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WS-SK TARGET GROUP LIMITED
萬順瑞強集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8427)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MAY 2026

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 & mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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 announcement, for which the directors (the "Directors") of WS-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 (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 announcement 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 announcement misleading.

The board of Directors (the "**Board**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 May 2026, which have been reviewed by the audit committee of the Company, together with the comparative audited figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 May 2026

	Notes	**2026** *RM'000*	2025 *RM'000*
Continuing operations			
Revenue	*3*	**34,522**	31,555
Cost of sales		**(24,385)**	(22,168)
Gross profit		**10,137**	9,387
Other income		**1,308**	1,036
Reversal of allowance/(allowance) for credit loss, net		**939**	(666)
Impairment loss of investment in an associate		**(2,141)**	–
Administrative expenses		**(7,368)**	(5,539)
Selling and distribution expenses		**(2,672)**	(1,857)
Finance costs	*4*	**(192)**	(143)
Share of results of an associate		**(313)**	(523)
(Loss)/profit before taxation	*5*	**(302)**	1,695
Taxation	*6*	**(1,625)**	(1,214)
(Loss)/profit for the period from continuing operations		**(1,927)**	481
Discontinued operations			
Loss from discontinued operations		**–**	(399)
(Loss)/profit for the year		**(1,927)**	82
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(535)**	(909)
Total comprehensive expense for the year		**(2,462)**	(827)

	Notes	**2026**	2025
		RM'000	*RM'000*
(Loss)/profit for the year attributable to owners of the Company:			
— from continuing operations		**(1,927)**	481
— from discontinued operations		**–**	(399)
		(1,927)	82
Total comprehensive expense for the year attributable to owners of the Company:			
— from continuing operations		**(2,462)**	(428)
— from discontinued operations		**–**	(399)
		(2,462)	(827)
(Loss)/earnings per share			
Basic and diluted *(RM cents)*	*7*		
— From continuing operations		**(11.71)**	3.00
— From discontinued operations		**N/A**	(2.49)
— From continuing and discontinued operations		**(11.71)**	0.51

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May 2026

	Notes	2026 RM'000	2025 RM'000
Non-Current Assets			
Property, plant and equipment		**8,711**	6,676
Right-of-use assets		**8,858**	9,838
Investment property		**341**	345
Investment in an associate		**–**	2,617
Intangible asset		**2,279**	2,915
Goodwill		**4**	4
Total Non-Current Assets		**20,193**	22,395
Current Assets			
Inventories		**2,539**	1,735
Receivables, deposits and prepayments	*9*	**5,419**	8,057
Amount due from ultimate holding company		**43**	45
Amount due from a shareholder		**38**	32
Tax recoverable		**20**	169
Short-term bank deposits	*10*	**18,698**	18,676
Cash and bank balances	*10*	**5,475**	4,054
Total Current Assets		**32,232**	32,768
Current Liabilities			
Payables and accrued charges	*11*	**10,870**	11,280
Lease liabilities		**539**	791
Tax payables		**187**	24
Promissory notes		**4,024**	–
Total Current Liabilities		**15,620**	12,095
Net Current Assets		**16,612**	20,673
Total Assets Less Current Liabilities		**36,805**	43,068

	Notes	**2026** *RM'000*	2025 *RM'000*
Non-Current Liabilities			
Lease liabilities		**79**	691
Deferred tax liabilities		**236**	111
Promissory notes		**–**	5,558
Total Non-Current Liabilities		**315**	6,360
Net Assets		**36,490**	36,708
Capital and Reserves			
Share capital	*12*	**7,355**	7,265
Reserves		**29,135**	29,443
Total Equity		**36,490**	36,708

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2026

	Share capital *RM'000*	Share premium *RM'000*	Other reserve *RM'000*	Translation reserve *RM'000*	Accumulated losses *RM'000*	Total *RM'000*
At 1 June 2024	6,028	28,074	8,579	460	(6,843)	36,298
Profit for the year	–	–	–	–	82	82
Exchange differences arising on translation of foreign operations	–	–	–	(909)	–	(909)
Total comprehensive income for the year	–	–	–	(909)	82	(827)
Issue of subscription shares by newly allotted ordinary shares *(note 12(a))*	1,237	–	–	–	–	1,237
At 31 May 2025	7,265	28,074	8,579	(449)	(6,761)	36,708
At 1 June 2025	**7,265**	**28,074**	**8,579**	**(449)**	**(6,761)**	**36,708**
Loss for the year	**–**	**–**	**–**	**–**	**(1,927)**	**(1,927)**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**(535)**	**–**	**(535)**
Total comprehensive income for the year	**–**	**–**	**–**	**(535)**	**(1,927)**	**(2,462)**
Issue of subscription shares by newly allotted ordinary shares *(note 12(c))*	**90**	**2,154**	**–**	**–**	**–**	**2,244**
At 31 May 2026	**7,355**	**30,228**	**8,579**	**(984)**	**(9,223)**	**36,490**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

WS-SK Target Group Limited (formerly known as SK Target Group Limited) (the "**Company**") was incorporated in the Cayman Islands with limited liability on 28 October 2016 and its ordinary shares are listed on the GEM of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") since 19 July 2017. The addresses of the registered office and principal place of business are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and 18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia, respectively.

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, sourcing service of materials in Hong Kong. The Group discontinued its sales of health supplement products in Hong Kong in 2024. Since January 2025, the Group started to engage in the e-commerce platform in the People's Republic of China (the "**PRC**").

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("**IASB**") to these consolidated financial statements for the current accounting period:

Amendments to IAS 21 and IFRS 1	Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

For the new and amendments to IFRS Standards in issue but not yet effective.

3. REVENUE AND SEGMENTAL INFORMATION

(a) Disaggregation of revenue from contracts with customers under IFRS 15:

	Year ended 31 May 2026 Total *RM'000*	Year ended 31 May 2025 Total *RM'000*
Continuing operations		
Manufacturing and trading:		
Sales of manufactured goods	**32,475**	29,468
Other building materials and services:		
Sales of building materials	**1,966**	1,760
E-Commerce platform	**81**	327
Total	**34,522**	31,555
Geographical market:		
Malaysia	**34,441**	31,228
China	**81**	327
Total	**34,522**	31,555
Timing of revenue recognition		
At point in time	**34,522**	31,555

Sales of manufactured goods and building materials

Revenue from sales of manufactured goods and building materials is recognised at a point in time when the manufactured goods and building materials are transferred to customers, being at the point that the customer obtains the control of the manufactured goods and building materials; and the Group has present right to payment and collection of the consideration is probable.

E-Commerce platform

The Group provides transaction services, and earns related fees for sales of the products completed on our platforms. The Group does not take control of the products provided by merchants at any point in time during the transactions. Revenues related to transaction services are recognized in consolidated statements of comprehensive income at a point in time when the Group's service obligation to the merchants is determined to have been completed under each sales transaction completed. Variable consideration is estimated and included in the transaction price to the extent that it is probable that a significant revenue reversal will not occur.

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has applied practical expedient in IFRS 15: paragraph 121 (a) and (b) to not disclose the transaction price allocated to the remaining performance obligations which are part of contracts that have original expected duration of one year or less.

As all the contracts are with an original expected duration of one year or less or are billed based on time incurred, as permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(c) Operating Segment

Information reported to Mr. Loh Swee Keong, the director of the Group, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance is based on the following reportable and operating segments identified under IFRS 8 Operating Segments:

(a) Manufacturing and trading — manufacturing and trading of precast concrete junction boxes;

(b) Other building materials and services — trading of accessories and pipes and provision of mobile crane rental and ancillary services;

(c) Sourcing services — provision of sourcing services;

(d) Sales of health supplement products — sourcing and sales of health supplement products; and

(e) E-Commerce platform — sourcing and sales of products online.

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Segment revenues and results

For the year ended 31 May 2026

Continuing operations

	Manufacturing and trading *RM'000*	**Other building materials and services** *RM'000*	**E-Commerce platform** *RM'000*	**Total** *RM'000*
Revenue				
External sales	**32,475**	**1,966**	**81**	**34,522**
Segment result	**9,622**	**442**	**73**	**10,137**
Reversal of allowance for credit loss				**939**
Impairment loss of investment in an associate				**(2,141)**
Administrative expenses				**(7,368)**
Selling and distribution expenses				**(2,672)**
Finance costs				**(192)**
Other income				**1,308**
Share of results of an associate				**(313)**
Loss before taxation				**(302)**

For the year ended 31 May 2025

	Manufacturing and trading *RM'000*	Other building materials and services *RM'000*	E-Commerce platform *RM'000*	Total *RM'000*
Revenue				
External sales	29,468	1,760	327	31,555
Segment result	8,764	320	303	9,387
Allowance for credit loss				(666)
Administrative expenses				(5,539)
Selling and distribution expenses				(1,857)
Finance costs				(143)
Other income				1,036
Share of results of an associate				(523)
Profit before taxation				1,695

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 3. Segment results represents the profit from each segment without allocation of allowance and reversal of allowance for credit loss, administrative expenses, selling and distribution expenses, finance costs, other income and taxation. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

As at 31 May 2026

Continuing and discontinued operations

	Manufacturing and trading *RM'000*	**Other building materials and services** *RM'000*	**E-Commerce platform** *RM'000*	**Segment assets (liabilities)** *RM'000*	**Unallocated** *RM'000*	**Discontinued operations** *RM'000*	**Consolidated assets (liabilities)** *RM'000*
Non-current assets	**8,664**	**48**	**–**	**8,712**	**11,481**	**–**	**20,193**
Current assets	**29,655**	**301**	**410**	**30,366**	**1,866**	**–**	**32,232**
Non-current liabilities	**(315)**	**–**	**–**	**(315)**	**–**	**–**	**(315)**
Current liabilities	**(7,157)**	**(195)**	**(685)**	**(8,037)**	**(7,583)**	**–**	**(15,620)**

As at 31 May 2025

Continuing and discontinued operations

	Manufacturing and trading *RM'000*	Other building materials and services *RM'000*	E-Commerce platform *RM'000*	Segment assets (liabilities) *RM'000*	Unallocated *RM'000*	Discontinued operations *RM'000*	Consolidated assets (liabilities) *RM'000*
Non-current assets	6,647	19	151	6,817	15,578	–	22,395
Current assets	29,108	1,301	293	30,702	1,391	675	32,768
Non-current liabilities	(2,720)	–	(73)	(2,793)	(3,567)	–	(6,360)
Current liabilities	(7,956)	(1,107)	(456)	(9,519)	(1,069)	(1,507)	(12,095)

All assets and liabilities are allocated to operating segments other than certain cash on hand and at bank, other payables, current and deferred tax assets and liabilities.

Other segment information

For the year ended 31 May 2026

Continuing operations

	Manufacturing and trading *RM'000*	**Other building materials and services** *RM'000*	**E-Commerce platform** *RM'000*	**Total** *RM'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets	**3,239**	**–**	**–**	**3,239**

For the year ended 31 May 2025

Continuing operations

	Manufacturing and trading *RM'000*	Other building materials and services *RM'000*	E-Commerce platform *RM'000*	Total *RM'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets	12,238	–	–	12,238

Geographical information

The Group earns revenue from external customers in two main geographical areas:

(i) Malaysia — manufacturing and trading; and other building material and services

(ii) China — e-commerce platform

Information about the Group's revenue from external customers is presented based on the location of the operations, as follows:

	2026	2025
	RM'000	*RM'000*
Continuing operations		
Malaysia	**34,441**	31,228
China	**81**	327
	34,522	31,555

The following is an analysis of the carrying amount of segment assets, capital addition in respect of property, plant and equipment by the geographical areas in which the assets are located:

	Non-current assets	
	2026	2025
	RM'000	*RM'000*
Malaysia	**17,027**	16,707
China	**3,166**	5,688
	20,193	22,395

Information about major customers

No customers contribute over 10% of total revenue of the Group for the year ended 31 May 2026 (2025: nil).

4. FINANCE COSTS

	2026	2025
	RM'000	*RM'000*
Continuing operations		
Interest expense on lease liabilities	**35**	24
Commitment fees	**9**	9
Interest expense on promissory notes	**148**	110
	192	143

5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation has been arrived at after charging/(crediting):

Continuing operations

	2026	2025
	RM'000	*RM'000*
Auditors' remuneration		
— audit services	**474**	471
Cost of inventories recognised as an expense	**14,706**	14,130
Staff costs, excluding directors' remuneration:		
— Salaries, wages and other benefits	**3,829**	3,781
— Retirement benefit scheme contributions	**329**	297
	4,158	4,078
Short-term lease payments not included in the measurement of lease liabilities:		
Crane	**363**	377
Office equipment	**3**	7
Depreciation of:		
Property, plant and equipment	**1,204**	894
Investment property	**4**	4
Right-of-use assets	**873**	651
Intangible assets	**636**	265
Impairment loss of investment in an associate	**2,141**	–
(Reversal of allowance)/allowance for credit losses, net:		
Trade receivables	**(1,426)**	(98)
Deposits paid	**487**	764
	(939)	666
Gain on disposal of property, plant and equipment	**–**	(35)
Interest income on:		
Deposits at bank	**(712)**	(910)

6. TAXATION

	2026	2025
	RM'000	*RM'000*
Continuing operations		
Malaysia corporate income tax:		
Current year	**1,472**	1,242
(Over)/under-provision of income tax in prior year	**28**	(44)
	1,500	1,198
Deferred tax:	**125**	16
	1,625	1,214

Malaysia corporate income tax is calculated at the statutory tax rate of 24% (2025: 24%) on the estimated assessable profits for each of the assessable year.

Hong Kong Profits Tax is calculated at a rate of 16.5% (2025: 16.5%) of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK$2,000,000 of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%. Such basis had been applied for the calculation of the provision for Hong Kong Profits Tax for this subsidiary for the year ended 31 May 2026.

Hong Kong Profits Tax has not been provided for the years ended 31 May 2026 and 2025 as there is no assessable profits for both years.

The taxation for the year can be reconciled to the profit before taxation as follows:

	2026	2025
	RM'000	*RM'000*
(Loss)/profit before taxation		
— From continuing operations	**(302)**	1,695
Statutory tax rate	**24%**	24%
Taxation at applicable statutory tax rate	**(72)**	407
Tax effects of:		
Expenses not deductible for tax purpose	**371**	57
Income not taxable for tax purpose	**(11)**	(59)
Share of loss of associates	**(52)**	(86)
Deductible temporary differences not recognised	**536**	394
Different tax rate of entities operating in other jurisdictions	**471**	180
Under/(over)-provision of income tax in prior year	**28**	(44)
Tax losses not recognised	**354**	365
Taxation for the year	**1,625**	1,214

7. (LOSS)/EARNINGS PER SHARE

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

	2026	2025
Continuing operations		
(Loss)/earnings		
(Loss)/profit for the year attributable to the owners of the Company *(RM'000)*	**(1,927)**	481
Number of shares		
Weighted average number of ordinary shares in issue	**16,453,418**	16,008,173
Basic (loss)/earnings per share *(RM cent per share)*	**(11.71)**	3.00
Discontinued operations		
Loss		
Loss for the year attributable to the owners of the Company *(RM'000)*	**N/A**	(399)
Number of shares		
Weighted average number of ordinary shares in issue	**N/A**	16,008,173
Basic loss per share *(RM cent per share)*	**N/A**	(2.49)
Continuing and discontinued operations		
(Loss)/earnings		
Profit for the year attributable to the owners of the Company *(RM'000)*	**(1,927)**	82
Number of shares		
Weighted average number of ordinary shares in issue	**16,453,418**	16,008,173
Basic (loss)/earnings per share *(RM cent per share)*	**(11.71)**	0.51

Diluted loss/earnings per share information equals basic earnings per share for the years ended 31 May 2025 and 2026 as there were no potential dilutive ordinary shares outstanding during both years.

8. DIVIDENDS

The directors of the Company do not recommend the payment of dividend for the years ended 31 May 2025 and 2026.

9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026	2025
	RM'000	*RM'000*
Trade receivables	**8,377**	11,457
Less: Allowance for credit losses	**(3,987)**	(6,076)
	4,390	5,381
Other receivables and deposits	**3,165**	3,821
Less: Allowance for credit losses	**(2,443)**	(1,952)
	722	1,869
Prepayments	**307**	807
	5,419	8,057

The amounts due from trade debtors are unsecured, do not carry any interest and the credit term granted by the Group ranges from 30 to 120 days.

The following is an aging analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date:

	2026	2025
	RM'000	*RM'000*
1–30 days	**1,518**	1,675
31–60 days	**1,388**	1,083
61–90 days	**780**	657
91–120 days	**403**	223
More than 120 days	**301**	1,743
	4,390	5,381

10. SHORT-TERM BANK DEPOSITS, CASH AND BANK BALANCES

	2026	2025
	RM'000	*RM'000*
Current:		
Short-term bank deposits	**18,698**	18,676
Cash and bank balances	**5,475**	4,054
Total	**24,173**	22,730
Less: Deposits pledged as security	**(1,198)**	(1,176)
Cash and cash equivalents	**22,975**	21,554

Short-term bank deposits of the Group have an average maturity ranging from 1 to 3 months. Bank balances are deposits held at with licensed banks.

The average interest rates of deposits of the Group are ranging from 3.27% to 3.8% (2025: 3.65% to 3.8%) per annum. Included in the short-term bank deposits are amounts totaling approximately RM1,198,000 (2025: RM1,176,000) that have been pledged to secure general banking facilities granted to the Group.

11. PAYABLES AND ACCRUED CHARGES

	2026	2025
	RM'000	*RM'000*
Trade payables	**3,085**	2,876
Accrued charges	**3,024**	4,051
Other payables	**1,084**	2,555
Contract liabilities	**3,677**	1,798
	10,870	11,280

The following is an aging analysis of trade payables presented based on the invoice date:

	2026	2025
	RM'000	*RM'000*
1–30 days	**1,181**	991
31–60 days	**1,122**	818
61–90 days	**602**	771
91–120 days	**178**	294
Over 120 days	**2**	2
	3,085	2,876

The average credit period on purchases of goods is 30 to 75 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The contract liabilities represent the payments received by the Group in advance of the performance of project works under the relevant contracts.

Contract liabilities arise if a particular payment exceeds the revenue recognised to date.

The Group classifies contract liabilities as current because the Group expected to settle them in its normal operating cycle.

Revenue from manufacturing and trading recognised during the year ended 31 May 2026 that was included in the contract liabilities at the beginning of the year amounted to RM1,583,000 (2025: RM1,126,000).

12. SHARE CAPITAL

		Number of shares	Par value	Share capital	
	Note	*'000*	*HK$*	*HK$'000*	*RM'000*
Authorised:					
At 1 June 2024		1,250,000	0.08	100,000	
Share consolidation	*(b)*	(1,125,000)	–	–	
At 31 May 2025, 1 June 2025 and 31 May 2026		125,000	0.80	100,000	
Issued and fully paid:					
At 31 May 2024 and 1 June 2024		136,264	0.08	10,901	6,028
Issue of subscription shares by newly allotted ordinary shares	*(a)*	27,253	0.08	2,180	1,237
Share consolidation	*(b)*	(147,165)	–	–	–
At 31 May 2025		16,352	0.80	13,081	7,265
Issue of subscription shares by newly allotted ordinary shares	*(c)*	216	0.80	173	90
At 31 May 2026		16,568	0.8	13,254	7,355

Notes:

(a) On 27 June 2024 (after trading hours), the Company entered into a subscription agreement with the subscriber, pursuant to which the Company will allot and issue an aggregate of 27,252,720 subscription shares at the subscription price of HK$0.08 per share. The net proceeds from the subscription after deducting related professional fees and related expenses approximately HK$2,100,000 (equivalent to approximately RM1,192,000). The subscription was completed on 17 July 2024.

(b) On 2 August 2024, an ordinary resolution was passed on share consolidation ("**Share Consolidation**"). According to the resolution, every 10 issued and unissued existing shares of par value HK$0.08 each in the share capital of the Company would be consolidated into 1 consolidated share of par value HK$0.8 each ("**Consolidated Share**")and authorised shares from 1,125,000 to 125,000. The Share Consolidation became effective on 6 August 2024.

(c) On 11 December 2025 in accordance with the terms and conditions of the subscription agreement. An aggregate of 216,000 Shares, representing (i) approximately 1.32% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 1.30% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares, have been allotted and issued to the Subscriber at the subscription price of HK$19.63 per subscription share.

All ordinary shares issued during the year rank pari passu with the then existing ordinary shares in all respects.

Pursuant to the written resolutions passed by the shareholders of the Company on 27 June 2017, the Company has conditionally adopted a share option scheme.

The share option scheme will be valid and effective for a period of ten years from the date of the adoption of the scheme by equity settlement. 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. 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 option was granted as at the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group manufactures and sells precast concrete telecommunication junction boxes and precast concrete electrical junction boxes under our brand of “Target” in Malaysia. 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 the approved supplier of various notable telecommunication companies such as Celcom Axiata Berhad and Telekom Malaysia (“**Telekom**”) since 2008 and the registered supplier of Tenaga National Bhd. (“**TNB**”), the sole electric utility company, in Malaysia since 2012. Hence, the Group’s precast concrete junction boxes are used in infrastructure or construction projects involving telecommunication companies and TNB.

For the year ended 31 May 2026, the revenue of the Group increased by approximately 9.43%, the increase is mainly due to the increase in the revenue of the manufacturing and trading of precast concrete junction boxes business.

Moreover, other factors which include labour shortage and dependency on foreign workers, and the rising production and transportation costs have exerted pressure on the Group’s business operations. Nevertheless, the Group remains cautiously optimistic about the overall business prospects.

FINANCIAL REVIEW

Revenue

The revenue increased from approximately RM31.6 million for the year ended 31 May 2025 to approximately RM34.5 million for the year ended 31 May 2026, representing an increase of approximately 9.43%. Such increase was mainly due to the increase in the revenue generated from the manufacturing and trading of precast concrete junction boxes business.

For the manufacturing and trading of precast concrete junctions boxes business, the revenue increased by approximately 10.24%, from approximately RM29.5 million for the year ended 31 May 2025 to approximately RM32.5 million for the year ended 31 May 2026. The increase was mainly due to the increase demand for precast junction boxes as data centres are setting up in Johor and Selangor as well as the speeding up of railway projects in Selangor.

For the other building materials and services business, the revenue increased by approximately 11.70%, from approximately RM1.8 million for the year ended 31 May 2025 to approximately RM1.9 million for the year ended 31 May 2026. The increase was mainly due to the increase in transportation income in association with the increase in sales of precast junction boxes.

For the e-commerce platform business, it contributed approximately RM81,000 in revenue.

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; and (iv) crane hiring costs. The cost of sales slightly increased from approximately RM22.2 million for the year ended 31 May 2025 to approximately RM24.4 million for the year ended 31 May 2026, representing an increase of approximately 10.00% which is in line with the increase in revenue.

The total cost of sales from the manufacturing and sale of precast concrete junction boxes increased from approximately RM20.7 million for the year ended 31 May 2025 to approximately RM22.8 million for the year ended 31 May 2026, representing an increase of approximately of 10.48%.

The Gross Profit increased from approximately RM9.4 million for the year ended 31 May 2025 to approximately RM10.1 million for the year ended 31 May 2026. The increase is consistent with the increase in revenue.

Administrative expenses

Administrative expenses of the Group increased by approximately RM1.8 million or 33.02% from approximately RM5.5 million for the year ended 31 May 2025 to approximately RM7.4 million for the year ended 31 May 2026.

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 in administrative expenses is mainly due to the amortisation in intangible assets and unrealised loss on foreign exchange.

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately RM0.8 million or 43.89% from approximately RM1.9 million for the year ended 31 May 2025 to approximately RM2.7 million for the year ended 31 May 2026. The increase is mainly attributable to the increase in bonus, commission, entertainment and travelling expenses.

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.

Profit for the year

The Group recorded a net loss of approximately RM1,927,000 for the year ended 31 May 2026 (2025: a net profit of approximately RM82,000) due to the net effect of (i) the increase in revenue for the year ended 31 May 2026; (ii) the increase in cost of sales for the year ended 31 May 2026; (iii) the increase in administrative and selling expenses for the year ended 31 May 2026; (iv) the impairment loss of investment in an associate and (v) the share of results of an associate for the year ended 31 May 2026.

PRINCIPAL RISK AND UNCERTAINTIES

Operational risk

The Group's operation is subject to general economic and market risks which may affect the competition and profitability of construction projects. The Group's key risk exposures are summarised as follows:

(a) Fluctuation in the prices of our major raw materials may have adverse impacts on the Group's financial results;

(b) The Group's revenue is mainly derived from the manufacturing and sale of precast concrete junction boxes to its customers for infrastructure upgrades and expansion work for construction projects, which are non-recurrent in nature and there is no guarantee that the customers will place new business purchase orders; and

(c) The Group's cash flow position may deteriorate due to a mismatch between the time of receipt of payments from its customers and payments to its suppliers if the Group is unable to manage its cash flow mismatch properly.

For other risks and uncertainties facing the Group, please refer to the section headed "Risks Factors" in the prospectus of the Group dated 6 July 2017 (the "**Prospectus**").

Financial risks

As a manufacturer of precast concrete junction boxes, the Group has to purchase raw materials from its suppliers from time to time based on its procurement policy. The Group relies on cash inflow from its customers to meet its payment obligations to our suppliers. The Group's cash inflow is dependent on the prompt settlement of its payments. As at 31 May 2026, the Group recorded trade receivables amounting to approximately RM4.3 million, the number of trade receivables turnover days was approximately 52 days which exceeded the credit period stipulated on the Group's service agreements with its customers with average trade payable turnover days of approximately 49 days. The Group is exposed to credit risk and liquidity risk.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 May 2026, the Group's cash and cash equivalents was approximately RM24.2 million (31 May 2025: approximately RM22.7 million).

As at 31 May 2026, the Group has no borrowings (31 May 2025: Nil).

As at 31 May 2026, the Group's current ratio was 2.06 (31 May 2025: 2.71), which is calculated based on the total current assets divided by the total current liabilities. The gearing ratio was Nil as at 31 May 2026 and 31 May 2025, which is calculated based on the total interest-bearing loans divided by the total equity.

As at 31 May 2025 and 31 May 2026, the Group had no bank borrowings. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the year. The share capital of the Group only comprises of ordinary shares.

As at 31 May 2026, the share capital and equity attributable to owners of equity of the Company amounted to approximately RM7.3 million and approximately RM29.1 million respectively (31 May 2025: RM7.3 million and RM29.4 million respectively).

CAPITAL COMMITMENTS

As at 31 May 2026, the Group has no capital commitments in respect of the acquisition of property, plant and equipment (31 May 2025: approximately RM0.5 million).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Since a substantial amount of income and profit of our Group is denominated in Malaysian Ringgit ("**RM**"), any fluctuations in the value of RM may adversely affect the amount of dividends, if any, payable in HKD 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 HKD, 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.

CHARGE OVER ASSETS OF THE GROUP

As at 31 May 2026, the Group had bank deposits pledged with banks totalling approximately RM1.2 million (31 May 2025: approximately RM1.2 million). These deposits were to secure general banking facilities granted to the Group.

SIGNIFICANT INVESTMENTS HELD

As at 31 May 2026, the Company did not have any significant investments held.

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

There were no material acquisitions and disposals of subsidiaries and affiliated companies during the year ended 31 May 2026.

On 12 June 2026 (after trading hours), Kien Heng Hong Ginseng Sdn. Bhd. (the "**Vendor**"), accepted a legal binding offer made by Target Precast Industries Sdn. Bhd. (the "**Purchaser**"), an indirect wholly owned subsidiary of the Company, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Land at the Consideration of RM24,000,000 (the "**Acquisition**").

On 10 July 2026, the sale and purchase agreement was entered into among the Purchaser and the Vendor in respect of the Acquisition.

Details of which are set out in Company's announcement and circular dated 12 July 2026 and 23 July 2026 respectively. Shareholders of the Company have approved the Acquisition on 12 August 2026.

Save for disclosed above, there is no specific future plan for material investments or capital assets as at the date of the report.

USE OF PROCEEDS FROM THE SHARE OFFER

The shares of the Company were listed on 19 July 2017 (the "**Listing Date**") on the GEM by a way of a public offer and placing (collectively as the "**Share Offer**") (the "**Listing**"). The net proceeds received by the Company from the Share Offer, after deducting underwriting fees and other expenses, were approximately HK$29.6 million.

The net proceeds from the Listing have not been fully utilized up to the year ended 31 May 2026 in accordance with the expected timeline set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As disclosed in the Company's announcement dated on 2 May 2024, having considered the latest business environment and development needs of the Group, the Board had resolved to change the use of unutilised proceeds from the Share Offer.

The following table sets out the net proceeds from the Share Offer, the reallocated unutilised proceeds and the utilised amount up to the year ended 31 May 2026.

	Reallocated unutilised proceeds as at 2 May 2024	Utilised amount after reallocation up to 31 May 2025	Unutilised proceeds up to 31 May 2025	Actual use of net proceeds from 1 June 2025 to 31 May 2026	Reallocated unutilised proceeds as at 31 May 2026	Expected timeframe for intended use
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*		
A. Recruiting new staffs *(note b)*	0.8	(0.8)	–	–	–	
B. Acquisition of land use right of the Land in Selangor, Malaysia	13.2	(13.2)	–	–	–	
C. Development cost of self-used factory on the Land and purchase of equipment and fixtures	3.4	–	3.4	(0.1)	3.3	Intended to use up the remaining fund by 31 May 2027
	17.4	(14.0)	3.4	(0.1)	3.3	

Notes:

(a) The unused Listing proceeds have been deposited in licensed banks in Malaysia and Hong Kong.

(b) The funds have been utilized on recruiting and salaries of staffs for the expansion and renovation works.

As at the date of this announcement, the Directors do not anticipate any change to the plan as to the use of proceeds.

CONTINGENT LIABILITIES

As at 31 May 2025 and 31 May 2026, the Group had no material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 May 2026, we had 72 employees who are located in Malaysia, the Hong Kong Special Administrative Region and the PRC. The Group generally recruits employees from the open market by placing recruitment advertisements. The Group entered into individual labour contracts with each of the employees in accordance with the applicable labour laws of Malaysia, the Hong Kong Special Administrative Region and the PRC, which cover matters such as wages, employee benefits and grounds for termination. The remuneration package that the Group offers to the employees includes salary, bonuses, allowances and medical benefits. In general, the Group determines a Director's and an employee's salary based on the Director's and the employee's qualifications, experience and capability and the prevailing market remuneration rate. The Group has designed a review system to assess the performance of our employees once a year, which forms the basis of our decisions with respect to salary adjustments, bonuses and promotions. The long term incentive scheme of the Group include a share option scheme.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately)	Proposed use of net proceeds	Actual use of net proceeds
3 December 2025 (completed on 11 December 2025)	Subscription of news Shares under general mandate granted on 21 November 2025	HK$4.24 million	For general working capital	Fully utilised as planned
27 June 2024 (completed on 17 July 2024)	Subscription of news Shares under general mandate granted on 22 November 2023	HK$2.10 million	For repayment of promissory note	Fully utilised as planned.

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 year ended 31 May 2026.

DIRECTORS' 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 enquiry of all the Directors and all Directors confirmed that they have complied with the required standards of dealings and the code of conduct regarding securities transactions by the Directors for the year ended 31 May 2026.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year and at any time during the year ended 31 May 2026.

COMPETING BUSINESS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at 31 May 2026, none of the Directors, nor the controlling shareholders of the Company and any of their respective close associates has any interest in a business which competes or likely to compete, either directly or indirectly, with the business of the Group.

DEED OF NON-COMPETITION

The controlling shareholders, namely Mr. Loh Swee Keong and the company through which he holds equity interests in the Company, namely Merchant World Investments Limited, have entered into a Deed of Non-Competition with the Company on 27 June 2017. The details of the Deed of Non-Competition have been disclosed in the Prospectus.

The controlling shareholders have confirmed with the Company that they had complied with the non-competition undertakings during the year ended 31 May 2026. The Directors (including the Independent Non-executive Directors) have reviewed and confirmed the compliance with the non-competition undertaking by the controlling shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this announcement, there is sufficient public float or not less than 25% of the Shares are in the hands of the public as required under the GEM Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG Code provision A.2.1 stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. 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 circumstance.

CORPORATE GOVERNANCE PRACTICES

The Board and the senior management of the Group is committed to achieve a high standard of corporate governance, to formulate good corporate governance practices for improving the accountability and transparency in operations, and to strengthen the internal control and risk management systems from time to time so as to protect the rights of the shareholders and enhance shareholder value. The Directors consider that good corporate governance provides a framework that is crucial for effective management, successful business growth and a healthy corporate culture which in return benefits the Group's stakeholders as a whole.

The Board has adopted and save as disclosed in the following paragraph complied with the principles and code provisions set out in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. The Directors will continue to review and monitor its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Group.

Under the code provision A.2.1 of the CG Code, the role of chairman and chief executive 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 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 circumstance.

Save as disclosed above, during the year in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Company recognised its responsibility to protect the environment from its business activities. The Company is committed to the sustainable development of the environment and our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental practices to ensure our business meet the required standards and ethics in respect of environmental protection.

RELATIONSHIPS WITH STAKEHOLDERS

The Group recognises that our employees, customers and suppliers are key stakeholders to the Group's success. The Group strive to achieve corporate sustainability through engaging employees, providing quality products and services to our customers, collaborating with suppliers to deliver quality sustainable products and services and supporting our community.

SUBSEQUENT EVENTS AFTER REPORTING PERIOD

On 12 June 2026 (after trading hours), Kien Heng Hong Ginseng Sdn. Bhd. (the "**Vendor**"), accepted a legal binding offer made by Target Precast Industries Sdn. Bhd. (the "**Purchaser**"), an indirect wholly owned subsidiary of the Company, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Land at the Consideration of RM24,000,000 (the "**Acquisition**").

On 10 July 2026, the sale and purchase agreement was entered into among the Purchaser and the Vendor in respect of the Acquisition.

Details of which are set out in Company's announcement and circular dated 12 July 2026 and 23 July 2026 respectively. Shareholders of the Company has approved the Acquisition on 12 August 2026.

RESULTS AND DIVIDENDS

The result of the Group for the year ended 31 May 2026 and the state of the affairs of the Group as at that date are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 2.

The Board does not recommend the payment of final dividend for the year ended 31 May 2026 (2025: Nil).

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

ANNUAL GENERAL MEETING

The forthcoming AGM ("**2026 AGM**") will be held on Friday, 20 November 2026. A circular containing the details of 2026 AGM and the notice of 2026 AGM and form of proxy accompanying thereto will be despatched to the Shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2026 AGM to be held on Friday, 20 November 2026, the register of members of the Company will be closed from Tuesday, 17 November 2026 to Friday, 20 November 2026, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2026 AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investors Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 November 2026.

AUDIT COMMITTEE

The Group established the Audit Committee on 27 June 2017 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 Audit Committee currently consists of three Independent Non-executive Directors namely, Mr. Yau Ka Hei, Mr. Ma, She Shing Albert and Ms. Yau Ka Ying. The chairman of the Audit Committee is Mr. Yau Ka Hei.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.sktargetgroup.com. The 2026 annual report will also be published on the website of Stock Exchange at www.hkexnews.hk and the website of Company at www.sktargetgroup.com and will be despatched to the Shareholders in due course.

By order of the Board
WS-SK Target Group Limited
Loh Swee Keong
Chairman and Executive Director

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises one Executive Director, namely, Mr. Loh Swee Keong and three Independent Non-executive Directors, namely, Mr. Yau Ka Hei, Mr. Ma, She Shing Albert and Ms. Yau Ka Ying.

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.sktargetgroup.com.