating to the aggregate amount of certain staff costs, depreciation, license fee, repair and maintenance and transportation expenses.

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group had no assessable profits for the three months and six months ended 30 September 2023.

For the three months and six months ended 30 September 2022, no provision for Hong Kong profits tax has been made as the Group incurred a loss for taxation purposes for the periods.

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

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<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	—	—	—	—
Deferred tax				
Origination and reversal of temporary difference	—	—	—	—
Total income tax expenses (credit)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

7. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 September 2023 (*six months ended 30 September 2022: Nil*).

8. EARNINGS/(LOSS) PER SHARE

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

	Three months ended		Six months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings/(Loss)				
Profit/(Loss) for the period attributable to equity shareholders of the Company, for the purpose of basic and diluted earnings/(loss) per share	<u>700</u>	<u>(2,209)</u>	<u>1,305</u>	<u>(2,941)</u>
Number of shares:				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>	<u>400,000,000</u>

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

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group does not acquire any items of property, plant and equipment (*six months ended 30 September 2022: Nil*).

10. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The movements of right-of-use assets and lease liabilities within HKFRS 16 during the periods are set out below.

	At 30 September 2023		At 31 March 2023	
	Right-of-use assets <i>HK\$'000</i> (Unaudited)	Lease liabilities <i>HK\$'000</i> (Unaudited)	Right-of-use assets <i>HK\$'000</i> (Audited)	Lease liabilities <i>HK\$'000</i> (Audited)
Reconciliation of carrying amount:				
At beginning of the reporting period	–	–	260	(299)
Lease modification	–	–		
Depreciation of right-of-use assets	–	–	(260)	–
Imputed interest expenses on lease liabilities	–	–	–	(5)
Lease payments	–	–	–	304
At end of the reporting period	–	–	–	–
Current	–	–	–	–
Non-current	–	–	–	–
	–	–	–	–

The Group leases office premise for its daily operations with fixed lease payment term. Lease term is one year, and will be expired in June 2024.

The Group has recognised the following amounts for the period:

	Six months ended 30 September 2023 <i>HK\$'000</i>	The year ended 31 March 2023 <i>HK\$'000</i>
Lease payments on lease liabilities	–	304
Total cash outflow for leases	–	304

11. TRADE RECEIVABLES

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Trade receivables		
From third parties	62,543	56,511
Less: Loss allowance	<u>(10,610)</u>	<u>(10,610)</u>
	<u>51,933</u>	<u>45,901</u>

At the end of each reporting period, the ageing analysis of the trade receivables by invoice date is as follows:

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Within 30 days	4,772	12,929
31 to 60 days	7,506	3,913
61 to 90 days	8,538	941
Over 90 days	34,603	16,440
More than one year	7,124	22,288
Less: Loss allowance	<u>(10,610)</u>	<u>(10,610)</u>
	<u>51,933</u>	<u>45,901</u>

At the end of each reporting period, the ageing analysis of the trade receivables by due date is as follows:

	At 30 September 2023 HK\$'000 (Unaudited)	At 31 March 2023 HK\$'000 (Audited)
Not yet due	<u>24,370</u>	<u>18,763</u>
Past due:		
Within 30 days	6,551	1,258
31 to 60 days	11,042	1,633
61 to 90 days	4,788	1,126
Over 90 days	11,971	31,135
More than one year overdue	3,821	2,596
Less: Loss allowance	<u>(10,610)</u>	<u>(10,610)</u>
	<u>27,563</u>	<u>27,138</u>
	<u>51,933</u>	<u>45,901</u>

The credit terms granted to customers varies and are generally the result of negotiations between individual customers and the Group. The average credit period granted ranges from 0 to 120 days.

At the end of the reporting period, the Group had a concentration of credit risk as 37% (31 March 2023: 35%) and 90% (31 March 2023: 90%) of the total trade receivables were made up by the Group's largest outstanding balance and the five largest outstanding balances respectively.

The Group does not hold any collateral over trade receivables as at 30 September 2023 and 31 March 2023.

12. OTHER RECEIVABLES

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Deposits	538	538
Prepayments	212	1,367
Other receivable	<u>65</u>	<u>75</u>
	<u>815</u>	<u>1,980</u>

All the other receivable are expected to be recovered within one year, except for the deposits of HK\$538,000 (2022: HK\$709,000).

13. TRADE PAYABLES

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Trade payables		
To third parties (<i>Note</i>)	<u>2,725</u>	<u>2,239</u>

Note: The trade payables are non-interest bearing and the Group is normally granted with credit terms ranging from 1 to 30 days.

The ageing analysis of trade payables, at the end of the reporting period based on the invoice date, is as follows:

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Within 30 days	1,463	2,239
31 to 60 days	1,262	–
	<u>2,725</u>	<u>2,239</u>

14. OTHER PAYABLES

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Accruals and other payables	5,198	3,844
Deposits received	6	6
	<u>5,204</u>	<u>3,850</u>

15. BANK BALANCES AND CASH AND BANK OVERDRAFTS

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Bank balances and cash	40	376
Bank overdrafts	<u>(4,959)</u>	<u>(4,255)</u>
As stated in the consolidated statement of cash flows	<u>(4,919)</u>	<u>(3,879)</u>

Bank overdrafts bear interest at prevailing market rate of Hong Kong Interbank Offered Rate (“**HIBOR**”) plus 4% per annum for the six months ended 30 September 2023 and year ended 31 March 2023.

16. SHARE CAPITAL

	No. of shares	HK\$'000
Ordinary shares of HK\$0.01 (<i>31 March 2023: HK\$0.01</i>) each		
Authorised:		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	<u>3,000,000,000</u>	<u>30,000</u>
Issued and fully paid:		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	<u>400,000,000</u>	<u>4,000</u>

17. FAIR VALUE MEASUREMENTS

All financial assets and financial liabilities are carried at amounts not materially different from their fair values as at 30 September 2023 and 31 March 2023.

18. CAPITAL COMMITMENTS

	At 30 September 2023 <i>HK\$'000</i> (Unaudited)	At 31 March 2023 <i>HK\$'000</i> (Audited)
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of acquisition of property, plant and equipment	<u>1,611</u>	<u>1,775</u>

19. BANKING FACILITY

At 30 September 2023, the Group had a banking facility of HK\$14,000,000 (2022: HK\$11,000,000) granted by a financial institution in Hong Kong.

The banking facility are secured by:

- (i) A corporate guarantee provided by the Company; and
- (ii) A personal guarantee provided by an executive director, Mr. Law Ming Yik

At 30 September 2023, the Group had undrawn amount under the banking facility of HK\$1,502,000 (31 March 2023: HK\$1,815,000).

20. RETIREMENT BENEFIT SCHEMES

With effect from 1 December 2000, the Group has enrolled all its qualifying employees employed in Hong Kong into a mandatory provident fund scheme (the “**MPF Scheme**”). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contributions payable in future years.

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 September 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 three quarters of 2023.

The average crude oil price decreased compared with the same period in the previous year due to the effect of Russian-Ukrainian War. Nevertheless, crude oil prices maintained at high level throughout the reporting period. High purchase cost of diesel oil directly creates pressure on the operating cash flow.

The Group has recorded a revenue of approximately HK\$56.3 million for the six months ended 30 September 2023, representing an increase of approximately HK\$20.1 million or 55.5%, as compared to the Group's revenue of approximately HK\$36.2 million for the six months ended 30 September 2022.

For the six months ended 30 September 2023, the Group recorded a net profit of approximately HK\$1.3 million, representing an increase of approximately HK\$4.2 million from a net loss of approximately HK\$2.9 million for the six months ended 30 September 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

MANAGEMENT DISCUSSION AND ANALYSIS

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\$20.1 million or approximately 55.5% from approximately HK\$36.2 million for the six months ended 30 September 2022 to approximately HK\$56.3 million for the six months ended 30 September 2023.

Revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$55.7 million and HK\$0.5 million respectively, representing approximately 99.0% and 0.9% respectively, of the Group's total revenue for the six months ended 30 September 2023. For the six months ended 30 September 2022, the revenue from the sales of diesel oil and diesel exhaust fluid accounted for approximately HK\$35.7 million and HK\$0.5 million respectively, representing approximately 98.6% and 1.4% respectively, of the Group's total revenue. Sale of diesel oil remained the largest contributor to the Group's revenue.

Sales quantity

The sales quantity of diesel oil increased by approximately 130.2% from 4.3 million litres for the six months ended 30 September 2022 to 9.9 million litres for the six months ended 30 September 2023. The sales quantity of diesel exhaust fluid increased by approximately 5.7% from 145.4 thousand litres for the six months ended 30 September 2022 to 153.7 thousand litres for the six months ended 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Selling price

The average selling price of the Group's diesel oil decreased by approximately 32.2% from HK\$8.30 per litre for the six months ended 30 September 2022 to HK\$5.63 per litre for the six months ended 30 September 2023 whereas the average selling price of the Group's diesel exhaust fluid decreased by approximately 8.2% from HK\$3.67 per litre for the six months ended 30 September 2022 to HK\$3.37 per litre for the six months ended 30 September 2023. The decrease in the 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 suppliers. The purchase cost for diesel oil is also determined with reference to the price indices such as Europe Brent spot crude price.

For the six months ended 30 September 2023, the Group's cost of sales was approximately HK\$51.4 million, representing an increase of 46.4% from HK\$35.1 million for the six months ended 30 September 2022. The increase was in line with the increase of revenue in the corresponding period.

The largest component of the cost of sales was diesel oil cost, which amounted to approximately HK\$32.0 million and HK\$48.9 million, representing approximately 91.2% and 95.1% of the cost of sales for the six months ended 30 September 2022 and 30 September 2023, respectively. The average unit purchase cost of diesel oil decreased by 33.6% from approximately HK\$7.44 per litre for the six months ended 30 September 2022 to approximately HK\$4.94 per litre for the six months ended 30 September 2023. The decrease in unit purchase cost of diesel oil was in line with the market trend for the six months ended 30 September 2023.

For the six months ended 30 September 2023 and the corresponding period in 2022, the diesel exhaust fluid costs were approximately HK\$0.3 million and HK\$0.5 million respectively, representing approximately 0.6% and 1.4% of the cost of sales for the said periods, respectively.

The direct labour costs comprise wages and benefits, including, 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\$0.4 million and HK\$0.9 million for the six months ended 30 September 2023 and 30 September 2022, respectively. The Group had four full-time drivers responsible for the logistics support for the Group's diesel tank wagons as at 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Depreciation represented depreciation charges for the Group's equipment which comprised mainly of diesel tank wagons. The depreciation amounted to approximately HK\$1.2 million and HK\$1.2 million for the six months ended 30 September 2022 and 30 September 2023, respectively.

Gross profit and gross profit margin

The gross profit represented the Group's revenue less cost of sales. The Group recorded an increase in gross profit by approximately HK\$3.7 million or approximately 308.3% from approximately HK\$1.2 million for the six months ended 30 September 2022 to approximately HK\$4.9 million for the six months ended 30 September 2023. The Group's gross profit margin increased from 3.2% for the six months ended 30 September 2022 to 8.7% for the six months ended 30 September 2023.

Administrative and other operating expenses

Administrative and other operating expenses mainly include administrative staff costs, professional service fees, rent and rate and others. The Group's administrative and other operating expenses decreased by approximately HK\$1.1 million or 25.0% from approximately HK\$4.4 million for the six months ended 30 September 2022 to approximately HK\$3.3 million for the six months ended 30 September 2023.

Events after the Reporting Period

No significant events have taken place after the six months ended 30 September 2023 to the date of this announcement

Capital expenditure

During the Reporting Period, the payment for capital expenditure of the Group was approximately HK\$0.2 million (2022: Nil).

Profit for the period

The Group recorded an increase in net profit by approximately HK\$4.2 million from a loss of approximately HK\$2.9 million for the six months ended 30 September 2022 to a profit of approximately HK\$1.3 million for the six months ended 30 September 2023 due to an increase in gross profit.

DIVIDEND

The Board did not recommend the payment of any dividend for the six months ended 30 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

Financial Resources and Liquidity

As at 30 September 2023, the Group recorded net current assets of approximately HK\$32.4 million. The Group had cash and bank balances of approximately HK\$40.0 thousand and they were mainly denominated in Hong Kong dollar. The Group's financial resources were funded mainly by its shareholders' funds. As at 30 September 2023, the Group's current assets amounted to approximately HK\$52.8 million and the Group's current liabilities amounted to approximately HK\$20.4 million. Current ratio was approximately 2.6 as at 30 September 2023. Current ratio is calculated based on total current assets at the end of the Reporting Period divided by total current liabilities at the end of the Reporting Period. Gearing ratio was approximately 30.3% as at 30 September 2023 which was calculated based on the total borrowing at the end of the Reporting Period divided by total equity at the end of the Reporting Period. As at 30 September 2023, the banking facilities available to the Group was approximately HK\$14.0 million and approximately HK\$12.5 million of the banking facilities was utilized. The banking facilities were denominated in Hong Kong dollar, bore variable interest rate of 2.5% per annum below Hong Kong dollar prime rate (2022: 2.5%). As at 30 September 2023, the Group's bank overdrafts were approximately HK\$5.0 million with interest rate at prevailing market rate of HIBOR plus 4% per annum for the six months ended 30 September 2023. The bank overdrafts were denominated in Hong Kong dollar. Details are set out in Notes 15 and 19 to the consolidated financial statements.

CAPITAL STRUCTURE

For the six months ended 30 September 2023, the capital structure of the Group consisted of equity attributable to the owners of the Company of approximately HK\$41.3 million. The share capital of the Group only consists of ordinary shares. The shares of the Company (the "Shares") were listed on GEM of the Stock Exchange on 8 January 2019 (the "Listing Date"). There has been no change in the capital structure of the Group since then.

FOREIGN CURRENCY EXPOSURE RISKS

The Group operates mainly in Hong Kong and is not exposed to any foreign exchange risks throughout the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS

TREASURY POLICIES

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

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

The Group did not have any significant investments, material acquisitions nor disposals of subsidiaries during the six months ended 30 September 2023.

CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND CHARGES ON ASSETS

As at 30 September 2023, the Group had approximately HK\$1.6 million of capital commitments in respect of the acquisition of property and equipment that have not been provided in the Group's unaudited Condensed Consolidated Financial Statements. The Group did not have other material capital commitment or any material contingent liabilities. The Group did not have any charges on assets.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPARISON OF IMPLEMENTATION PLANS FOR BUSINESS STRATEGIES WITH ACTUAL IMPLEMENTATION PROGRESS

The following is a comparison of the Group's implementation plans for its business strategies up to 30 September 2023 as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus with the Group's actual implementation progress:

Business strategy	Implementation plan up to 30 September 2023	Actual implementation progress up to 30 September 2023
Expansion and enhancement of the Group's fleet of diesel tank wagons	<ul style="list-style-type: none">– Replace two existing diesel tank wagons– Order two new diesel tank wagons– Order one new diesel tank wagon	<ul style="list-style-type: none">– Two new diesel tank wagons have been ordered to replace existing diesel tank wagons and were available for use in October 2019– Two new diesel tank wagons have been ordered and were available for use in April 2020– One new diesel tank wagon has been ordered in May 2020 and was available for use in June 2021
Upgrading the Group's information technology and systems	<ul style="list-style-type: none">– Purchase a enterprise resource planning system	<ul style="list-style-type: none">– The Group has engaged an IT service provider for the new office administrative information technology system upgrade. The upgrade is expected to be completed by end of 2023.
Strengthening the Group's manpower	<ul style="list-style-type: none">– Recruit four drivers and two logistics assistants to strengthen the Group's workforce required for the Group's fleet of diesel tank wagons– Recruit two accounting staff to support the Group on a wide spectrum of accounting and company secretarial matters– Recruit one administrative staff to support the expansion of the Group	<ul style="list-style-type: none">– Four drivers and two logistics assistants were hired as at 31 March 2020– One senior accountant has been hired to provide financial and secretarial support to our Group– One administrative staff was hired in May 2019
Working Capital	<ul style="list-style-type: none">– To be used as working capital and funding for other general corporate purposes according to the Group's current business plans	<ul style="list-style-type: none">– The Group remain focused on maintaining and investing in the Group's working capital in order to fund the Group's expanding business and enhance the Group's operating liquidity as well as to pursuit business and revenue growth

MANAGEMENT DISCUSSION AND ANALYSIS

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 September 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 Announcement <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 September 2023 <i>HK\$ million</i>	Unused total Net Proceeds up to 30 September 2023 <i>HK\$ million</i>	Expected timeline for fully utilising the unutilised amount as at 30 September 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	(15.7)	–	N/A
Total	<u>34.8</u>			<u>33.4</u>	<u>1.4</u>	

Note:

1. 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2023, the Group engaged a total of 14 employees (19 employees as at 30 September 2022) including the Directors. For the six months ended 30 September 2023, total staff costs amounted to approximately HK\$2.3 million (six months ended 30 September 2022: approximately HK\$3.6 million). Remuneration (including employees’ benefits) is maintained within the market level and reviewed on a periodic basis. Employees’ salary and relevant benefits are determined on the basis of performance, qualification, experience, positions and the Group’s business performance.

ENVIRONMENT POLICIES AND PERFORMANCE

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

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

The Group will continue to monitor the business operations in order to ensure that it does not have any significant adverse effect on the environment and that the Group’s 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.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER INFORMATION

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

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

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 September 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 and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO, or (iii) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange, were as follows:

Long position in the Shares

Name of Director	Capacity/ Nature of Interest	Number of Shares	Percentage of issued share capital of the Company
Mr. Law Ming Yik	Interest in a controlled corporation (<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, the chairman of the Board and the executive Director. Under the SFO, Mr. Law is deemed to be interested in Shares held by Fully Fort.

(2) The letter "L" denotes the person's long position in the relevant Shares.

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, as at 30 September 2023, 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 September 2023, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests in Shares or underlying Shares which (i) were recorded in the register required to be kept by the Company under Section 336 of the SFO, or (ii) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Company.

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

Notes:

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

Save as disclosed above, as at 30 September 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 September 2023. As at 1 April 2023 and 30 September 2023, the total number of options available for grant under the Share Option Scheme is 40,000,000, representing 10% of the issued shares as at the date of this announcement.

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

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

Nomination Committee

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

Remuneration Committee

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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim financial announcement for the six months ended 30 September 2023 is unaudited, but has been reviewed and approved by the Audit Committee, comprising all the three independent non-executive Directors namely, Mr. Chan Ting Fung, Mr. Wong Ka Chun Matthew and Mr. Fenn David.

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 November 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 GEM's website at 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.