

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

2023

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 & 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 & 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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。有意投資的人士應瞭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

Windward 3,
Regatta Office Park,
P.O. Box 1350,
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 1406-08, 14/F,
Austin Tower,
22-26 Austin Avenue,
Tsimshatsui, Kowloon, Hong Kong

EXECUTIVE DIRECTORS

Mr. Loh Swee Keong
(Chairman and Chief Executive Officer)

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

Windward 3,
Regatta Office Park,
P.O. Box 1350,
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

香港九龍尖沙咀
柯士甸路22-26號
好兆年行
14樓1406-08室

執行董事

Loh Swee Keong先生
(主席兼行政總裁)

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

Ocorian Trust (Cayman) Limited
Windward 3,
Regatta Office Park,
P.O. Box 1350,
Grand Cayman KY1-1108,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
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

Ocorian Trust (Cayman) Limited
Windward 3,
Regatta Office Park,
P.O. Box 1350,
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
夏慤道16號
遠東金融中心17樓

主要往來銀行

CIMB Bank Berhad
Public Bank Berhad

Corporate Information

公司資料

AUDITORS

Crowe (HK) CPA Limited
(resigned on 26 June 2023)

McMillan Woods (Hong Kong) CPA Limited
(appointed on 26 June 2023)

COMPANY'S WEBSITE ADDRESS

www.sktargetgroup.com

STOCK CODE

8427

核數師

國富浩華（香港）會計師事務所有限公司
（於二零二三年六月二十六日辭任）

長青（香港）會計師事務所有限公司
（於二零二三年六月二十六日獲委任）

公司網址

www.sktargetgroup.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 2023 together with the unaudited comparative figures for the corresponding period in 2022 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**」）截至二零二三年八月三十一日止三個月的未經審核簡明綜合業績以及二零二二年同期未經審核比較數字：

For the three months ended 31 August 2023 截至二零二三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	
			2023 二零二三年 RM'000 千令吉 (unaudited) (未經審核)	2022 二零二二年 RM'000 千令吉 (unaudited) (未經審核)
	Notes 附註			
Revenue	收入	3	7,228	9,125
Cost of sales	銷售成本		(5,354)	(7,038)
Gross profit	毛利		1,874	2,087
Other income	其他收入		233	358
Administrative expenses	行政開支		(1,182)	(1,707)
Selling and distribution expenses	銷售及分銷開支		(286)	(273)
Share of results of an associate	分佔一間聯營公司業績		47	—
Finance costs	融資成本	4	(35)	(15)
Profit before taxation	除稅前溢利		651	450
Taxation	稅項	5	(317)	(219)
Profit for the period	期內溢利		334	231

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

簡明綜合損益及其他全面收益表（未經審核）

		Three months ended 31 August	
		截至八月三十一日止三個月	
		2023	2022
		二零二三年	二零二二年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
		Notes	
		附註	
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益項目：		
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額		
		28	119
Total comprehensive income for the period	期內全面收益總額	362	350
Earnings per share	每股盈利		
Basic (RM cents)	基本（仙令吉）	8	0.20
		0.25	

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 2023 截至二零二三年八月三十一日止三個月

		Share capital	Share premium	Other reserve	Translation reserve	Retained profits/ (Accumulated loss) 保留溢利 / (累計虧損)	Total
		股本 RM'000 千令吉	股份溢價 RM'000 千令吉	其他儲備 RM'000 千令吉	匯兌儲備 RM'000 千令吉	(累計虧損) RM'000 千令吉	總計 RM'000 千令吉
At 31 May 2022 (audited)	於二零二二年 五月三十一日 (經審核)	4,501	27,228	8,579	(355)	(7,039)	32,914
Profit for the period	期內溢利	-	-	-	-	231	231
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	119	-	119
Total comprehensive income for the period	期內全面收益總額	-	-	-	119	231	350
Issue of placing shares by newly allotted ordinary shares	透過新配發普通股發行配售股份	937	831	-	-	-	1,768
At 31 August 2022 (unaudited)	於二零二二年 八月三十一日 (未經審核)	5,438	28,059	8,579	(236)	(6,808)	35,032
At 31 May 2023 (audited)	於二零二三年 五月三十一日 (經審核)	5,438	28,059	8,579	50	(6,951)	35,175
Profit for the period	期內溢利	-	-	-	-	334	334
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	28	-	28
Total comprehensive income for the period	期內全面收益總額	-	-	-	28	334	362
Issue of subscription shares by newly allotted ordinary shares	透過新配發普通股發行認購股份	590	15	-	-	-	605
At 31 August 2023 (unaudited)	於二零二三年 八月三十一日 (未經審核)	6,028	28,074	8,579	78	(6,617)	36,142

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三年八月三十一日止三個月

1. GENERAL INFORMATION

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 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 and sourcing service of materials and sales of health supplemental products 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

瑞強集團有限公司(「**本公司**」)於二零一六年十月二十八日於開曼群島註冊成立為有限公司，且其普通股已自二零一七年七月十九日起於香港聯合交易所有限公司GEM上市。註冊辦事處地址及主要營業地點分別為Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands 及18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia。

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物料採購服務及銷售保健產品。

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 2023 截至二零二三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 2023 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 2023, except for the new and revised IFRSs, which are effective for the financial year beginning on or after 1 June 2023. 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

本集團截至二零二三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二零二三年五月三十一日止年度的年報所採納者一致，惟於二零二三年六月一日或之後開始的財政年度生效的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 2023 截至二零二三年八月三十一日止三個月

Application of new and revised IFRSs

During the period, the Group has adopted all the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 June 2023. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's unaudited condensed consolidated financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial period beginning 1 June 2023. The Directors anticipate that the new and revised IFRSs will be adopted in the Group's unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

應用新訂及經修訂國際財務報告準則

於本期間，本集團已採納由國際會計準則理事會頒佈的所有新訂及經修訂國際財務報告準則，此等新訂及經修訂國際財務報告準則與其經營業務有關並於二零二三年六月一日開始的會計期間生效。採納此等新訂及經修訂國際財務報告準則並未導致本集團的會計政策、本集團未經審核簡明綜合財務報表的呈報以及當前會計期間及過往會計期間所呈報的金額產生重大變動。

本集團並未提前應用已於二零二三年六月一日開始的財政期間頒佈但尚未生效的新訂及經修訂國際財務報告準則。董事預期當新訂及經修訂國際財務報告準則生效時會於本集團未經審核簡明綜合財務報表採納。本集團正評估（倘適用）此等將在未來期間生效的所有新訂及經修訂國際財務報告準則的潛在影響，惟現階段未能評定此等新訂及經修訂的國際財務報告準則是否對其經營業績及財務狀況造成重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三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	
		2023 二零二三年 RM'000 千令吉 (unaudited) (未經審核)	2022 二零二二年 RM'000 千令吉 (unaudited) (未經審核)
Manufacturing and trading:	製造及貿易：		
Sales of manufactured goods	製成品銷售	6,865	6,636
Other building materials and services:	其他建築材料及服務：		
Sales of building materials	建築材料銷售	363	378
Sourcing services	採購服務	—	11
Sales of health supplement products	銷售保健產品	—	2,100
		7,228	9,125

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三年八月三十一日止三個月

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	
		2023	2022
		二零二三年	二零二二年
		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：		
Commitment fees	承諾費	2	3
Leased liabilities interest	租賃負債利息	8	12
Promissory note	承兌票據	25	–
		35	15

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三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	
		2023	2022
		二零二三年	二零二二年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Malaysia corporate income tax:	馬來西亞企業所得稅：		
Current period	當前期間	317	150
Hong Kong Profits Tax:	香港利得稅：		
Current period	當前期間	—	69
Deferred tax	遞延稅項	—	—
		317	219

Malaysia corporate income tax is calculated at the statutory tax rate of 24% (2022: 24%) 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24%（二零二二年：24%）計算。

Hong Kong Profits Tax is calculated at a rate of 16.5% (2022: 16.5%) of the estimated assessable profits for the period, 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 period ended 31 August 2023.

香港利得稅乃根據期內之估計應課稅溢利按16.5%（二零二二年：16.5%）之稅率計算，惟本集團一間附屬公司為利得稅兩級制下的合資格公司除外。就該附屬公司而言，首2,000,000港元的應課稅溢利按8.25%的稅率徵稅，其餘應課稅溢利則按16.5%的稅率徵稅。截至二零二三年八月三十一日止期間，該基準已應用於計算此附屬公司之香港利得稅撥備。

Hong Kong Profits Tax has not been provided for the period end 31 August 2023 as there is no assessable profits for the period ended 31 August 2023.

由於截至二零二三年八月三十一日止期間無應課稅溢利，故並無就截至二零二三年八月三十一日止期間計提香港利得稅撥備。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三年八月三十一日止三個月

6. PROFIT FOR THE PERIOD

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

6. 期內溢利

期內溢利於扣除／(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	
		2023 二零二三年 RM'000 千令吉 (unaudited) (未經審核)	2022 二零二二年 RM'000 千令吉 (unaudited) (未經審核)
Auditor remuneration	核數師薪酬	109	121
Cost of inventories recognised as an expense	確認為開支的存貨成本	3,836	5,481
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	878	972
– Contribution to EPF	– 僱員公積金供款	64	57
		942	1,029
Lease payments not included in the measurement of lease liabilities:	未計入計量租賃負債的租賃付款：		
Crane	起重機	3	1
Office equipment	辦公室設備	2	1
Depreciation on:	以下各項折舊：		
Property, plant and equipment	物業、廠房及設備	164	176
Investment property	投資物業	1	1
Right-of-use assets	使用權資產	142	154
Unrealised loss on foreign exchange	未變現匯兌虧損	73	180
Interest income	利息收入	(223)	(137)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三年八月三十一日止三個月

7. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 August 2023 (2022: Nil).

7. 股息

截至二零二三年八月三十一日止三個月，董事會並無建議派付股息（二零二二年：無）。

8. EARNINGS PER SHARE

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

8. 每股盈利

每股基本盈利乃根據下列數據計算：

		Three months ended 31 August	
		2023	2022
		二零二三年	二零二二年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Earnings for the purpose of calculating basic earnings per share:	用於計算每股基本盈利的盈利：		
Profit for the period attributable to the owners of the Company	本公司擁有人應佔期內溢利	334	231

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2023 截至二零二三年八月三十一日止三個月

		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 earnings per share	用於計算每股基本 盈利的普通股加權 平均數	134,537,459	115,572,717

No diluted earnings per share information has been presented for the periods ended 31 August 2022 and 31 August 2023 as the Company has no potential ordinary shares outstanding during both periods ended.

由於本公司於截至二零二二年八月三十一日及二零二三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盈利資料。

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 Nasional Bhd. (“**TNB**”), the only electric utility company, in Malaysia since 2012. Hence, the Group’s precast concrete junction boxes can be used in infrastructure or construction projects involving the telecommunication companies and TNB.

For the period ended 31 August 2023, the revenue of the Group decreased by approximately 20.79%, the decrease is mainly due to the decrease in the revenue of the sale of health supplement products business as a result of the change in direction of business strategy and management has dedicated more resources on developing manufacturing and trading of precast concrete junction boxes business following the recovery from COVID-19.

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 Nasional Bhd.（「**TNB**」，馬來西亞唯一的電力公用事業公司）的註冊供應商。因此，本集團的預製混凝土接線盒可用於涉及電信公司及TNB的基建或建築項目。

截至二零二三年八月三十一日止期間，本集團的收入減少約20.79%。該減少乃主要由於業務策略方向變動及管理層於COVID-19疫情復甦後投入更多資源發展預製混凝土接線盒的製造及貿易業務，導致銷售保健產品業務的收入減少。

Management Discussion and Analysis

管理層討論及分析

The Board always strives to improve Group's business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group's existing portfolio and broaden its source of income, and enhance value to the shareholders.

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately RM9.1 million for the three months ended 31 August 2022 to approximately RM7.2 million for the three months ended 31 August 2023, representing a decrease of approximately 20.79%. Such decrease was mainly due to the decrease in the revenue of the sale of health supplement products business as a result of the change in direction of business strategy and management has dedicated more resources on developing manufacturing and trading of precast concrete junction boxes business following the recovery from COVID-19.

For the manufacturing and trading of precast concrete junction boxes business, the revenue slightly increased by approximately 3.45%, from approximately RM6.6 million for the period ended 31 August 2022 to approximately RM6.9 million for the period ended 31 August 2023.

For the trading of accessories and pipes and the provision of mobile crane rental and ancillary services business, the revenue slightly decreased by approximately 3.97%, from approximately RM378,000 for the period ended 31 August 2022 to approximately RM363,000 for the period ended 31 August 2023. The decrease was mainly caused by intensive price competition which leads to low profit margin.

The sales of health supplements business and the sourcing services of materials business are temporary suspended due to change in direction of business strategy.

董事會一直致力透過積極尋求潛在投資機會以改善本集團之業務營運及財務狀況，從而多元化本集團之現有組合及擴闊其收入來源，並提升股東價值。

財務回顧

收入

收入由截至二零二二年八月三十一日止三個月的約9.1百萬令吉減少至截至二零二三年八月三十一日止三個月的約7.2百萬令吉，減少約20.79%。有關減少乃主要由於業務策略方向變動及管理層於COVID-19疫情復甦後投入更多資源發展預製混凝土接線盒的製造及貿易業務，導致銷售保健產品業務的收入減少。

就預製混凝土接線盒的製造及貿易業務而言，收入由截至二零二二年八月三十一日止期間的約6.6百萬令吉輕微增加約3.45%至截至二零二三年八月三十一日止期間的約6.9百萬令吉。

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，收入由截至二零二二年八月三十一日止期間的約378,000令吉輕微減少約3.97%至截至二零二三年八月三十一日止期間的約363,000令吉。該減少主要由於激烈價格競爭導致利潤率較低所致。

銷售保健產品業務及物料採購服務業務因業務策略方向變動而暫停。

Management Discussion and Analysis

管理層討論及分析

Cost of sales and Gross Profit

Costs of sales mainly consists of (i) cost of raw materials and trading products; (ii) manufacturing overheads; (iii) direct labour; and crane hiring costs. The cost of sales decrease from approximately RM7.0 million for the three months ended 31 August 2022 to approximately RM5.4 million for the three months ended 31 August 2023, representing a decrease of approximately 23.93%. Such change was mainly due to the decrease in revenue of the sale of health supplement products business due to change in direction of business strategy.

The gross profit decreased from approximately RM2.1 million for the three months ended 31 August 2022 to approximately a gross profit of RM1.9 million for the three months ended 31 August 2023.

Administrative expenses

Administrative expenses of the Group decreased by approximately RM0.5 million or 30.72% from approximately RM1.7 million for the three months ended 31 August 2022 to approximately RM1.2 million for the three months ended 31 August 2023 due to better control in expenses.

The Group's administrative expenses mainly consisted of salaries, welfare and other benefits, rent and rates, general office expenses, depreciation and professional service fees.

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；及起重機租用成本。銷售成本由截至二零二二年八月三十一日止三個月約7.0百萬令吉減少至截至二零二三年八月三十一日止三個月約5.4百萬令吉，減少約23.93%。有關變動乃主要由於業務策略方向變動導致銷售保健產品業務的收入減少所致。

毛利由截至二零二二年八月三十一日止三個月約2.1百萬令吉減少至截至二零二三年八月三十一日止三個月毛利約1.9百萬令吉。

行政開支

本集團的行政開支由截至二零二二年八月三十一日止三個月約1.7百萬令吉減少約0.5百萬令吉或30.72%至截至二零二三年八月三十一日止三個月約1.2百萬令吉，乃由於更有效控制開支所致。

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。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately RM13,000 or 4.76% from approximately RM273,000 for the three months ended 31 August 2022 to approximately RM286,000 for the three months ended 31 August 2023.

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 period

The Group recorded a net profit of approximately RM334,000 for the three months ended 31 August 2023 mainly due to the management is focusing on precast junction boxes with higher profit margin and better control in expense.

SIGNIFICANT INVESTMENTS HELD

During the three months ended 31 August 2023, the Company did not have any significant investments held.

銷售及分銷開支

本集團的銷售及分銷開支由截至二零二二年八月三十一日止三個月約273,000令吉增加約13,000令吉或4.76%至截至二零二三年八月三十一日止三個月約286,000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。

期內溢利

本集團於截至二零二三年八月三十一日止三個月錄得淨溢利約334,000令吉，乃主要由於管理層專注於利潤率較高的預製接線盒及更有效地控制開支。

所持有的重大投資

截至二零二三年八月三十一日止三個月，本公司並無持有任何重大投資。

Management Discussion and Analysis

管理層討論及分析

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 2023. There is no specific future plan for material investments or capital assets as at the date of this 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 period ended 31 August 2023 in accordance with the expected timeline set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The following table lists out the updated expected timeline of utilization of the net proceeds and the usage up to the period ended 31 August 2023.

重大收購及出售以及重大投資或資本資產計劃

截至二零二三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。

股份發售的所得款項用途

本公司股份於二零一七年七月十九日（「**上市日期**」）以公開發售及配售形式（統稱「**股份發售**」）於GEM上市（「**上市**」）。本公司自股份發售所收取的所得款項淨額（經扣除包銷費及其他開支）約為29.6百萬港元。

直至截至二零二三年八月三十一日止期間，上市所得款項淨額並未根據招股章程「未來計劃及所得款項用途」一節所載預期時間表獲悉數動用。

下表載列有關動用所得款項淨額的最新預期時間表及直至截至二零二三年八月三十一日止期間的使用情況。

Management Discussion and Analysis

管理層討論及分析

		Net proceeds from the Share Offer	Amount utilized from Listing Date to 31 May 2023 自上市日期至 二零二三年 五月三十一日 所動用的金額 HK\$ million 百萬港元	Amount utilized for the period ended 31 August 2023 截至 二零二三年八月 三十一日止期間 所動用的金額 HK\$ million 百萬港元	Unutilized balance up to 31 August 2023 直至 二零二三年 八月三十一日 的未動用結餘 HK\$ million 百萬港元	Expected timeframe for intended use 擬定用途的預期時間表
Expansion of production capacity through	透過以下方式擴大產能					
(i) expanding our Existing Selangor Plant (note b)	(i) 擴大現有雪蘭莪廠房 (附註b)	7.0	(5.6)	(0.4)	1.0	Intends to use up the remaining fund by end of 2023 擬於二零二三年年底前動用餘下資金
(ii) completing the establishment of our New Kulajaya Plant and (note b)	(ii) 完成新古來再也廠房的建設及 (附註b)	7.3	(2.3)	(0.1)	4.9	Intends to use up the remaining fund by end of 2023 擬於二零二三年年底前動用餘下資金
(iii) recruiting new staffs (note b)	(iii) 招聘新員工 (附註b)	2.6	(1.9)	(0.2)	0.5	Intends to use up the remaining fund by end of 2023 擬於二零二三年年底前動用餘下資金
Acquisition of a parcel of land in Southern Malaysia (note c)	收購於馬來西亞南部的地塊 (附註c)	8.4	—	—	8.4	Intends to use up the remaining fund by end of 2023 擬於二零二三年年底前動用餘下資金

Management Discussion and Analysis

管理層討論及分析

		Net proceeds from the Share Offer	Amount utilized from Listing Date to 31 May 2023 自上市日期至 二零二三年 五月三十一日 所動用的金額 HK\$ million 百萬港元	Amount utilized for the period ended 31 August 2023 截至 二零二三年八月 三十一日止期間 所動用的金額 HK\$ million 百萬港元	Unutilized balance up to 31 August 2023 二零二三年 八月三十一日 的未動用結餘 HK\$ million 百萬港元	Expected timeframe for intended use 擬定用途的預期時間表
Expansion of our business vertically in the supply chain of the precast concrete junction box industry through mergers and acquisitions (note c)	透過併購在預製混凝土接線盒行業的供應鏈垂直拓展我們的業務(附註c)	2.7	-	-	2.7	Intends to use up the remaining fund by end of 2023 擬於二零二三年年底前 動用餘下資金
Expansion of our sales and marketing team (note d)	擴大銷售及市場推廣 團隊(附註d)	0.8	(0.8)	-	-	
General working capital (note e)	一般營運資金(附註 e)	0.8	(0.8)	-	-	
Total	總計	29.6	(11.4)	(0.7)	17.5	

Management Discussion and Analysis

管理層討論及分析

Notes:

- (a) The unused Listing proceeds have been deposited in licensed banks in Malaysia and Hong Kong.
- (b) The funds have been used to purchase and upgrade some machineries and equipments. The funds also have been utilized on recruiting and salaries of staffs for the expansion and renovation works.
- (c) The Group is identifying acquisition target, if materialised, the Group will inform the shareholders as and when appropriate.
- (d) The funds have been fully utilized on recruiting and salaries of sales and marketing staffs.
- (e) The funds have been fully utilized as general working capital.

In view of the recovery of economy, the management of the Group is considering to expand the Group's production capacity and actively looking for suitable target. The Group will closely monitor both the internal and the external factors and will decide on the pace of expansion of our production capacity in due course. The Directors will constantly evaluate the Group's business objectives and will change or modify plans against the changing market conditions to ascertain the business growth of the Group.

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

附註：

- (a) 未動用的上市所得款項乃存置於馬來西亞及香港的持牌銀行。
- (b) 有關資金已用於若干機器及設備的購置與升級。有關資金亦已就擴建及翻修工程有關的員工招聘及薪資結付而動用。
- (c) 本集團正物色收購目標（倘落實），本集團將於適當時候知會股東。
- (d) 有關資金已就招聘銷售及市場推廣員工及結付其薪資而悉數動用。
- (e) 有關資金已悉數動用作為一般營運資金。

鑒於經濟復甦，本集團管理層正考慮擴大本集團的產能並積極尋找合適目標。本集團將密切監察國內及國外因素，並將於適時決定我們擴大產能的步速。董事將持續評估本集團的業務目標，並將根據不斷變化的市場情況變更或修訂計劃以確保本集團的業務增長。

於本報告日期，董事預計有關所得款項用途的計劃不會出現任何變動。

Management Discussion and Analysis

管理層討論及分析

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

As at 31 August 2023, 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

於二零二三年八月三十一日，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：

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of issued ordinary shares held/ interested	Approximate percentage of issued share capital of the Company 佔本公司 已發行股本 概約百分比
董事／主要行政人員姓名	身份／權益性質	所持／擁有權益之 已發行普通股數量	
Mr. Loh Swee Keong (Note 2)	Interest in controlled corporation	29,827,500 (L) (Note 1)	21.89%
Loh Swee Keong先生 (附註2)	受控制法團權益	(附註1)	

Management Discussion and Analysis

管理層討論及分析

Notes:

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

附註：

- (1) 英文字母(L)表示該人士於股份的好倉。
- (2) Merchant World Investments Limited為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。

Save for disclosed above, as at 31 August 2023, 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.

除上文所披露者外，於二零二三年八月三十一日，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。

Management Discussion and Analysis

管理層討論及分析

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

As at 31 August 2023, 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:

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

於二零二三年八月三十一日，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：

Ordinary Shares of the Company

本公司普通股

Name of Director/ Chief Executive 董事／主要行政人員 姓名／名稱	Capacity/ Nature of Interest 身份／權益性質	Number of shares held/ interested 所持／擁有權益 之股份數量	Approximate percentage of share holding 概約股權 百分比
Merchant World Investments Limited	Beneficial owner 實益擁有人	29,827,500 (L) (Note 1) (附註1)	21.89%
Ms. Woon Sow Sum (Note 2) Woon Sow Sum女士（附註2）	Interest of spouse 配偶權益	29,827,500 (L)	21.89%
Greater Elite Holdings Limited (Note 3) Greater Elite Holdings Limited (附註3)	Beneficial owner 實益擁有人	23,510,100 (L)	17.25%
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	23,510,100 (L)	17.25%
Ms. Cheng Lai Wah Christina (Note 4) 鄭麗華女士（附註4）	Interest of spouse 配偶權益	23,510,100 (L)	17.25%
Mr. Choy Sheung Ki Gary 蔡尚圻先生	Beneficial owner 實益擁有人	10,323,000 (L)	8.33%

Management Discussion and Analysis

管理層討論及分析

Notes:

- (1) The letter (L) denotes the person's long interest in the Shares.
- (2) 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.

附註：

- (1) 英文字母(L)表示該人士於股份的好倉。
- (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。

Management Discussion and Analysis

管理層討論及分析

Save for disclosed above, as at 31 August 2023, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHARGE ON GROUP'S ASSETS

As at 31 August 2023, the Group had bank deposits pledged with banks totalling approximately RM1.2 million (31 August 2022: approximately RM1.1 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 2023.

除上文所披露者外，於二零二三年八月三十一日，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。

本集團資產之抵押

於二零二三年八月三十一日，本集團抵押予銀行的銀行存款合共約為1.2百萬令吉（二零二二年八月三十一日：約1.1百萬令吉）。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

本集團於二零二三年八月三十一日概無或然負債。

Management Discussion and Analysis

管理層討論及分析

FUNDRAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately) 集資所得款項淨額 (約整)	Proposed use of net proceeds	Actual use of net proceeds
公佈日期	集資活動		所得款項淨額擬定用途	所得款項淨額實際用途
7 June 2023 (completed on 16 June 2023)	Subscription of news Shares under general mandate granted on 23 November 2022	HK\$1.02 million	For repayment of promissory note	Not yet utilized
二零二三年六月七日 (於二零二三年六月十六日完成)	根據於二零二二年十一月二十三日授出的一般授權認購新股份	1.02百萬港元	償還承兌票據	尚未動用

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.

本公司於過往十二個月內進行的集資活動

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。

Management Discussion and Analysis

管理層討論及分析

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

Save as disclosed above, for the three months ended 31 August 2023, 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, advisers, consultants of the Group.

The Company 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 adoption of the Scheme.

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。

除上文所披露者外，截至二零二三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、獨立非執行董事、顧問及諮詢人）提供額外獎勵。

於二零一七年六月二十七日，本公司採納購股權計劃，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。購股權計劃將由採納該計劃當日起計十年期間有效及生效。

Management Discussion and Analysis

管理層討論及分析

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

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

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

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

因根據購股權計劃及本公司任何其他購股權計劃已授出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。

於任何十二個月期間，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。

Management Discussion and Analysis

管理層討論及分析

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

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.

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。

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。

Management Discussion and Analysis

管理層討論及分析

During the three months ended 31 August 2023, 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 2023, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme of the Company.

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).

截至二零二三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。

於二零二三年八月三十一日，概無購股權根據本公司的購股權計劃獲授出、行使、失效或註銷。

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。

Management Discussion and Analysis

管理層討論及分析

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and all Directors confirmed that they have complied with the required standards of dealings regarding securities transactions by the Directors during the three months ended 31 August 2023 and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the three months ended 31 August 2023.

DIRECTOR'S INTEREST OF COMPETING BUSINESS

During the three months ended 31 August 2023, 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.

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二零二三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。

購買、出售或贖回上市證券

截至二零二三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

截至二零二三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衝突。

Management Discussion and Analysis

管理層討論及分析

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 ended 31 August 2023 and is of the opinion that such statements complied with applicable standards, the GEM Listing Rules and that adequate disclosure had been made.

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

Hong Kong, 13 October 2023

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

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二零二三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。

承董事會命
瑞強集團有限公司
主席
Loh Swee Keong

香港，二零二三年十月十三日

於本報告日期，董事會包括一名執行董事，即Loh Swee Keong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。

The background is an abstract composition of various shades of green, ranging from light lime to deep forest green. It features a complex pattern of overlapping, sharp, triangular and polygonal shapes that create a sense of depth and movement, resembling a stylized sunburst or a crystalline structure.

SK TARGET GROUP LIMITED
瑞強集團有限公司