

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

2019

FIRST QUARTERLY REPORT

第一季度業績報告

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 & medium 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 & medium sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This 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 GEM of The Stock Exchange of Hong Kong Limited (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。

本報告乃遵照香港聯合交易所有限公司 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. Deng Rongkai
(appointed on 16 September 2019)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau Ka Hei
Mr. Chu Kin Ming
Mr. Ma, She Shing Albert

COMPANY SECRETARY

Mr. Leung Tze Wai, CPA

COMPLIANCE OFFICER

Mr. Loh Swee Keong

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)
鄧榮凱先生
(於二零一九年九月十六日獲委任)

獨立非執行董事

邱家禧先生
朱健明先生
馬希聖先生

公司秘書

梁子煒先生，註冊會計師

合規主任

Loh Swee Keong 先生

Corporate Information

公司資料

AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)
Mr. Yau Ka Hei
Mr. Ma, She Shing Albert

REMUNERATION COMMITTEE

Mr. Yau Ka Hei (*Chairman*)
Mr. Chu Kin Ming
Mr. Loh Swee Keong

NOMINATION COMMITTEE

Mr. Loh Swee Keong (*Chairman*)
Mr. Yau Ka Hei
Mr. Ma, She Shing Albert

AUTHORIZED REPRESENTATIVE

Mr. Loh Swee Keong
Mr. Leung Tze Wai, CPA

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre,
183 Queen's Road East,
Hong Kong

PRINCIPAL BANKER

CIMB Bank Berhad
Public Bank Berhad

審核委員會

朱健明先生(*主席*)
邱家禧先生
馬希聖先生

薪酬委員會

邱家禧先生(*主席*)
朱健明先生
Loh Swee Keong 先生

提名委員會

Loh Swee Keong 先生(*主席*)
邱家禧先生
馬希聖先生

授權代表

Loh Swee Keong 先生
梁子煒先生，註冊會計師

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

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 54 樓

主要往來銀行

CIMB Bank Berhad
Public Bank Berhad

Corporate Information

公司資料

COMPLIANCE ADVISER

Ever-Long Securities Company 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

合規顧問

長雄證券有限公司

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 three months ended 31 August 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**」)截至二零一九年八月三十一日止三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 three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

		Three months ended 31 August	
		截至八月三十一日止三個月	
		2019	2018
		二零一九年	二零一八年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
	Note		
	附註		
Revenue	3	6,872	8,319
Cost of sales		(4,655)	(6,254)
Gross profit		2,217	2,065
Other income		252	255
Administrative expenses		(2,357)	(2,319)
Selling and distribution expenses		(258)	(310)
Finance costs	4	(55)	(5)
Loss before taxation		(201)	(314)
Taxation	5	(258)	(188)
Loss for the period	6	(459)	(502)
Other comprehensive income items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的其他全面收入項目：		
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	20	226
Total comprehensive loss for the period	期內全面虧損總額	(439)	(276)
Loss per share			
Basic (RM cents)	8	(0.07)	(0.08)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

簡明綜合權益變動表(未經審核)

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

		Share capital	Share premium	Other reserve	Translation reserve	Retained profits	Total
		股本	股份溢價	其他儲備	匯兌儲備	保留溢利	總計
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		千令吉	千令吉	千令吉	千令吉	千令吉	千令吉
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	-	-	-	-	(502)	(502)
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	226	-	226
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	226	(502)	(276)
At 31 August 2018 (unaudited)	於二零一八年 八月三十一日 (未經審核)	3,382	19,891	8,579	(748)	6,312	37,416
At 31 May 2019 (audited)	於二零一九年 五月三十一日 (經審核)	3,382	19,891	8,579	(583)	4,165	35,434
Loss for the period	期內虧損	-	-	-	-	(459)	(459)
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	20	-	20
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	20	(459)	(439)
At 31 August 2019 (unaudited)	於二零一九年 八月三十一日 (未經審核)	3,382	19,891	8,579	(563)	3,706	34,995

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

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 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 Cayman Islands and headquarters and 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. Mr. Loh Swee Keong, is the ultimate controlling party of the Company who wholly owns Merchant World.

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, Japanese catering service and sourcing service of materials 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。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一家私人有限公司。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**」)一家在英屬處女群島(「**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。Loh Swee Keong先生為本公司的最終控制方，並全資擁有 Merchant World。

本公司是一家投資控股公司，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的製造和貿易、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飲服務及物料採購服務。

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 three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 August 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 2019, except for the new and revised IFRSs described below. 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八月三十一日止三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基準編製。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二零一九年五月三十一日止年度的年報所採納者一致，惟下文披露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 three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

Application of new and amendments to IFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 June 2019 for the preparation of the Group's condensed consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015 — 2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

應用新訂及經修訂國際財務報告準則

於當前期間，本集團已首次應用下列由國際會計準則理事會頒佈並於二零一九年六月一日或之後開始的年度期間強制生效的新訂及經修訂國際財務報告準則，以編製本集團的簡明綜合財務報表：

國際財務報告準則第16號	租賃
國際財務報告詮釋委員會第23號詮釋	所得稅處理的不確定性
國際財務報告準則第9號(修訂本)	提前還款特徵及負補償
國際會計準則第19號(修訂本)	計劃修訂、縮減或清償
國際會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
國際財務報告準則(修訂本)	國際財務報告準則二零一五年至二零一七年週期的年度改進

除下文說明者外，於當前期間應用新訂國際財務報告準則及經修訂對本集團於當前期間及過往期間的財務表現及狀況及／或該等未經審核簡明綜合財務報表所載的披露並無重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

2.1 Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current period. IFRS 16 superseded IAS 17 Leases and the related interpretations.

2.1.1. Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

2.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動

本集團已首次於當前期間應用國際財務報告準則第16號。國際財務報告準則第16號取代國際會計準則第17號租賃及相關詮釋。

2.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動

本集團已根據國際財務報告準則第16號所載的過渡條文應用下列會計政策。

租賃的定義

倘合約獲給予權利在一段時間內控制已識別資產的使用以換取代價，則合約為一項租賃或包含租賃。

就於首次應用當日或之後簽訂或修訂的合約而言，本集團於開始或修訂日期根據於國際財務報告準則第16號項下的定義評估合約是否為一項租賃或包含租賃。該合約將不會被重新評估，除非該合約中的條款與條件隨後被改動。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Applies practical expedient and includes non-lease components in right-of-use assets/lease liabilities

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Excludes non-lease components

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

作為承租人

分配代價至合約組成部分

就包含租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額將合約代價分配至各租賃組成部分。

作為可行的權宜方法，當本集團合理預期對財務報表的影響與組合內單一租賃的區別不大時，具有類似特徵的租賃按組合基準入賬。

應用可行權宜方法並將非租賃組成部分計入使用權資產／租賃負債

本集團亦採用可行權宜方法，不會分開呈列非租賃組成部分與租賃組成部分，而將租賃組成部分及任何相關的非租賃組成部分入賬列作單一租賃組成部分。

剔除非租賃組成部分

非租賃組成部分根據其相關單獨售價與租賃組成部分分開。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of assets that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;

短期租賃及低價值資產租賃

本集團就自起租日期起計的租期為12個月或以下並且不包括購買選擇權的資產的租賃應用短期租賃確認豁免。本集團亦就低價值資產的租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款乃於租期內以直線法確認為開支。

使用權資產

除短期租賃及低價值資產租賃外，本集團於租賃開始之日（即相關資產可供使用之日）確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

使用權資產的成本包括：

- 首次計量租賃負債時的金額；

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.
- 於開始日期或之前所作出的任何租賃付款減任何已收租賃優惠；
- 本集團所產生的任何初步直接成本；及
- 本集團估計就拆除及移除相關資產、還原相關資產所在地點或將相關資產回復至租賃條款及條件所規定的狀況所產生的成本。

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

本集團合理確定於租期結束後會獲取相關租用資產的使用權資產按開始日期至可使用年期結束計提折舊。否則，使用權資產使用直線法按估計可使用年期與租期之間之較短者計提折舊。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

可退還租金按金

已付可退還租金按金乃根據國際財務報告準則第9號金融工具入賬並初步按公平值計量。於初步確認時對公平值之調整被視為額外租賃付款並計入使用權資產成本。

本集團將使用權資產作為單獨項目於綜合財務狀況表中呈列。

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃付款包括固定付款(包括實質性的固定付款)減任何應收租賃優惠。

於開始日期後，租賃負債就利息增長及租賃付款作出調整。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租賃期有所變動或行使購買選擇權的評估發生變化，在此情況下，相關租賃負債透過使用重新評估日期的經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因進行市場租金調查後市場租金率／有擔保剩餘價值下預期付款變動而出現變動，在此情況下，相關租賃負債使用初始貼現率貼現經修訂租賃付款而重新計量。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

稅項

為計量本集團於其確認使用權資產及相關租賃負債之租賃交易之遞延稅項，本集團會首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團將國際會計準則第12號*所得稅*之規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，故與使用權資產及租賃負債相關之暫時差額不會於初步確認時及於租期內確認。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

2.1.2 *Transition and summary of effects arising from initial application of IFRS 16*

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 June 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 June 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

2.1.2 *首次應用國際財務報告準則第16號的過渡及所產生的影響概要*

租賃的定義

本集團已選擇可行權宜方法，就先前應用國際會計準則第17號及國際財務報告詮釋委員會第4號詮釋釐定安排是否包括租賃識別為租賃的合約應用國際財務報告準則第16號，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於二零一九年六月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據國際財務報告準則第16號所載的規定應用租賃的定義。

本集團已追溯應用國際財務報告準則第16號，累計影響於首次應用日期（二零一九年六月一日）確認。於首次應用日期的任何差額於期初保留溢利確認且比較資料不予重列。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised lease liabilities of RM2,572,000 and right-of-use assets of RM2,572,000 at 1 June 2019.

於過渡期間應用國際財務報告準則第16號經修訂的追溯法時，倘下列實務中的簡易處理方法與過往根據國際會計準則第17號被分類為經營租賃的租賃相關，則本集團以租賃為基準對相關租賃合約應用有關方法：

- i. 選擇不就租期於首次應用之日起計12個月內結束的租賃確認使用權資產及租賃負債；及
- ii. 於計算首次應用之日的使用權資產時不計入初步直接成本。

於過渡時，本集團已於應用國際財務報告準則第16號後作出以下調整：

於二零一九年六月一日，本集團確認2,572,000令吉的租賃負債及2,572,000令吉的使用權資產。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.5%.

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所應用的加權平均承租人增量借款利率為4.5%。

		At 1 June 2019 於二零一九年 六月一日 RM'000 千令吉
Operating lease commitments disclosed as at 31 May 2019	於二零一九年五月三十一日披露的經營租賃承擔	2,541
Lease liabilities discounted at relevant incremental borrowing rates	按有關增量借款利率貼現的租賃負債	2,572
Lease liabilities as at 1 June 2019	於二零一九年六月一日的租賃負債	2,572
Analysed as Current Non-current	分析如下 即期 非即期	1,358 1,214
		2,572

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

The carrying amount of right-of-use assets as at 1 June 2019 comprises the following:

於二零一九年六月一日使用權資產的賬面值包括下列各項：

		Right-of-use assets 使用權資產 RM'000 千令吉
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	於應用國際財務報告準則第16號後確認的與經營租賃有關的使用權資產	2,572
		2,572
By class: Properties	按類別： 物業	2,572
		2,572

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

3. REVENUE

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

3. 收入

收入指報告期間已售貨品的發票價值。

		Three months ended 31 August 截至八月三十一日止三個月	
		2019	2018
		二零一九年	二零一八年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Manufacturing and trading	製造及貿易	5,113	5,104
Other building materials and services	其他建築材料及服務	901	2,497
Japanese catering services	日本餐飲服務	782	718
Sourcing services	採購服務	76	—
		6,872	8,319

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 August 截至八月三十一日止三個月	
		2019	2018
		二零一九年	二零一八年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest expense on:	以下各項的利息開支：		
Other facilities	其他融資	1	3
Commitment fees	承諾費	2	2
Leased liabilities interest	租賃負債利息	52	—
		55	5

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

5. TAXATION

5. 稅項

		Three months ended 31 August 截至八月三十一日止三個月	
		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)
Malaysia corporate income tax:	馬來西亞企業所得稅：		
Current period	當前期間	258	188
Underprovision in prior periods	過往期間撥備不足	—	—
Deferred tax	遞延稅項	—	—
		258	188

Malaysia corporate income tax is calculated at the statutory tax rate on the estimated assessable profits for each of the assessable period.

馬來西亞企業所得稅就各應課稅期間的估計應課稅溢利按法定稅率計算。

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% for the periods ended 31 August 2018 and 31 August 2019, on chargeable income amounting to RM500,000 or less. For chargeable income in excess of RM500,000, the corporate income tax rate is 24% for the periods ended 31 August 2018 and 31 August 2019 respectively.

附註：根據馬來西亞一九六七年所得稅法，截至二零一八年八月三十一日及二零一九年八月三十一日止期間，於馬來西亞擁有繳足股本2,500,000令吉或以下的中小型企業須按稅率18%及17%就最高為500,000令吉的應課稅收入繳納所得稅。至於超過500,000令吉的應課稅收入，截至二零一八年八月三十一日及二零一九年八月三十一日止期間，企業所得稅稅率均為24%。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging/(crediting):

6. 期內虧損

期內虧損於扣除/(計入)以下各項後達致：

		Three months ended 31 August 截至八月三十一日止三個月	
		2019	2018
		二零一九年	二零一八年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Auditor remuneration	核數師薪酬	178	125
Cost of inventories recognised as an expense	確認為開支的存貨成本	3,513	4,018
Staff costs, excluding directors' remuneration:	員工成本，不包括董事薪酬：		
— Salaries, wages and other benefits	— 薪金、工資及其他福利	1,306	1,447
— Contribution to EPF	— 僱員公積金供款	94	103
		1,400	1,550
Minimum lease payments on:	以下各項的最低租賃付款：		
Factory	工廠	—	120
Crane	起重機	—	4
Shop	店鋪	—	167
Staff accommodation	員工宿舍	5	5
Office equipment	辦公室設備	2	2
Amortisation of leased assets	攤銷租賃資產	657	—
Depreciation on:	以下各項折舊：		
Property, plant and equipment	物業、廠房及設備	165	161
Investment property	投資物業	2	2
Unrealised loss/(gain) on foreign exchange	未變現匯兌虧損/(收益)	60	(580)
Interest income	利息收入	(71)	(9)

7. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 August 2019 (2018: Nil).

7. 股息

截至二零一九年八月三十一日止三個月，董事會並無建議派付股息(二零一八年：無)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2019 截至二零一九年八月三十一日止三個月

8. LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

8. 每股虧損

每股基本虧損乃根據下列數據計算：

		Three months ended 31 August 截至八月三十一日止三個月	
		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)
Loss for the purpose of calculating basic loss per share: Loss for the period attributable to the owners of the Company	用於計算每股基本虧損的虧損： 本公司擁有人應佔期內虧損	(459)	(502)

		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	用於計算每股基本虧損的普通股加權平均數	620,000,000	620,000,000

No diluted loss per share information has been presented for the period ended 31 August 2018 and 31 August 2019 as the Company has no potential ordinary shares outstanding during both period ended.

由於本公司於截至二零一八年八月三十一日及二零一九年八月三十一日止期間並無發行在外的潛在普通股，故並無呈列該兩個期間的每股攤薄虧損資料。

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 (“**Telekom**”) since 2008 and registered supplier of Tenaga National 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 three months ended 31 August 2019, the revenue of the Group decreased by approximately 17.4% due to decrease in the revenue generated from the trading of accessories and pipes and the provision of mobile crane rental and ancillary services affected by the uncertain economic atmosphere in Malaysia.

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(「**Telekom**」))的註冊供應商或認可供應商，以及自二零一二年起為Tenaga National 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。

截至二零一九年八月三十一日止三個月，本集團的收入減少約17.4%，此乃由於受馬來西亞不確定經濟環境的影響，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減少。

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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.

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately RM8.3 million for the three months ended 31 August 2018 to approximately RM6.9 million for the three months ended 31 August 2019, representing a decrease of approximately 17.4%. Such decrease was mainly due to the decrease of the trading of accessories and pipes and the provision of mobile crane rental and ancillary services.

For the manufacturing and trading of precast concrete junctions boxes business, the revenue remained relatively stable and slightly increased by approximately 0.2%, from approximately RM5,104,000 for the period ended 31 August 2018 to approximately RM5,113,000 for the period ended 31 August 2019.

For the trading of accessories and pipes and the provision of mobile crane rental and ancillary services business, the revenue decreased by approximately 63.9%, from approximately RM2.5 million for the period ended 31 August 2018 to approximately RM0.9 million for the period ended 31 August 2019. The decrease was mainly caused by the decrease in sales of scrap iron and steels.

此外，包括勞動力短缺及對外國工人的依賴以及生產及運輸成本上升的其他因素可能會對集團的業務運營造成壓力。然而，本集團對整體業務前景保持審慎樂觀態度。

財務回顧

收入

收入由截至二零一八年八月三十一日止三個月的約8.3百萬令吉減少至截至二零一九年八月三十一日止三個月的約6.9百萬令吉，減少約17.4%。有關減少乃主要由於配件及管道貿易以及提供移動式起重機租賃及配套服務減少。

就預製混凝土接線盒業務的製造及貿易而言，收入維持相對穩定並由截至二零一八年八月三十一日止期間的約5,104,000令吉略微增加約0.2%至截至二零一九年八月三十一日止期間的約5,113,000令吉。

就配件及管道貿易及提供移動式起重機租賃及配套服務業務而言，收入由截至二零一八年八月三十一日止期間的約2.5百萬令吉減少約63.9%至截至二零一九年八月三十一日止期間的約0.9百萬令吉。該減少主要由廢鋼鐵的銷售額減少導致。

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For the Japanese catering services, the revenue increased by approximately 8.9%, from approximately RM0.7 million for the period ended 31 August 2018 to approximately RM0.8 million for the period ended 31 August 2019. The increase is mainly due to the effect of advertising.

The Group is exploring opportunities in the diversification of business risk with a view to maximise returns to the Group and shareholders of the Company as a whole in the long run. The Group has expanded into sourcing services and generated approximately RM76,000 for the period ended 31 August 2019.

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 decrease from approximately RM6.3 million for the three months ended 31 August 2018 to approximately RM4.7 million for the three months ended 31 August 2019, representing a decrease of approximately 25.6%. Such change was in consistent with the decrease in revenue during the period ended 31 August 2019.

The gross profit increased from approximately RM2.1 million for the three months ended 31 August 2018 to approximately RM2.2 million for the three months ended 31 August 2019.

Administrative expenses

Administrative expenses of the Group slightly increased by approximately RM0.1 million or 1.6% from approximately RM2.3 million for the three months ended 31 August 2018 to approximately RM2.4 million for the three months ended 31 August 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 general inflation.

就日本餐飲服務而言，收入由截至二零一八年八月三十一日止期間的約0.7百萬令吉增加約8.9%至截至二零一九年八月三十一日止期間的約0.8百萬令吉。該增加主要由於廣告效應。

本集團現正尋求機遇分散業務風險，以就長遠而言實現對本集團及本公司股東整體回報的最大化。截至二零一九年八月三十一日止期間本集團已拓展至採購服務且產生約76,000令吉的收入。

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)直接勞工；(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八月三十一日止三個月約6.3百萬令吉減少至截至二零一九年八月三十一日止三個月約4.7百萬令吉，減少約25.6%。有關變動與截至二零一九年八月三十一日止期間的收入減少一致。

毛利由截至二零一八年八月三十一日止三個月約2.1百萬令吉增加至截至二零一九年八月三十一日止三個月約2.2百萬令吉。

行政開支

本集團的行政開支由截至二零一八年八月三十一日止三個月約2.3百萬令吉略微增加約0.1百萬令吉或1.6%至截至二零一九年八月三十一日止三個月約2.4百萬令吉。

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。有關增加乃主要歸因於一般通貨膨脹。

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Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately RM52,000 or 16.8% from approximately RM310,000 for the three months ended 31 August 2018 to approximately RM258,000 for the three months ended 31 August 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 decrease of selling and distribution expenses was mainly due to the decrease in staff cost.

Loss for the period

The Group recorded a net loss of approximately RM0.5 million for the three months ended 31 August 2019 mainly due to the decrease in revenue of the Group for the three months ended 31 August 2019.

SIGNIFICANT INVESTMENTS HELD

During the three months ended 31 August 2019, the Company did not have any significant investments held.

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

There were no material acquisitions and disposals of subsidiaries and affiliated companies during the three months ended 31 August 2019. 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八月三十一日止三個月約310,000令吉減少約52,000令吉或16.8%至截至二零一九年八月三十一日止三個月約258,000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招待開支。銷售及分銷開支減少乃主要由於員工成本減少。

期內虧損

本集團於截至二零一九年八月三十一日止三個月錄得淨虧損約0.5百萬令吉，乃主要由於截至二零一九年八月三十一日止三個月本集團的收入減少。

所持有的重大投資

截至二零一九年八月三十一日止三個月，本公司並無持有任何重大投資。

重大收購及出售以及重大投資或資本資產計劃

截至二零一九年八月三十一日止三個月，概無附屬公司及聯屬公司的重大收購及出售事項。於本報告日期，概無涉及重大投資或資本資產的特定未來計劃。

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

As at 31 August 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 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

於二零一九年八月三十一日，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條須予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另行知會本公司及聯交所的權益及淡倉如下：

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Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of ordinary shares in which interested	Percentage of the Company's issued share capital as at 31 August 2019 佔本公司於 二零一九年 八月三十一日 已發行股本 百分比
董事／主要行政人員姓名	身份／權益性質	擁有權益之 普通股數量	
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)	

Notes:

附註：

- (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.

- (1) 英文字母(L)表示該人士於股份的好倉。
- (2) Merchant World Investments Limited 為一家於英屬處女群島註冊成立的公司，並由 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 持有的所有股份中擁有權益。

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Save for disclosed above, as at 31 August 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.

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

As at 31 August 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 of the SFO were as follows:

除上文所披露者外，於二零一九年八月三十一日，概無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條須予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另行知會本公司及聯交所的任何權益或淡倉。

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

於二零一九年八月三十一日，以下人士（本公司董事或主要行政人員除外）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及／或淡倉如下：

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Ordinary Shares of the Company

本公司普通股

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of ordinary shares in which interested	Percentage of the Company's issued share capital as at 31 August 2019
董事／主要行政人員姓名	身份／權益性質	擁有權益之 普通股數量	佔本公司於 二零一九年 八月三十一日 已發行股本 百分比
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%
Mr. Fung Tak, Andrew 馮達先生	Beneficial owner 實益擁有人	43,800,000 (L)	7.06%
Ms. Lo Pui Chu, Amy (Note 5) 盧佩珠女士(附註 5)	Interest of spouse 配偶權益	43,800,000 (L)	7.06%
Mr. Fung Hong, Albert 馮康先生	Beneficial owner 實益擁有人	43,800,000 (L)	7.06%
Ms. Cho Ka Lai (Note 6) 左嘉麗女士(附註 6)	Interest of spouse 配偶權益	43,800,000 (L)	7.06%

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Notes:

- (1) The letter (L) denotes the person's long interest in the Shares.
- (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.
- (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.
- (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.
- (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.

Save for disclosed above, as at 31 August 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.

附註：

- (1) 英文字母 (L) 表示該人士於股份的倉。
- (2) Woon Sow Sum 女士為 Loh Swee Keong 先生的配偶，且根據證券及期貨條例，彼被視為或當作於 Loh Swee Keong 先生擁有權益的所有股份中擁有權益。
- (3) Greater Elite Holdings Limited 為一家於英屬處女群島註冊成立的公司，並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 持有的所有股份中擁有權益。
- (4) 鄭麗華女士為羅鳳原先生的配偶，且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。
- (5) 盧佩珠女士為馮達先生之配偶，且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之配偶，且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。

除上文所披露者外，於二零一九年八月三十一日，本公司並無得悉任何人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有或被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 條須予存置的登記冊的權益或淡倉。

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CHARGE ON GROUP'S ASSETS

As at 31 August 2019, the Group had bank deposits pledged with banks totalling approximately RM1.1 million (31 August 2018: approximately RM1.0 million). These deposits were pledged to secure general banking facilities granted to the Group.

FOREIGN CURRENCY RISK

As most of the Group's transactions are denominated in Malaysian Ringgit and Hong Kong dollars, the Directors believe that the Group's exposure to exchange fluctuation was immaterial and the Group has not implemented any formal hedging or other alternative policies to deal with such exposure.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 August 2019.

CORPORATE GOVERNANCE PRACTICES

Under the code provision A.2.1 of the Corporate Governance Code (the "**CG Code**"), 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 officer 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.

本集團資產之抵押

於二零一九年八月三十一日，本集團抵押予銀行的銀行存款合共約為1.1百萬令吉(二零一八年八月三十一日：約1.0百萬令吉)。該等存款乃抵押用作為授予本集團的一般銀行信貸提供擔保。

外幣風險

由於本集團大部分交易以馬來西亞令吉及港元計值，董事認為本集團之匯兌波動風險並不重大，且本集團亦無實施任何正式對沖或其他處理有關風險的替代政策。

或然負債

本集團於二零一九年八月三十一日概無或然負債。

企業管治常規

根據企業管治守則(「**企業管治守則**」)守則條文第A.2.1條，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。鑒於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第A.2.1條在該情況下乃屬合適。

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Save as disclosed above, for the three months ended 31 August 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 the 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.

The Company conditionally adopted the 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 as at 31 August 2019 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 shareholders in general meeting; and/or (ii) grant options beyond the Scheme Limit to Eligible Participants specifically identified by the Board.

除上文所披露者外，截至二零一九年八月三十一日止三個月，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挽留最優秀的人員，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、非執行董事及獨立非執行董事、顧問及諮詢人)提供額外優惠。

於二零一七年六月二十七日，本公司有條件採納購股權計劃，據此，董事會獲授權按其絕對酌情權，並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上市日期後於二零一九年八月三十一日已發行股份總數的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。

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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.

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 subject 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.

因根據購股權計劃及本公司任何其他購股權計劃已授出惟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，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。

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，在有關提前終止條文的規限下，隨時根據購股權計劃的條款獲行使。

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。

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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.

During the three months ended 31 August 2019, other than the share option scheme is set out above, the Company did not enter into the other equity-linked agreement, nor did any other equity-linked agreement exist during the period under review.

As at 31 August 2019, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme of the Company.

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。

截至二零一九年八月三十一日止三個月，除上文所述購股權計劃外，本公司概無訂立其他股本掛鈎協議，回顧期間亦不存在任何其他股本掛鈎協議。

於二零一九年八月三十一日，概無購股權根據本公司的購股權計劃獲授出、獲行使、失效或註銷。

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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).

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 three months ended 31 August 2019 and up to the date of this report.

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、或相關股份或債權證中持有任何權益或淡倉。

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八月三十一日止三個月及直至本報告日期一直遵守有關董事進行證券交易的規定交易準則。

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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 for the three months ended 31 August 2019.

DIRECTOR'S INTEREST OF COMPETING BUSINESS

During the three months ended 31 August 2019, 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 or any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Group has established the 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 Corporate Governance Code and Corporate Governance Report 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.

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 three months 31 August 2019 and is of the opinion that such statements complied with applicable standards, the GEM Listing Rules and that adequate disclosure had been made.

購買、出售或贖回上市證券

截至二零一九年八月三十一日止三個月，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

截至二零一九年八月三十一日止三個月，董事確認，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)於除本集團經營的業務外，與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權益或任何該等人士與本集團存在或可能存在于任何其他利益沖突。

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及企業管治報告第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督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。

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八月三十一日止三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。

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INTEREST OF THE COMPLIANCE ADVISER

As notified by Ever-Long Securities Company Limited (“**Ever-Long**”), the compliance adviser of the Company, except for the compliance adviser agreement entered into between the Company and Ever-Long dated 17 April 2019, neither Ever-Long nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of Ever-Long 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 31 August 2019.

By Order of the Board

SK Target Group Limited
Loh Swee Keong
Chairman

Hong Kong, 10 October 2019

As at the date of this report, the Board comprises two Executive Directors, namely, Mr. Loh Swee Keong and Mr. Deng Rongkai; and three Independent Non-executive Directors, namely, Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Ma, She Shing Albert.

合規顧問的權益

誠如本公司合規顧問長雄證券有限公司(「長雄」)告知，截至二零一九年八月三十一日，除本公司與長雄訂立日期為二零一九年四月十七日的合規顧問協議外，長雄、其任何緊密聯繫人(定義見GEM上市規則)及長雄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

香港，二零一九年十月十日

於本報告日期，董事會包括兩名執行董事，即Loh Swee Keong先生及鄧榮凱先生；及三名獨立非執行董事，即邱家禧先生、朱健明先生及馬希聖先生。



SK TARGET GROUP LIMITED
瑞強集團有限公司