

**Private and Confidential**

Our ref.: HG/JL/S1747/AUDCD

24 January 2024

The Directors  
Sun Kong Holdings Limited  
Section C of Lot No. 1345 in D.D. 121  
Yuen Long  
New Territories  
Hong Kong

Dear Sirs,

**SUN KONG HOLDINGS LIMITED  
INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION  
OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sun Kong Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 and related notes (the "Unaudited Pro Forma Financial Information") as set out in Appendix II to the circular dated 24 January 2024 (the "Circular") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the rights issue of 80,000,000 rights shares at HK\$0.30 per rights share (the "Rights Shares") on the basis of two Rights Shares for every one consolidated share of the Company held on the rights issue record date (the "Rights Issue") on the Group's unaudited consolidated net tangible assets attributable to owners of the Company as at 30 September 2023 as if the share consolidation has become effective and Rights Issue had taken place on 30 September 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2023, on which an interim report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

## **Reporting Accountants' Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply Hong Kong Standard on Quality Management 1 "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*" issued by the HKICPA and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the share consolidation and Rights Issue at 30 September 2023 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.



**Mazars CPA Limited**  
*Certified Public Accountants*  
Hong Kong

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared by the Directors in accordance with Rule 7.31 of the GEM Listing Rules is set out to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 September 2023.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2023, as extracted from the published interim report of the Company for the six months ended 30 September 2023, with adjustments described below.

	<b>Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023</b>	<b>Estimated net proceeds from the Rights Issue</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue</b>	<b>Unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 30 September 2023</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Rights Issue</b>
	<i>HK\$'000</i> <i>(Note i)</i>	<i>HK\$'000</i> <i>(Note ii)</i>	<i>HK\$'000</i>	<i>HK\$</i> <i>(Note iii)</i>	<i>HK\$</i> <i>(Note iv)</i>
Rights Issue of 80,000,000 Rights Shares	41,263	22,961	64,224	1.03	0.54

*Notes:*

- (i) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$41,263,000 is extracted from the published interim report of the Company for the six months ended 30 September 2023.
- (ii) The estimated net proceeds from the Rights Issue of approximately HK\$22,961,000 is calculated based on 80,000,000 Rights Shares to be issued at the subscription price of HK\$0.30 per Rights Shares, after deduction of the estimated related expenses of approximately HK\$1,039,000, assuming that the Rights Issue had been completed on 30 September 2023.
- (iii) The unaudited consolidated net tangible assets per share attributable to owners of the Company as at 30 September 2023 is approximately HK\$1.03, which is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2023 of approximately HK\$41,263,000 divided by 40,000,000 Consolidated shares immediately after the Share Consolidation having become effective.
- (iv) The unaudited pro forma adjusted consolidated net tangible assets per share attributable to owners of the Company immediately after completion of the Rights Issue is approximately HK\$0.54, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK\$64,224,000 divided by 120,000,000 Consolidated Shares, which represents the total of 40,000,000 Existing shares of the Company in issue as at 30 September 2023 and 80,000,000 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of two (2) Rights Shares for every one (1) consolidated share held as at the Rights Issue record date), are in issue assuming that the Share Consolidation has become effective and Rights Issue had been completed on 30 September 2023.
- (v) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2023.