

SK TARGET GROUP LIMITED

瑞強集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8427

2018

THIRD QUARTERLY REPORT

第三季度業績報告

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

GEM has been positioned as a market designed to accommodate small & 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 the GEM are generally small & mid-sized companies, there is a risk that securities traded on the 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 the GEM.

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This report, for which the directors (the “**Directors**”) of SK Target Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)GEM的特色

GEM的定位乃為相比起其他在聯交所上市的公司帶有較高投資風險的中小型公司提供一個上市的市場。有意投資的人士應了解投資該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

由於在**GEM**上市之公司一般為中小型公司，在**GEM**買賣的證券可能會較於聯交所主板買賣的證券承受較大的市場波動風險，同時亦無法保證在**GEM**買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照聯交所**GEM**證券上市規則(「**GEM**上市規則」)的規定而提供有關瑞強集團有限公司(「**本公司**」)的資料。本公司各董事(「**董事**」)對此共同及個別地承擔全部責任。董事在作出一切合理查詢後確認，就彼等深知及確信，本報告所載資料在各重大方面均為準確及完整，且並無誤導或欺詐成分，亦無遺漏其他事項致使本報告或其所載任何陳述有所誤導。

Corporate Information

公司資料

REGISTERED OFFICE IN CAYMAN ISLANDS

P.O. Box 1350, Clifton House,
75 Fort Street,
Grand Cayman KY1-1108,
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

18, Jalan LP 2A/2,
Taman Lestari Perdana,
43300 Seri Kembangan, Selangor,
Darul Ehsan, Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 101, 1/F,
Chung Nam Building,
1 Lockhart Road,
Wanchai, Hong Kong

EXECUTIVE DIRECTORS

Mr. Loh Swee Keong
(Chairman and Chief Executive Officer)
Mr. Tan Cheng Siong
(resigned on 13 June 2018)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau Ka Hei
Mr. Chu Kin Ming
Mr. Lee, Alexander Patrick
(resigned on 3 December 2018)
Mr. Ma She Shing, Albert
(appointed on 3 December 2018)

COMPANY SECRETARY

Ms. Chau Wing Kei, CPA
(resigned on 1 November 2018)
Mr. Leung Tze Wai, CPA
(appointed on 1 November 2018)

開曼群島註冊辦事處

P.O. Box 1350, Clifton House,
75 Fort Street,
Grand Cayman KY1-1108,
Cayman Islands

總部及馬來西亞主要營業地點

18, Jalan LP 2A/2,
Taman Lestari Perdana,
43300 Seri Kembangan, Selangor,
Darul Ehsan, Malaysia

香港主要營業地點

香港灣仔
駱克道1號
中南大廈
1樓101室

執行董事

Loh Swee Keong先生
(主席兼行政總裁)
Tan Cheng Siong先生
(於二零一八年六月十三日辭任)

獨立非執行董事

邱家禧先生
朱健明先生
李明鴻先生
(於二零一八年十二月三日辭任)
馬希聖先生
(於二零一八年十二月三日獲委任)

公司秘書

周詠淇女士，註冊會計師
(於二零一八年十一月一日辭任)
梁子煒先生，註冊會計師
(於二零一八年十一月一日獲委任)

Corporate Information

公司資料

COMPLIANCE OFFICER

Mr. Tan Cheng Siong
(resigned on 13 June 2018)

Mr. Loh Swee Keong
(appointed on 13 June 2018)

AUDIT COMMITTEE

Mr. Chu Kin Ming (Chairman)

Mr. Yau Ka Hei

Mr. Lee, Alexander Patrick
(resigned on 3 December 2018)

Mr. Ma She Shing, Albert
(appointed on 3 December 2018)

REMUNERATION COMMITTEE

Mr. Yau Ka Hei (Chairman)

Mr. Tan Cheng Siong
(resigned on 13 June 2018)

Mr. Chu Kin Ming

Mr. Loh Swee Keong
(appointed on 13 June 2018)

NOMINATION COMMITTEE

Mr. Loh Swee Keong (Chairman)

Mr. Yau Ka Hei

Mr. Lee, Alexander Patrick
(resigned on 3 December 2018)

Mr. Ma She Shing, Albert
(appointed on 3 December 2018)

AUTHORIZED REPRESENTATIVE

Mr. Loh Swee Keong

Ms. Chau Wing Kei, CPA
(ceased to act on 1 November 2018)

Mr. Leung Tze Wai, CPA
(appointed on 1 November 2018)

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
P.O. Box 1350, Clifton House,
75 Fort Street,
Grand Cayman KY1-1108,
Cayman Islands

合規主任

Tan Cheng Siong先生
(於二零一八年六月十三日辭任)

Loh Swee Keong先生
(於二零一八年六月十三日獲委任)

審核委員會

朱健明先生(主席)

邱家禧先生

李明鴻先生
(於二零一八年十二月三日辭任)

馬希聖先生
(於二零一八年十二月三日獲委任)

薪酬委員會

邱家禧先生(主席)

Tan Cheng Siong先生
(於二零一八年六月十三日辭任)

朱健明先生

Loh Swee Keong先生
(於二零一八年六月十三日獲委任)

提名委員會

Loh Swee Keong先生(主席)

邱家禧先生

李明鴻先生
(於二零一八年十二月三日辭任)

馬希聖先生
(於二零一八年十二月三日獲委任)

授權代表

Loh Swee Keong先生

周詠淇女士，註冊會計師
(於二零一八年十一月一日退任)

梁子煒先生，註冊會計師
(於二零一八年十一月一日獲委任)

開曼群島股份過戶登記總處

Estera Trust (Cayman) Limited
P.O. Box 1350, Clifton House,
75 Fort Street,
Grand Cayman KY1-1108,
Cayman Islands

Corporate Information

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

PRINCIPAL BANKER

CIMB Bank Berhad
Public Bank Berhad

COMPLIANCE ADVISER

RHB Capital Hong Kong Limited

AUDITORS

Deloitte PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)

LEGAL ADVISERS

TC & Co. (*As to Hong Kong Law*)
David Lai & Tan (*As to Malaysian Law*)
Appleby (*As to Cayman Islands Law*)

COMPANY'S WEBSITE ADDRESS

www.targetprecast.com

STOCK CODE

8427

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

CIMB Bank Berhad
Public Bank Berhad

合規顧問

興業金融融資有限公司

核數師

Deloitte PLT (LLP0010145-LCA)
特許會計師 (AF0080)

法律顧問

崔曾律師事務所 (*有關香港法律*)
David Lai & Tan (*有關馬來西亞法律*)
毅柏律師事務所 (*有關開曼群島法律*)

公司網址

www.targetprecast.com

股份代號

8427

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

簡明綜合損益及其他全面收益表 (未經審核)

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 28 February 2019 together with the unaudited comparative figures for the corresponding period in 2018 as follows:

本公司董事會(「**董事會**」)欣然提呈以下本公司及其附屬公司(統稱「**本集團**」)截至二零一九年二月二十八日止九個月的未經審核簡明綜合業績以及二零一八年同期未經審核比較數字：

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

		Three months ended 28 February		Nine months ended 28 February		
		截至二月二十八日止三個月		截至二月二十八日止九個月		
		2019	2018	2019	2018	
		二零一九年	二零一八年	二零一九年	二零一八年	
Note		RM'000	RM'000	RM'000	RM'000	
附註		千令吉	千令吉	千令吉	千令吉	
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	
Revenue	收入	3	5,959	9,709	20,898	25,558
Cost of sales	銷售成本		(4,536)	(7,437)	(15,797)	(19,471)
Gross profit	毛利		1,423	2,272	5,101	6,087
Other income	其他收入		243	45	577	198
Administrative expenses	行政開支		(2,510)	(1,629)	(6,535)	(4,748)
Selling and distribution expenses	銷售及分銷開支		(254)	(283)	(801)	(813)
Listing expenses	上市開支		-	-	-	(2,365)
Finance costs	融資成本	4	(4)	(4)	(12)	(43)
(Loss)/Profit before taxation	除稅前(虧損)/溢利		(1,102)	401	(1,670)	(1,684)
Taxation	稅項	5	(117)	(133)	(418)	(734)
(Loss)/Profit for the period	期內(虧損)/溢利	6	(1,219)	268	(2,088)	(2,418)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

簡明綜合損益及其他全面收益表(未經審核)

		Three months ended 28 February		Nine months ended 28 February	
		截至二月二十八日止三個月		截至二月二十八日止九個月	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
Note		RM'000	RM'000	RM'000	RM'000
附註		千令吉	千令吉	千令吉	千令吉
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Other comprehensive income items that will not be reclassified to profit or loss:	將不會重新分類至損益的其他全面收入項目：				
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算為呈列貨幣產生的匯兌差額	122	-	356	-
Total comprehensive (loss) profit for the period	期內全面(虧損)/溢利總額	(1,097)	268	(1,732)	(2,418)
(Loss)/Earnings per share — Basic (RM cents)	每股(虧損)/盈利 — 基本(仙令吉)	8	0.04	(0.34)	(0.41)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

簡明綜合權益變動表(未經審核)

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

		Share capital 股本 RM'000 千令吉	Share premium 股份溢價 RM'000 千令吉	Other reserve 其他儲備 RM'000 千令吉	Translation reserve 匯兌儲備 RM'000 千令吉	Retained profits 保留溢利 RM'000 千令吉	Total 總計 RM'000 千令吉
At 31 May 2017 (audited)	於二零一七年 五月三十一日 (經審核)	-	-	8,579	-	9,904	18,483
Loss and total comprehensive income/expense for the period	期內虧損及全面 收益/開支總額	-	-	-	-	(2,418)	(2,418)
Capitalisation issue	資本化發行	2,400	(2,400)	-	-	-	-
Placing and offer of shares	配售及發售股份	982	26,511	-	-	-	27,493
Transaction costs attributable to issue of shares	發行股份應佔交易成本	-	(4,220)	-	-	-	(4,220)
At 28 February 2018 (unaudited)	於二零一八年 二月二十八日 (未經審核)	3,382	19,891	8,579	-	7,486	39,338
At 31 May 2018 (audited)	於二零一八年 五月三十一日 (經審核)	3,382	19,891	8,579	(974)	6,814	37,692
Loss for the period	期內虧損	-	-	-	-	(2,088)	(2,088)
Exchange differences arising on translation from functional currency	由功能貨幣換算為 呈列貨幣產生的 匯兌差額	-	-	-	356	-	356
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	356	(2,088)	(1,732)
At 28 February 2019 (unaudited)	於二零一九年 二月二十八日 (未經審核)	3,382	19,891	8,579	(618)	4,726	35,960

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange since 19 July 2017 (the “**Listing**”). The Company was incorporated in the Cayman Islands as a private limited liability company on 28 October 2016. The addresses of the Company's registered office in the Cayman Islands and the headquarters and the principal place of business in Malaysia are P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and 18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia, respectively. The principal place of business in Hong Kong is Room 101, 1/F, Chung Nam Building, 1 Lockhart Road, Wanchai, Hong Kong

Merchant World Investments Limited (“**Merchant World**”), a limited company incorporated in the British Virgin Islands (“**BVI**”), is the immediate and ultimate holding company of the Company. Merchant World is wholly-owned by Mr. Loh Swee Keong.

The Company is an investment holding company and the principal activities of the Group are manufacturing and trading of precast concrete junction boxes, trading of accessories and pipes and provision of mobile crane rental and ancillary services in Malaysia, and Japanese catering service in Hong Kong.

The unaudited condensed consolidated financial statements are presented in Malaysian Ringgit (“**RM**”), which is also the functional currency of the Company. All values are rounded to nearest thousands (RM' 000), unless otherwise stated.

1. 一般資料

本公司為於開曼群島註冊成立的公眾有限公司，其股份已自二零一七年七月十九日起於聯交所GEM上市(「**上市**」)。本公司於二零一六年十月二十八日在開曼群島註冊成立為私人有限公司。本公司於開曼群島的註冊辦事處地址以及總部及馬來西亞主要營業地點分別為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands及18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia。香港主要營業地點位於香港灣仔駱克道1號中南大廈1樓101室。

Merchant World Investments Limited(「**Merchant World**」，在英屬處女群島(「**英屬處女群島**」)註冊成立的有限公司)是本公司的直接及最終控股公司。Merchant World由Loh Swee Keong先生全資擁有。

本公司是投資控股公司，而本集團的主要業務為於馬來西亞從事預製混凝土接線盒製造和貿易、配件及管道貿易以及提供移動式起重機租賃及配套服務以及於香港從事日本餐廳業務。

未經審核簡明綜合財務報表乃以馬來西亞令吉(「**令吉**」)呈列，其亦為本公司的功能貨幣。除另有說明外，所有數值均約整至最接近千位數(千令吉)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements of the Group for the nine months ended 28 February 2019 have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The basis of preparation and accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual report for the year ended 31 May 2018, except for the new and revised IFRSs. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

2. 編製及呈列基準

本集團截至二零一九年二月二十八日止九個月的未經審核簡明綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)以及GEM上市規則的適用披露規定編製。

除若干金融工具按各報告期末的公平值計量外，未經審核簡明綜合財務報表已按歷史成本法編製。歷史成本一般按交換貨品及服務時給予代價的公平值計量。

編製未經審核簡明綜合財務報表所應用的編製基準及會計政策與截至二零一八年五月三十一日止年度的年報所應用者一致，惟新訂及經修訂國際財務報告準則除外。簡明綜合財務報表乃未經審核，但已由本公司審核委員會審閱。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

3. REVENUE

Revenue represents the invoiced values of goods sold during the reporting periods.

3. 收入

收入指報告期間已售貨品的發票價值。

	Three months ended 28 February 截至二月二十八日止三個月		Nine months ended 28 February 截至二月二十八日止九個月	
	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
Manufacturing and trading	3,848	6,057	13,428	17,787
Other building materials and services	1,379	3,652	5,213	7,771
Japanese catering services	732	-	2,257	-
	5,959	9,709	20,898	25,558

4. FINANCE COSTS

4. 融資成本

	Three months ended 28 February 截至二月二十八日止三個月		Nine months ended 28 February 截至二月二十八日止九個月	
	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
Interest expense on:	下列各項的利息開支：			
Finance leases	-	3	-	39
Trust receipt loan	2	-	5	-
Bank overdraft	-	1	-	4
Commitment fees	2	-	7	-
	4	4	12	43

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

5. TAXATION

5. 稅項

	Three months ended 28 February 截至二月二十八日止三個月		Nine months ended 28 February 截至二月二十八日止九個月	
	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
Malaysia corporate income tax: 馬來西亞企業所得稅:				
Current period 本期間	117	89	418	690
Underprovision in prior periods 過往期間撥備不足	-	44	-	44
Deferred tax 遞延稅項	-	-	-	-
	117	133	418	734

Malaysia corporate income tax is calculated at the statutory tax rate of 18%-24% (Note) on the estimated assessable profits.

馬來西亞企業所得稅就估計應課稅溢利按法定稅率18%至24%(附註)計算。

Note: Under the Income Tax Act 1967 of Malaysia, small and medium enterprises in Malaysia with paid-up capital amounting to RM2,500,000 or less are subject to income tax at the rate of 18% and 17% on chargeable income amounting to RM500,000 or less for the periods ended 28 February 2018 and 28 February 2019 respectively. For chargeable income in excess of RM500,000, the corporate income tax rate is 24% for the periods ended 28 February 2018 and 28 February 2019.

附註：根據馬來西亞一九六七年所得稅法，截至二零一八年二月二十八日及二零一九年二月二十八日止期間，繳足股本2,500,000令吉或以下的馬來西亞中小型企業須就最高為500,000令吉的應課稅收入分別按稅率18%及17%繳納所得稅。至於超過500,000令吉的應課稅收入，截至二零一八年二月二十八日及二零一九年二月二十八日止期間，企業所得稅稅率為24%。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

6. (LOSS)/PROFIT FOR THE PERIOD 6. 期內(虧損)/溢利

	Three months ended 28 February 截至二月二十八日止三個月		Nine months ended 28 February 截至二月二十八日止九個月	
	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
(Loss)/profit for the period has been arrived at after charging(crediting):	期內(虧損)/溢利於扣除(計入)以下各項後達致:			
Auditor remuneration	150	31	403	285
Cost of inventories recognised as an expense	3,068	6,136	10,769	14,363
Staff costs, excluding directors' remuneration:	員工成本, 不包括董事薪酬:			
- Salaries, wages and other benefits	1,291	1,116	3,952	3,005
- Contribution to EPF	103	112	299	277
	1,394	1,228	4,251	3,282
Minimum lease payments on:	以下各項的最低租賃付款:			
Factory	126	120	366	360
Crane	10	23	18	67
Shop	159	-	486	-
Staff accommodation	5	-	14	-
Office equipment	6	-	15	-
Depreciation on:	以下各項折舊:			
Property, plant and equipment	173	202	506	385
Investment property	3	2	8	8
Loss on disposal of property, plant and equipment	-	-	-	-
Unrealised loss/(gain) on foreign exchange	438	57	(235)	54
Interest income	(19)	(7)	(38)	(30)
Rental income from investment property	-	-	-	(1)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

7. DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 28 February 2019 (2018: Nil).

7. 股息

截至二零一九年二月二十八日止九個月，董事會並無建議派付股息(二零一八年：無)。

8. (LOSS)/EARNINGS PER SHARE

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

8. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據下列數據計算：

	Three months ended 28 February 截至二月二十八日止三個月		Nine months ended 28 February 截至二月二十八日止九個月	
	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
(Loss)/Earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the period attributable to the owners)	(1,219)	268	(2,088)	(2,418)
	Number share 股份數目	Number share 股份數目	Number share 股份數目	Number share 股份數目
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	620,000,000	620,000,000	620,000,000	588,351,648

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the nine months ended 28 February 2019 截至二零一九年二月二十八日止九個月

8. (LOSS)/EARNINGS PER SHARE (CONTINUED)

For the nine months ended 28 February 2018 and 28 February 2019, the weighted average number of ordinary shares for the purpose of calculating basic loss per share has been determined on the assumption that the capitalisation on issue of shares to the consolidated financial statements has been effective on 1 June 2017.

No diluted earnings/(loss) per share information has been presented for either period as the Company has no potential ordinary shares outstanding during both periods.

9. EVENTS AFTER REPORTING PERIOD

There are no significant events which have taken place subsequent to 28 February 2019 and up to the date of this report.

8. 每股(虧損)/盈利(續)

截至二零一八年二月二十八日及二零一九年二月二十八日止九個月，用於計算每股基本虧損的普通股加權平均數乃假設綜合財務報表所述資本化發行股份已於二零一七年六月一日生效而釐定。

由於本公司於兩段期間並無發行在外的潛在普通股，故並無呈列當中任何一段期間的每股攤薄盈利/(虧損)資料。

9. 報告期後事項

於二零一九年二月二十八日之後及截至本報告日期概無發生重大事項。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

The Group manufactures and sells precast concrete telecommunication junction boxes and precast concrete electrical junction boxes under the brand of “Target” in Malaysia (the “**Manufacturing and trading business**”). The Group’s precast concrete junction boxes are used in (i) telecommunication and electrical infrastructures upgrade and expansion works; and (ii) construction projects in Malaysia. They are buried underground to deter tampering and are used to house and protect a junction with telecommunication and electrical utility connection and distribution access points from weather, changing elevation underground and provide easy access for maintenance.

The Group has been a registered supplier or approved supplier of various notable telecommunication companies such as Celcom Axiata Berhad and Telekom Malaysia since 2008 and a registered supplier of Tenaga Nasional Bhd. (“**TNB**”), the only electric utility company in Malaysia since 2012. Hence, the Group’s precast concrete junction boxes can be used in infrastructure or construction projects involving the telecommunication companies and TNB.

For the nine months ended 28 February 2019, the revenue of the Group decreased by approximately 18.2% due to decrease in the revenue generated from the manufacturing and trading business.

The overall market condition of the precast concrete junction box industry (i.e. the industry in relation to the manufacturing of both precast concrete telecommunication junction box and precast concrete electrical junction box) in Malaysia was relative stable in the last financial year. However, following a change in the Malaysian Government in May 2018, there are changes in policies to fulfill the election mandates of Mr. Mahathir Mohamad, the Prime Minister. The potential changes in policies may create more uncertainty to the growth of the economy of Malaysia in the foreseeable future. Moreover, other factors which include labour shortage and dependency on foreign workers, and the rising production and transportation costs may exert pressure on the Group’s business operations. Nevertheless, the Group remains cautiously optimistic about the overall business prospects.

業務回顧及展望

本集團於馬來西亞製造及銷售「Target」品牌的預製混凝土電信接線盒及預製混凝土電力接線盒（「**製造及貿易業務**」）。本集團的預製混凝土接線盒用於馬來西亞的(i)電信及電力基建升級及擴建工程；及(ii)建築項目。該等接線盒埋藏於地下以防止損害，以及用作放置及保護與電信及電力設施連接的接線點以及分佈式接入點，免受天氣及地下高標轉變的影響，並提供通道方便維修。

本集團自二零零八年起為多家知名電信公司（如Celcom Axiata Berhad及Telekom Malaysia）的註冊供應商或認可供應商，以及自二零一二年起為Tenaga Nasional Bhd.（「**TNB**」，馬來西亞唯一的電力公用事業公司）的註冊供應商。因此，本集團的預製混凝土接線盒可用於涉及電信公司及TNB的基建或建築項目。

截至二零一九年二月二十八日止九個月，本集團收入減少約18.2%，乃由於製造及貿易業務所產生的收入減少所致。

馬來西亞預製混凝土接線盒行業（即與製造預製混凝土電信接線盒及預製混凝土電力接線盒有關的行業）的整體市況於上一個財政年度相對穩定。然而，隨著二零一八年五月馬來西亞的政府更替，政策已發生變動以完成總理馬哈蒂爾·穆罕默德（Mahathir Mohamad）先生的選舉任務。政策的潛在變動可能於可預見的將來為馬來西亞的經濟增速帶來更多變數。此外，勞工短缺、倚賴外勞以及生產及運輸成本上升等其他因素可能對本集團的業務經營施加壓力。然而，本集團仍對整體業務前景持審慎樂觀態度。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately RM25.6 million for the nine months ended 28 February 2018 to approximately RM20.9 million for the nine months ended 28 February 2019, representing a decrease of approximately 18.2%. Such decrease was mainly due to the decrease in the revenue generated from the manufacturing and trading business.

Following the change in the Malaysian Government in May 2018, which caused uncertainty to Malaysia's whole economy, the demand and orders for the Group's precast junction boxes dropped compared to those for the same period last year. As a result, the revenue generated from the manufacturing and trading business decreased by approximately 24.5% from RM17.8 million for the nine months ended 28 February 2018 to approximately RM13.4 million for the nine months ended 28 February 2019.

Moreover, the Group's revenue generated from other building material and services which consists of the trading of accessories and pipes and the provision of mobile crane rental and ancillary services decreased by approximately 32.9%, from approximately RM7.8 million for the nine months ended 28 February 2018 to approximately RM5.2 million for the nine months ended 28 February 2019. The decrease was mainly caused by the decrease in sales of scrap iron and pipes.

The Japanese catering services generated approximately RM2.3 million income to the Group for the nine months ended 28 February 2019 (2018 same period: nil).

財務回顧

收入

收入由截至二零一八年二月二十八日止九個月約25.6百萬令吉減少至截至二零一九年二月二十八日止九個月約20.9百萬令吉，減幅約18.2%。有關減少主要由於製造及貿易業務產生之收入減少所致。

二零一八年五月馬來西亞政府更替後，對馬來西亞的整體經濟產生不確定性，本集團預製接線盒的需求及訂單相比去年同期下滑。因此，製造及貿易業務所得的收入由截至二零一八年二月二十八日止九個月的約17.8百萬令吉減少約24.5%至截至二零一九年二月二十八日止九個月的約13.4百萬令吉。

此外，本集團的其他建材及服務（包括配件及管道貿易以及提供移動式起重機租賃及配套服務）所產生的收入由截至二零一八年二月二十八日止九個月約7.8百萬令吉減少約32.9%至截至二零一九年二月二十八日止九個月約5.2百萬令吉。有關減少乃主要由於廢鐵及管道銷售下降所致。

截至二零一九年二月二十八日止九個月，日本餐廳為本集團產生約2.3百萬令吉（二零一八年同期：無）的收入。

Management Discussion and Analysis

管理層討論及分析

Cost of sales and Gross Profit

Costs of sales mainly consists of (i) cost of raw materials and trading products; (ii) manufacturing overheads; (iii) direct labour; (iv) crane hiring costs and (v) food costs. The cost of sales decreased from approximately RM19.5 million for the nine months ended 28 February 2018 to approximately RM15.8 million for the nine months ended 28 February 2019, representing a decrease of approximately 18.9%. Such change was mainly attributable to the decrease in sales of precast junction boxes for the nine months ended 28 February 2019.

The Gross Profit decreased from approximately RM6.1 million for the nine months ended 28 February 2018 to approximately RM5.1 million for the nine months ended 28 February 2019.

Administrative expenses

Administrative expenses of the Group increased by approximately RM1.8 million or approximately 37.6% from approximately RM4.7 million for the nine months ended 28 February 2018 to approximately RM6.5 million for the nine months ended 28 February 2019.

The Group's administrative expenses mainly consisted of salaries, welfare and other benefits, rent and rates, general office expenses, depreciation and professional service fees. The increase was mainly attributable to the increase in staff costs paid to Directors and staff due to business expansion and other cost associated with the development of the Japanese catering services.

銷售成本及毛利

銷售成本主要包括(i)原材料及貿易產品成本；(ii)製造費用；(iii)直接勞動；(iv)起重機租用成本；及(v)食品成本。銷售成本由截至二零一八年二月二十八日止九個月約19.5百萬令吉減少至截至二零一九年二月二十八日止九個月約15.8百萬令吉，減幅約18.9%。有關變動乃主要由於截至二零一九年二月二十八日止九個月的預製接線盒銷售減少。

毛利由截至二零一八年二月二十八日止九個月約6.1百萬令吉減少至截至二零一九年二月二十八日止九個月約5.1百萬令吉。

行政開支

本集團的行政開支由截至二零一八年二月二十八日止九個月約4.7百萬令吉增加約1.8百萬令吉或約37.6%至截至二零一九年二月二十八日止九個月約6.5百萬令吉。

本集團的行政開支主要包括薪金、福利及其他福利、租金及差餉、一般辦公室開支、折舊及專業服務費。有關增加乃主要由於期內支付予與業務擔保有關之董事及員工的員工成本增加，原因為業務擴展以及與發展日本餐廳有關的其他成本。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately RM12,000 or 1.5% from approximately RM813,000 for the nine months ended 28 February 2018 to approximately RM801,000 for the nine months ended 28 February 2019.

The Group's selling and distribution expenses mainly consisted of salaries, welfare and other benefits for sales and marketing staff and travelling and entertainment expenses. The slight decrease of selling and distribution expenses was mainly due to the decrease in incentive bonus and commission associated with the decrease in sales of the manufacturing and trading business.

Loss for the period

The Group recorded a net loss of approximately RM2.1 million for the nine months ended 28 February 2019 due to the net effect of (i) the increase in the administrative expenses incurred by the Group for the nine months ended 28 February 2019; (ii) the decrease in revenue of the Group for the nine months ended 28 February 2019; and (iii) the decrease in gross profit of the Group for the nine months ended 28 February 2019.

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS, AND PLAN FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

There were no significant investment held, nor other material acquisitions and disposals of subsidiaries and affiliated companies during the nine months ended 28 February 2019. Save as disclosed in the section headed "Future plans and use of proceeds" in the Company's Prospectus dated 6 July 2017, there is no specific future plan for material investments or capital assets as at the date of this report.

銷售及分銷開支

本集團的銷售及分銷開支由截至二零一八年二月二十八日止九個月約813,000令吉減少約12,000令吉或1.5%至截至二零一九年二月二十八日止九個月約801,000令吉。

本集團的銷售及分銷開支主要包括銷售及市場推廣員工的薪金、福利及其他福利以及差旅及娛樂開支。銷售及分銷開支輕微減少乃主要由於獎勵花紅及佣金減少所致，與製造及貿易業務銷售下跌有關。

期內虧損

本集團於截至二零一九年二月二十八日止九個月錄得淨虧損約2.1百萬令吉，乃由於以下各項的淨影響所致：(i)截至二零一九年二月二十八日止九個月本集團產生的行政開支增加；(ii)截至二零一九年二月二十八日止九個月本集團收入減少；及(iii)截至二零一九年二月二十八日止九個月本集團的毛利減少。

重大投資、收購及出售以及重大投資或資本資產計劃

於截至二零一九年二月二十八日止九個月，概無持有任何重大投資，或附屬公司及聯屬公司的其他重大收購及出售事項。除本公司日期為二零一七年七月六日的招股章程「未來計劃及所得款項用途」一節所披露外，於本報告日期，概無涉及重大投資或資本資產的未來具體計劃。

Management Discussion and Analysis

管理層討論及分析

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 28 February 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance (the "SFO") (i) as 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/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

董事及主要行政人員於本公司及相聯法團的股份、相關股份及債權證的權益及淡倉

於二零一九年二月二十八日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有(i)根據證券及期貨條例（「證券及期貨條例」）第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及／或淡倉），或(ii)須記錄於本公司根據證券及期貨條例第352條存置的登記冊的權益及淡倉，或(iii)根據GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

Ordinary Shares of the Company

本公司普通股

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of Shares	Percentage of the Company's issued share capital as at 28 February 2019 佔本公司於 二零一九年 二月二十八日 已發行股本 百分比
董事／主要行政人員姓名	身份／權益性質	股份數目	
Mr. Loh Swee Keong (Note 2)	Interest in controlled corporation	238,620,000 (L) (Note 1)	38.49%
Loh Swee Keong 先生 (附註2)	受控制法團權益	(附註1)	

Management Discussion and Analysis

管理層討論及分析

Notes:

- (1) The letter (L) denotes the person's long interest in the Shares.
- (2) Merchant World Investments Limited is a company incorporated in the BVI and is wholly-owned by Mr. Loh Swee Keong. Mr. Loh Swee Keong is deemed to be interested in all the Shares held by Merchant World Investments Limited for the purpose of the SFO.

Save for disclosed above, as at 28 February 2019, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) as 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/or short positions which they are taken or deemed to have under such provision of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

附註：

- (1) 英文字母(L)表示該人士於股份的好倉。
- (2) Merchant World Investments Limited 為於英屬處女群島註冊成立的公司，由Loh Swee Keong先生全資擁有。根據證券及期貨條例，Loh Swee Keong先生被視為於由Merchant World Investments Limited持有的全部股份中擁有權益。

除上文所披露者外，於二零一九年二月二十八日，概無董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及／或淡倉），或(ii)須記錄於本公司根據證券及期貨條例第352條存置的登記冊的任何權益或淡倉，或(iii)根據GEM上市規則第5.46條所述本公司董事進行交易的規定標準須知會本公司及聯交所的任何權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 28 February 2019, the following persons (other than the Directors or chief executive of the Company) had interests and/or short positions in the shares and underlying shares of the Company which would fall to be disclosed of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under Section 336 and SFO were as follows:

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零一九年二月二十八日，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益及／或淡倉，或須記錄於根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉如下：

Ordinary Shares of the Company

本公司普通股

Name	Capacity/Nature of Interest	Number of Shares	Percentage of the Company's issued share capital as at 28 February 2019 佔二零一九年二月二十八日本公司已發行股本百分比
姓名／名稱	身份／權益性質	股份數目	
Merchant World Investments Limited	Beneficial owner	238,620,000 (L) (Note 1)	38.49%
Merchant World Investments Limited	實益擁有人	(附註1)	
Ms. Woon Sow Sum (Note 2) Woon Sow Sum 女士(附註2)	Interest of spouse 配偶權益	238,620,000 (L)	38.49%
Greater Elite Holdings Limited Greater Elite Holdings Limited	Beneficial owner 實益擁有人	122,980,000 (L)	19.84%
Mr. Law Fung Yuen, Paul (Note 3) 羅鳳原先生(附註3)	Interest in controlled corporation 受控制法團權益	122,980,000 (L)	19.84%
Ms. Cheng Lai Wah, Christina (Note 4) 鄭麗華女士(附註4)	Interest of spouse 配偶權益	122,980,000 (L)	19.84%

Management Discussion and Analysis

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Name	Capacity/Nature of Interest	Number of Shares	Percentage of the Company's issued share capital as at 28 February 2019
			佔二零一九年二月二十八日本公司已發行股本百分比
姓名／名稱	身份／權益性質	股份數目	
Mr. Fung Tak, Andrew 馮達先生	Beneficial owner 實益擁有人	44,512,000 (L)	7.17%
Ms. Lo Pui Chu, Amy (Note 5) 盧佩珠女士(附註5)	Interest of spouse 配偶權益	44,512,000 (L)	7.17%
Mr. Fung Hong, Albert 馮康先生	Beneficial owner 實益擁有人	31,520,000 (L)	5.08%
Ms. Cho Ka Lai (Note 6) 左嘉麗女士(附註6)	Interest of spouse 配偶權益	31,520,000 (L)	5.08%

Notes:

附註：

- | | |
|---|--|
| (1) The letter (L) denotes the person's long interest in the Shares. | (1) 英文字母(L)表示該人士於股份的好倉。 |
| (2) Ms. Woon Sow Sum is the spouse of Mr. Loh Swee Keong and is deemed, or taken to be interested in all Shares in which Mr. Loh Swee Keong has interest under the SFO. | (2) Woon Sow Sum女士為Loh Swee Keong先生的配偶，根據證券及期貨條例被視為或當作於Loh Swee Keong先生擁有權益的所有股份中擁有權益。 |
| (3) Greater Elite Holdings Limited is a company incorporated in the BVI and is wholly-owned by Mr. Law Fung Yuen, Paul. Mr. Law Fung Yuen, Paul is deemed to be interested in all the Shares held by Greater Elite Holdings Limited for the purpose of the SFO. | (3) Greater Elite Holdings Limited為於英屬處女群島註冊成立的公司，由羅鳳原先生全資擁有。根據證券及期貨條例，羅鳳原先生被視為於由Greater Elite Holdings Limited持有的全部股份中擁有權益。 |
| (4) Ms. Cheng Lai Wah, Christina is the spouse of Mr. Law Fung Yuen, Paul and is deemed, or taken to be interested in all Shares in which Mr. Law Fung Yuen, Paul has interest under the SFO. | (4) 鄭麗華女士為羅鳳原先生的配偶，根據證券及期貨條例，彼被視為或當作於羅鳳原先生擁有權益的所有股份中擁有權益。 |

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- (5) Ms. Lo Pui Chu, Amy is the spouse of Mr. Fung Tak, Andrew and is deemed, or taken to be interested in all the Shares in which Mr. Fung Tak, Andrew has interest under the SFO.
- (6) Ms. Cho Ka Lai is the spouse of Mr. Fung Hong, Albert and is deemed, or taken to be interested in all the Shares in which Mr. Fung Hong, Albert has interest under the SFO.
- (5) 盧佩珠女士為馮達先生的配偶，根據證券及期貨條例，彼被視為或當作於馮達先生擁有權益的所有股份中擁有權益。
- (6) 左嘉麗女士為馮康先生的配偶，根據證券及期貨條例，彼被視為或當作於馮康先生擁有權益的所有股份中擁有權益。

Save for disclosed above, as at 28 February 2019, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHARGE ON GROUP'S ASSETS

The Group did not have any charge on its assets as at 28 February 2019 (2018: Nil).

FOREIGN CURRENCY RISK

Since a substantial amount of income and profit of our Group is denominated in RM, any fluctuations in the value of RM may adversely affect the amount of dividends, if any, payable to the Shares in HK\$ to our Shareholders. Furthermore, fluctuations in the RM's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on our Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into HK\$, of our Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect our Group's ability to pay dividends or satisfy other foreign exchange requirements. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

除上文所披露者外，於二零一九年二月二十八日，本公司並無得悉任何人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中，擁有或視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條須存置的登記冊的權益或淡倉。

本集團資產之抵押

於二零一九年二月二十八日，本集團並無抵押其任何資產（二零一八年：無）。

外幣風險

由於本集團大部分收入及溢利均以令吉計值，令吉價值的任何波動均可能會對以港元計值股份的應付股東股息（如有）金額造成不利影響。再者，令吉兌其他貨幣的價值波動將會產生外匯匯兌收益或虧損，並可能會對本集團的業務、財務狀況及經營業績造成不利影響。任何外匯管制的實施、變動或解除均可能會對本集團的淨資產、盈利或任何已宣派股息換算或兌換成港元的價值造成不利影響。因此，這可能會對本集團派付股息或滿足其他外匯需求的能力造成不利影響。本集團將密切監控其外幣風險，並於需要時考慮對沖重大外幣風險。

Management Discussion and Analysis

管理層討論及分析

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 28 February 2019 (2018: Nil).

CORPORATE GOVERNANCE PRACTICES

Under the code provision A.2.1 of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

Mr. Loh Swee Keong (“**Mr. Loh**”) is the chairman of the Board and the chief executive officer of the Company. In view of Mr. Loh has been operating and managing the operating subsidiaries of the Group since 1993, the Board believes that it is in the best interest of the Group to have Mr. Loh taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstances.

Save as disclosed above, for the nine months ended 28 February 2019, in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

SHARE OPTION SCHEME

The purpose of a share option scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full time and part time), or any member of the Group, including any Executive, Non-executive Directors and Independent Non-executive Directors, advisors, consultants of the Group.

或然負債

本集團於二零一九年二月二十八日概無或然負債(二零一八年：無)。

企業管治常規

根據GEM上市規則附錄15所載的企業管治守則(「**企業管治守則**」)及企業管治報告守則條文A.2.1，主席及行政總裁的職務應予區分，並不應由同一人士擔任。主席與行政總裁之間職務的分工應予清晰界定。

Loh Swee Keong先生(「**Loh先生**」)為本公司董事會主席兼行政總裁。鑑於Loh先生自一九九三年起一直經營及管理本集團的營運附屬公司，故董事會相信，由Loh先生兼任兩個職位以達致有效的管理及業務發展乃符合本集團的最佳利益。因此，董事認為，偏離企業管治守則條文A.2.1在該情況下乃屬合適。

除上文所披露者外，截至二零一九年二月二十八日止九個月，董事認為，本集團一直遵守企業管治守則的守則條文。

購股權計劃

購股權計劃旨在吸引及留聘最優秀的人員，以及向本集團全職及兼職僱員或任何成員(包括本集團任何執行董事、非執行董事、獨立非執行董事、顧問及諮詢人)提供額外獎勵。

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The Company conditionally adopted a share option scheme (“**Share Option Scheme**”) on 27 June 2017 whereby the Board is authorised, at its absolute discretion and subject to the terms of the Share Option Scheme, to grant options to the Eligible Participants to subscribe for the shares of the Company. The Share Option Scheme will be valid and effective for a period of ten years from the date of the grant of option.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares in issue upon the date of the shares of the Company listed on the GEM, being 62,000,000 shares (or such numbers of shares as shall result from a subdivision or a consolidation of such 62,000,000 from time to time) (the “Scheme Limit”). Subject to shareholders’ approval in general meeting, the Board may (i) renew this limit at any time to 10% of the shares in issue as at the date of the approval by the share holders in general meeting; and/or (ii) grant options beyond the Scheme Limit to Eligible Participants specifically identified by the Board.

The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Company at any time shall not exceed 30% of the shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the limit being exceeded.

The total number of shares issuable upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each Participants in any twelve months period shall not exceed 1% of the shares in issue. Any further grant of options is subject to shareholders’ approval in general meeting with such Eligible Participants and his associates abstaining from voting.

於二零一七年六月二十七日，本公司有條件採納一項購股權計劃（「**購股權計劃**」），據此，董事會獲授權按其絕對酌情權，依照購股權計劃的條款，向合資格參與人士授出可認購本公司股份的購股權。購股權計劃將由授出購股權當日起計十年期間有效及生效。

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的最高股份數目合共不得超過本公司股份於GEM上市日期後已發行股份總數的10%，即62,000,000股股份（或因不時拆細或合併該62,000,000股股份而產生的有關股份數目）（「計劃上限」）。待於股東大會上取得股東批准後，董事會可(i)隨時將此上限更新至於股東在股東大會上批准當日已發行股份的10%；及／或(ii)向董事會特別選定的合資格參與人士授出超過計劃上限的購股權。

因根據購股權計劃及本公司任何其他購股權計劃已授出及尚未行使的所有尚未行使購股權獲行使而可能發行的股份數目，於任何時候不得超過不時已發行股份的30%。倘根據本公司的任何計劃（包括購股權計劃）授出購股權將導致超出上限，則不得授出購股權。

於任何12個月期間，因根據購股權計劃及本公司任何其他購股權計劃向各參與人士授出的購股權獲行使而可予發行的股份總數不得超過已發行股份的1%。任何額外授出購股權須於股東大會上獲股東批准，而有關合資格參與人士及其聯繫人須放棄投票。

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管理層討論及分析

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant to the provisions of early termination thereof.

An offer for the grant must be accepted not less than five business days from the date on which the Option is granted. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an options is HK\$1.

Pursuant to the Share Option Scheme, the participants may subscribe for the shares of the Company on exercise of an option at the price determined by the Board provided that it shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a trading day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the share.

No share option has been granted since the adoption of the Share Option Scheme and there was no share option outstanding as at 28 February 2019.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the section "Share Option Scheme" and "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the company and associated corporations", at no time during the period was the Company, its or any of its holding companies or any of its subsidiaries a party to any arrangement to enable the Directors and the Chief Executives (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of PART XV of the SFO).

購股權可於董事會可能釐定而不得超過授出日期起計十年的期間內，在有關於提前終止條文的規限下，隨時根據購股權計劃的條款行使。

授出購股權的要約必須於授出購股權當日起計不少於五個營業日獲接納。購股權承授人於接納授出購股權的要約時應向本公司支付1港元。

根據購股權計劃，參與人士可按董事會釐定的價格行使購股權認購本公司股份，惟該價格不得低於下列最高者：(i)於授出當日(該日須為交易日)的聯交所每日報價表所列股份的收市價；(ii)於緊接授出日期前五個交易日的聯交所每日報價表所列股份的平均收市價；及(iii)股份面值。

自採納購股權計劃起，概無授出購股權，且於二零一九年二月二十八日，概無購股權未獲行使。

董事收購股份或債權證的權利

除於「購股權計劃」一節及「董事及主要行政人員於本公司及相聯法團的股份、相關股份及債權證的權益及淡倉」一節所披露者外，於期內任何時間，本公司、其任何控股公司或其任何附屬公司並無訂立任何安排，致使董事及主要行政人員(包括彼等的配偶及18歲以下的子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中持有任何權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors 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. The Company had also made specific enquiries of all the Directors and all Directors confirmed that they have complied with the required standards of dealings regarding securities transactions by the Directors during the nine months ended 28 February 2019 and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 28 February 2019.

DIRECTOR'S INTEREST OF COMPETING BUSINESS

The Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

AUDIT COMMITTEE

The Group has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The duties of the Audit Committee are to primary review financial statements of the Company and oversee internal control procedures of the Company.

The Audit Committee currently consists of three members namely, Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Ma She Shing, Albert. The chairman of the Audit Committee is Mr. Chu Kin Ming.

董事進行證券交易

本公司已採納有關董事進行證券交易的行為守則，其條款不遜於GEM上市規則第5.48至5.67條所載規定交易準則。本公司亦已向全體董事作出具體查詢，而全體董事確認彼等於截至二零一九年二月二十八日止九個月及截至本報告日期止一直遵守有關董事進行證券交易的規定交易準則。

購買、出售或贖回上市證券

截至二零一九年二月二十八日止九個月，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事於競爭業務的權益

董事確認，除本集團營運的業務外，概無控股股東或董事及彼等各自的緊密聯繫人（定義見GEM上市規則）在對本集團業務直接或間接構成或可能構成競爭的任何業務中擁有任何須根據GEM上市規則第11.04條披露的權益。

審核委員會

本集團已成立審核委員會，並遵照GEM上市規則第5.28至5.33條及GEM上市規則附錄15所載的企業管治守則第C.3段，制定其書面職權範圍。審核委員會職責主要為審閱本公司的財務報表及監管本公司的內部監控程序。

審核委員會目前由三名成員組成，即邱家禧先生、朱健明先生及馬希聖先生。審核委員會主席為朱健明先生。

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管理層討論及分析

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the nine months ended 28 February 2019 and is of the opinion that such statements complied with applicable standards, the GEM Listing Rules and that adequate disclosure had been made.

INTEREST OF THE COMPLIANCE ADVISER

As notified by RHB Capital Hong Kong Limited (“**RHB Capital**”), compliance adviser of the Company, except for (i) RHB Capital’s participation as the sole sponsor in relation to the Listing; and (ii) the compliance adviser agreement entered into between the Company and RHB Capital dated 27 June 2017, neither RHB Capital nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of RHB Capital had any interest in the share capital of our Company or any member of our Group (including options or rights to subscribe for such securities, if any) which is required to be notified to our Company pursuant to Rule 6A.32 of the GEM Listing Rules as of 28 February 2019.

By Order of the Board
SK Target Group Limited
Loh Swee Keong
Chairman

Hong Kong, 12 April 2019

As at the date of this report, the Executive Director is Mr. Loh Swee Keong; and the Independent Non-executive Directors are Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Ma She Shing, Albert.

審核委員會已審閱本集團採納的會計原則及政策以及本集團截至二零一九年二月二十八日止九個月的未經審核簡明綜合財務報表，並認為該等報表符合適用準則及GEM上市規則，且已作出足夠披露。

合規顧問的權益

誠如本公司合規顧問興業金融融資有限公司(「**興業金融融資**」)告知，於二零一九年二月二十八日，除(i)興業金融融資作為獨家保薦人參與上市；及(ii)本公司與興業金融融資訂立日期為二零一七年六月二十七日的合規顧問協議外，興業金融融資、其任何緊密聯繫人(定義見GEM上市規則)及興業金融融資的董事或僱員概無於本公司或本集團任何成員公司的股本中，擁有根據GEM上市規則第6A.32條須知會本公司的任何權益，當中包括認購有關證券的購股權或權利(如有)。

承董事會命
瑞強集團有限公司
主席
Loh Swee Keong先生

香港，二零一九年四月十二日

於本報告日期，執行董事為Loh Swee Keong先生及獨立非執行董事為邱家禧先生、朱健明先生及馬希聖先生。

SK TARGET GROUP LIMITED
瑞強集團有限公司