

# **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

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Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “**Directors**”) of SK Target Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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」)創業板(「創業板」)的特色**

創業板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公司提供一個上市的市场。有意投資的人士應了解投資該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的較高風險及其他特色表示創業板較適合專業及其他老練投資者。

由於創業板上市公司新興的性質所然，在創業板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，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告乃遵照香港聯合交易所有限公司創業板證券上市規則(「**創業板上市規則**」)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份，亦無遺漏其他事項致使本報告所載任何陳述或本報告有所誤導。

# Corporate Information

## 公司資料

### REGISTERED OFFICE IN CAYMAN ISLANDS

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

### HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 2201–3, Tai Tung Building,  
8 Fleming Road, Wanchai,  
Hong Kong

### EXECUTIVE DIRECTORS

Mr. Loh Swee Keong (*Chairman and  
Chief Executive Officer*)  
Mr. Tan Cheng Siong

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau Ka Hei  
Mr. Chu Kin Ming  
Mr. Lee, Alexander Patrick

### COMPANY SECRETARY

Ms. Chau Wing Kei, CPA

### COMPLIANCE OFFICER

Mr. Tan Cheng Siong

### 開曼群島註冊辦事處

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

### 總部及馬來西亞主要營業地點

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

### 香港主要營業地點

香港  
灣仔菲林明道8號  
大同大廈2201–3室

### 執行董事

Loh Swee Keong 先生  
(*主席兼行政總裁*)  
Tan Cheng Siong 先生

### 獨立非執行董事

邱家禧先生  
朱健明先生  
李明鴻先生

### 公司秘書

周詠淇女士 · 執業會計師

### 合規主任

Tan Cheng Siong 先生

# Corporate Information

## 公司資料

### AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)  
Mr. Yau Ka Hei  
Mr. Lee, Alexander Patrick

### REMUNERATION COMMITTEE

Mr. Yau Ka Hei (*Chairman*)  
Mr. Tan Cheng Siong  
Mr. Chu Kin Ming

### NOMINATION COMMITTEE

Mr. Loh Swee Keong (*Chairman*)  
Mr. Yau Ka Hei  
Mr. Lee, Alexander Patrick

### AUTHORIZED REPRESENTATIVE

Mr. Loh Swee Keong  
Ms. Chau Wing Kei, *CPA*

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### PRINCIPAL BANKER

CIMB Bank Berhad  
Public Bank Berhad

### 審核委員會

朱健明先生 (*主席*)  
邱家禧先生  
李明鴻先生

### 薪酬委員會

邱家禧先生 (*主席*)  
Tan Cheng Siong 先生  
朱健明先生

### 提名委員會

Loh Swee Keong 先生 (*主席*)  
邱家禧先生  
李明鴻先生

### 授權代表

Loh Swee Keong 先生  
周詠淇女士，*執業會計師*

### 開曼群島股份過戶登記總處

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

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東 183 號  
合和中心 22 樓

### 主要往來銀行

CIMB Bank Berhad  
Public Bank Berhad

# Corporate Information

## 公司資料

### COMPLIANCE ADVISER

RHB Capital Hong Kong Limited

### AUDITORS

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

### LEGAL ADVISERS

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

### COMPANY'S WEBSITE ADDRESS

[www.targetprecast.com](http://www.targetprecast.com)

### STOCK CODE

8427

### 合規顧問

興業金融融資有限公司

### 核數師

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

### 法律顧問

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

### 公司網址

[www.targetprecast.com](http://www.targetprecast.com)

### 股份代號

8427

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

## 簡明綜合損益及其他全面收益表 (未經審核)

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 August 2017 together with the unaudited comparative figures for the corresponding period in 2016 as follows:

本公司董事會(「**董事會**」)欣然提呈以下本公司及其附屬公司(統稱「**本集團**」)截至二零一七年八月三十一日止三個月的未經審核簡明綜合業績以及二零一六年同期未經審核比較數字：

For the three months ended 31 August 2017 截至二零一七年八月三十一日止三個月

		<b>Three months ended 31 August</b>	
		截至八月三十一日止三個月	
		2017	2016
		二零一七年	二零一六年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Revenue	收入	<b>7,498</b>	8,856
Cost of sales	銷售成本	<b>(5,226)</b>	(6,022)
Gross profit	毛利	<b>2,272</b>	2,834
Other income	其他收入	<b>51</b>	48
Administrative expenses	行政開支	<b>(1,376)</b>	(474)
Selling and distribution expenses	銷售及分銷開支	<b>(287)</b>	(317)
Listing expenses	上市開支	<b>(1,574)</b>	-
Finance costs	融資成本	<b>(10)</b>	(15)
Fair value change of financial assets at fair value through profit or loss	按公平價值計入損益的金融資產的公平價值變動	-	13
(Loss)/Profit before taxation	除稅前(虧損)/溢利	<b>(924)</b>	2,089
Taxation	稅項	<b>(334)</b>	(525)
(Loss)/Profit and total comprehensive (loss)/income for the period	期內(虧損)/溢利及全面(虧損)/收益總額	<b>(1,258)</b>	1,564
(Loss)/Earnings per share — Basic	每股(虧損)/盈利 — 基本		
(RM cents)	(仙令吉)	<b>(0.24)</b>	0.49

# 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 2017 截至二零一七年八月三十一日止三個月

		Share capital	Share premium	Special reserve	Other reserve	Accumulated profits	Total
		股本	股份溢價	特別儲備	其他儲備	累計溢利	總計
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		千令吉	千令吉	千令吉	千令吉	千令吉	千令吉
At 31 May 2016 (audited)	於二零一六年 五月三十一日 (經審核)	-	-	-	570	11,013	11,583
Profit and total comprehensive income for the period	期內溢利及全面 收益總額	-	-	-	-	1,563	1,563
At 31 August 2016 (unaudited)	於二零一六年 八月三十一日 (未經審核)	-	-	-	570	12,576	13,146
At 31 May 2017 (audited)	於二零一七年 五月三十一日 (經審核)	-	-	-	8,579	9,904	18,483
Profit/loss and total comprehensive income/expense for the period	期內溢利/虧損 及全面收益/ 開支總額	-	-	-	-	(1,258)	(1,258)
Capitalisation issue	資本化發行	2,400	(2,400)	-	-	-	-
Placing and offer of shares	配售及發售股份	982	26,511	-	-	-	27,493
Transaction costs attributable to issue of shares	發行股份應佔 交易成本	-	(3,895)	-	-	-	(3,895)
At 31 August 2017 (unaudited)	於二零一七年 八月三十一日 (未經審核)	3,382	20,216	-	8,579	8,646	40,823

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months ended 31 August 2017 截至二零一七年八月三十一日止三個月

### 1. GENERAL INFORMATION

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

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 owned 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.

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

### 1. 一般資料

本公司為於開曼群島註冊成立的公眾有限公司，其股份已自二零一七年七月十九日起於聯交所創業板上市。本公司於二零一六年十月二十八日在開曼群島註冊成立為一家私人有限公司。本公司於開曼群島的註冊辦事處地址以及總部及馬來西亞主要營業地點分別為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands及18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia。

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。

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 2017 截至二零一七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 2017 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 2017, except for the new and revised IFRSs. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

### 2. 編製及呈列基準

本集團截至二零一七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」)以及創業板上市規則的適用披露規定編製。

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

編製未經審核簡明綜合財務報表所應用的編製基準及會計政策與截至二零一七年五月三十一日止年度的年報所應用者一致，惟新訂及經修訂國際財務報告準則除外。簡明綜合財務報表乃未經審核，但已由本公司審核委員會審閱。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months ended 31 August 2017 截至二零一七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	
		2017 二零一七年 RM'000 千令吉 (unaudited) (未經審核)	2016 二零一六年 RM'000 千令吉 (unaudited) (未經審核)
Manufacturing and trading	製造及貿易	5,962	7,665
Other building materials and services	其他建築材料及服務	1,536	1,191
		<b>7,498</b>	<b>8,856</b>

### 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	
		2017 二零一七年 RM'000 千令吉 (unaudited) (未經審核)	2016 二零一六年 RM'000 千令吉 (unaudited) (未經審核)
Interest on finance leases	融資租賃利息	8	5
Interest on trust receipt loan	信託收據貸款利息	-	6
Interest on bank overdraft	銀行透支利息	2	4
Interest on term loan	定期貸款利息	-	-
		<b>10</b>	<b>15</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months ended 31 August 2017 截至二零一七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	
		2017	2016
		二零一七年	二零一六年
		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	本期間	334	498
Underprovision in prior periods	過往期間撥備不足	—	27
Deferred tax	遞延稅項	—	—
		<b>334</b>	<b>525</b>

Malaysia corporate income tax is calculated at the statutory tax rate on the estimated assessable profits.

馬來西亞企業所得稅就估計應課稅溢利按法定稅率計算。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months ended 31 August 2017 截至二零一七年八月三十一日止三個月

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

		Three months ended 31 August 截至八月三十一日止三個月	
		2017 二零一七年 RM'000 千令吉 (unaudited) (未經審核)	2016 二零一六年 RM'000 千令吉 (unaudited) (未經審核)
(Loss)/profit for the period has been arrived at after charging (crediting):	期內(虧損)/溢利於扣除(計入)以下各項後達致:		
Auditors' remuneration	核數師酬金	94	3
Cost of inventories recognised as an expense	確認為開支的存貨成本	3,522	3,914
Staff costs, excluding Directors' remuneration	員工成本, 不包括董事酬金		
— Salaries, wages and other benefits	— 薪金、工資及其他利益	899	749
— Contribution to EPF	— 僱員公積金供款	76	64
		975	813
Minimum lease payments on rented land	所租賃土地的最底租金付款	120	105
Minimum lease payments on rented crane	所租賃起重機的最底租金付款	27	20
Minimum lease payments on rental expenses	租金開支的最底租金付款	2	1
Depreciation of property, plant and equipment	物業、廠房及設備折舊	118	19
Depreciation of investment property	投資物業折舊	2	2
Bad debts written off/ (recovered)	已撇銷/(收回)壞賬	—	13
Rental income from investment property	投資物業租金收入	(1)	(5)
Interest income	利息收入	(6)	(17)
Unrealised gain on foreign exchange	未變現匯兌收益	(16)	—

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months ended 31 August 2017 截至二零一七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 2017 (2016: Nil).

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

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

### 7. 股息

截至二零一七年八月三十一日止三個月，董事會並無建議派付股息(二零一六年：無)。

### 8. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據下列數據計算：

		Three months ended 31 August 截至八月三十一日止三個月	
		2017 二零一七年 RM'000 千令吉 (unaudited) (未經審核)	2016 二零一六年 RM'000 千令吉 (unaudited) (未經審核)
(Loss)/Earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the period attributable to the owners	用於計算擁有人應佔期內每股(虧損)/溢利基本(虧損)/盈利的(虧損)/盈利	(1,258)	1,564
		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	用於計算每股基本(虧損)/盈利的普通股加權平均數	526,086,957	317,020,000

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months ended 31 August 2017 截至二零一七年八月三十一日止三個月

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

The weighted average number of ordinary shares for the purpose of calculating basic (loss) earnings per share for the three months ended 31 August 2017 and 2016, had been adjusted retrospectively assuming that the group reorganisation and the issue of shares upon capitalisation of the share premium account have been effective from 1 June 2016 and accordingly, the 317,020,000 ordinary shares of the Company which were in issue and outstanding immediately after the group reorganisation and share capitalisation were assumed to have been effective on 1 June 2016.

The calculation of the weighted average number of ordinary shares outstanding for the three months ended 31 August 2017 also include the effect of the share offer of 180,000,000 new ordinary shares on the Listing Date.

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

### 8. 每股(虧損)/盈利(續)

用於計算截至二零一七年及二零一六年八月三十一日止三個月每股基本(虧損)盈利的普通股加權平均數已作出追溯調整，並假設集團重組及於股份溢價賬資本化後發行股份自二零一七年六月一日起生效，據此，緊隨集團重組及股份資本化後已發行及發行在外的317,020,000股本公司普通股乃假設於二零一七年六月一日生效。

計算截至二零一七年八月三十一日止三個月發行在外的普通股加權平均數亦計及於上市日期股份發售180,000,000股新普通股的影響。

由於本公司於兩段期間並無發行在外的潛在普通股，故並無呈列當中任何一段期間的每股攤薄(虧損)/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 also engages in trading of accessories and pipes and provision of mobile crane rental and ancillary services in Malaysia (the "**Other building material and service business**").

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

For the three months ended 31 August 2017, the revenue of the Group decreased by approximately 15.3% due to decrease in the revenue generated from the Manufacturing and trading business. For the Manufacturing and trading business, the drop in sales was mainly due to the fact that the permit approval of several infrastructure upgrade projects, which were expected to take place in July and August 2017, were postponed due to the South East Asian Games ("**SEA Games**") and as such the delivery for junction boxes were delayed. It is expected that the delivery will be completed in the current financial year.

### 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。它們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。本集團亦於馬來西亞從事配件及管道貿易以及提供移動式起重機租賃及配套服務（「**其他建築材料及服務業務**」）。

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

截至二零一七年八月三十一日止三個月，本集團的收入減少約15.3%，此乃由於製造及貿易業務所產生的收入減少。就製造及貿易業務而言，銷售下跌主要由於預期於二零一七年七月及八月進行的若干基建提升項目的許可批文因東南亞運動會（「**東南亞運動會**」）而延遲發出，因此導致延遲付運接線盒。本集團預期將於本財政年度完成有關付運。

# Management Discussion and Analysis

## 管理層討論及分析

For the Other building material and service business, the slight increase in revenue was mainly attributable to the increase in sales of scrap iron.

Looking forward, the Directors consider that the future opportunities and challenges facing by the Group will largely depend on the construction works for utilities infrastructure and new development area construction. The Directors are of the view that the continued government interest and investment to expand power distribution, telecommunication, civil infrastructures coupled with the development of new commercial, industrial, and residential areas remains the key drivers and opportunities for the precast concrete telecommunication junction box and electrical junction box manufacturing industry in Malaysia. On the other hand, the Company's wholly-owned subsidiary, namely Target Precast Industries Sdn Bhd entered into a legally-binding Letter of Award with Telekom in respect of the supply and delivery of concrete junction boxes and junction box covers for a term of three years from 1 January 2017 to 31 December 2019. The formal agreement in this respect had been signed and returned to the Group as 1 August 2017 (the "**Formal Agreement**"). The Directors expect that the growth of the Group will be sustained by the Formal Agreement because it is the first agreement entered directly between the Group and Telekom without the involvement of contractors or subcontractors, therefore it allows the Group to capture a higher profit margin in the sales of its precast concrete junction boxes.

## FINANCIAL REVIEW

### Revenue

The revenue decreased from approximately RM8.9 million for the three months ended 31 August 2016 to approximately RM7.5 million for the three months ended 31 August 2017, representing a decrease of approximately 15.3%. Such decrease was mainly due to the decrease in the revenue generated from the manufacturing and trading of precast junction boxes.

就其他建築材料及服務業務而言，收入輕微增加主要由於廢鐵銷售上升所致。

展望未來，董事認為，本集團所面對的日後機遇及挑戰很大程度上取決於公用事業基建及新發展地區建設的建造工程。董事認為，政府對於擴大配電、電信、民用基建的持續興趣和投資，加上新商業、工業及住宅地區的發展，仍然是馬來西亞預製混凝土電信接線盒及電力接線盒製造行業的主要動力和機遇。另一方面，本公司全資附屬公司Target Precast Industries Sdn Bhd就供應及交付混凝土接線盒及接線盒蓋與Telekom訂立具法律約束力的中標函，自二零一七年一月一日至二零一九年十二月三十一日為期三年。就此簽署的正式協議已於二零一七年八月一日交回本集團（「**正式協議**」）。董事預期，本集團的增長將由正式協議維持，原因為正式協議為本集團與Telekom之間直接訂立的首份協議，而當中並不涉及承包商或分包商，因此，本集團能在銷售預製混凝土接線盒方面奪得較高的溢利率。

## 財務回顧

### 收入

收入由截至二零一六年八月三十一日止三個月約8.9百萬令吉減少至截至二零一七年八月三十一日止三個月約7.5百萬令吉，跌幅約15.3%。有關減少乃主要由於製造及買賣預製接線盒所產生的收入減少所致。

# Management Discussion and Analysis

## 管理層討論及分析

The Group's revenue generated from the Manufacturing and trading business decreased by approximately 22.2%, from approximately RM7.7 million for the three months ended 31 August 2016 to approximately RM6.0 million for the three months ended 31 August 2017. The decrease was mainly caused by the postponement of permit approval by authority of several infrastructure upgrade projects, which were expected to take place in July and August 2017, due to the SEA Games and as such the delivery for junction boxes were delayed. It is expected that the delivery will be completed in the current financial year.

For the Other building material and service business, revenue increased by approximately 29.0% from approximately RM1.2 million for the three months ended 31 August 2016 to approximately RM1.5 million for the three months ended 31 August 2017, which was mainly attributable to the increase in sales of scrap iron.

### 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 decreased from approximately RM6.0 million for the three months ended 31 August 2016 to approximately RM5.2 million for the three months ended 31 August 2017, representing a decrease of approximately 13.2%. Such change was mainly attributable to the decrease in sale of precast concrete junction boxes for three months ended 31 August 2017.

The Gross Profit decreased from approximately RM2.8 million for the three months ended 31 August 2016 to approximately RM2.3 million for the three months ended 31 August 2017.

本集團的製造及貿易業務所產生的收入由截至二零一六年八月三十一日止三個月約7.7百萬令吉減少約22.2%至截至二零一七年八月三十一日止三個月約6.0百萬令吉。有關減少乃主要由於有關當局因東南亞運動會而延遲發出預期於二零一七年七月及八月進行的若干基建提升項目的許可批文，因此導致延遲付運接線盒。本集團預期將於本財政年度完成有關付運。

就其他建築材料及服務業務而言，收入由截至二零一六年八月三十一日止三個月約1.2百萬令吉增加約29.0%至截至二零一七年八月三十一日止三個月約1.5百萬令吉，主要由於廢鐵銷售上升所致。

### 銷售成本及毛利

銷售成本主要包括(i)原材料及貿易產品成本；(ii)製造費用；(iii)直接勞動；及(iv)起重機租用成本。銷售成本由截至二零一六年八月三十一日止三個月約6.0百萬令吉輕微減少至截至二零一七年八月三十一日止三個月約5.2百萬令吉，跌幅約13.2%。有關變動乃主要由於截至二零一七年八月三十一日止三個月的預製混凝土接線盒的銷售下跌。

毛利由截至二零一六年八月三十一日止三個月約2.8百萬令吉減少至截至二零一七年八月三十一日止三個月約2.3百萬令吉。



# Management Discussion and Analysis

## 管理層討論及分析

### Administrative expenses

Administrative expenses of the Group increased by approximately RM0.9 million or 190.3% from approximately RM0.5 million for the three months ended 31 August 2016 to approximately RM1.4 million for the three months ended 31 August 2017.

The Group's administrative expenses mainly consisted of salaries, welfare and other benefits, rent and rates, general office expenses, depreciation and professional service fees. The increase was mainly attributable to the increase in staff costs paid to Directors and staff due to business expansion and audit fee and other professional costs in relation to the compliance with the GEM Listing Rules during the period.

### Selling and distribution expenses

Selling and distribution expenses of the Group decreased slightly by approximately RM0.03 million or 9.5% from approximately RM0.32 million for the three months ended 31 August 2016 to approximately RM0.29 million for the three months ended 31 August 2017.

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

### 行政開支

本集團的行政開支由截至二零一六年八月三十一日止三個月約0.5百萬令吉增加約0.9百萬令吉或190.3%至截至二零一七年八月三十一日止三個月約1.4百萬令吉。

本集團的行政開支主要包括薪金、福利及其他福利、租金及差餉、一般辦公室開支、折舊及專業服務費。有關增加乃主要由於期內支付予董事及員工的員工成本增加，原因為業務擴展以及與遵循創業板上市規則有關的審計費用及其他專業費用。

### 銷售及分銷開支

本集團的銷售及分銷開支由截至二零一六年八月三十一日止三個月約0.32百萬令吉輕微減少約0.03百萬令吉或9.5%至截至二零一七年八月三十一日止三個月約0.29百萬令吉。

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新金、福利及其他福利以及差旅及娛樂開支。銷售及分銷開支輕微減少乃主要由於獎勵花紅及佣金減少與銷售下跌有關所致。

# Management Discussion and Analysis

## 管理層討論及分析

### Loss for the period

The Group recorded a net loss of approximately RM1.3 million for the three months ended 31 August 2017 due to the net effect of (i) a non-recurring Listing expenses of approximately RM1.6 million for its Listing exercise during the three months ended 31 August 2017; (ii) the increase in the administrative expenses incurred by the Group for the three months ended 31 August 2017; and (iii) the decrease in revenue of the Group for the three months ended 31 August 2017.

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

Save for the reorganization in relation to the listing of the shares of the Company, there were no significant investment held, nor other material acquisitions and disposals of subsidiaries and affiliated companies during the three months ended 31 August 2017. There is no future plan for material investments or capital assets as at the date of this report.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 August 2017, the Group's cash and cash equivalents was approximately RM29.1 million (31 August 2016: approximately RM4.6 million).

As at 31 August 2017, the Group's total borrowings were approximately RM0.5 million (31 August 2016: approximately RM0.5 million).

### 期內虧損

本集團於截至二零一七年八月三十一日止三個月錄得淨虧損約1.3百萬令吉，乃由於以下各項的淨影響所致：(i)截至二零一七年八月三十一日止三個月就籌備上市而產生的非經常性上市開支約1.6百萬令吉；(ii)截至二零一七年八月三十一日止三個月本集團產生的行政開支增加；及(iii)截至二零一七年八月三十一日止三個月本集團的收入減少。

### 重大投資、收購及出售以及重大投資或資本資產計劃

除就本公司股份上市而進行的重組外，於截至二零一七年八月三十一日止三個月，概無持有任何重大投資，或附屬公司及聯營公司的其他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未來計劃。

### 流動資金及財務資源

於二零一七年八月三十一日，本集團的現金及現金等價物約為29.1百萬令吉(二零一六年八月三十一日：約4.6百萬令吉)。

於二零一七年八月三十一日，本集團的借款總額約為0.5百萬令吉(二零一六年八月三十一日：約0.5百萬令吉)。

# Management Discussion and Analysis

## 管理層討論及分析

As at 31 August 2017, the Group's current ratio was 6.5 (31 August 2016: 3.6), which is calculated based on the total current assets divided by the total current liabilities. The gearing ratio was approximately 1.3% as at 31 August 2017 (31 August 2016: 4.1%), which is calculated based on the total interest-bearing loans divided by the total equity.

As at 31 August 2017, the Group had no bank borrowings (31 August 2016: approximately RM0.4 million). The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the period and multiplied by 100%, decreased from approximately 4.0% as at 31 August 2016 to approximately 1.3% as at 31 August 2017 due to repayment of all bank borrowings in full. The directors consider that 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.

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

As at 31 August 2017, 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:

於二零一七年八月三十一日，本集團的流動比率為6.5倍(二零一六年八月三十一日：3.6倍)，乃按總流動資產除以總流動負債計算。於二零一七年八月三十一日，資本負債比率約為1.3%(二零一六年八月三十一日：4.1%)，乃按總計息貸款除以權益總額計算。

於二零一七年八月三十一日，本集團並無銀行借款(二零一六年八月三十一日：約0.4百萬令吉)。資本負債比率乃按期末的借款總額除以權益總額再乘以100%計算，由二零一六年八月三十一日約4.0%減少至二零一七年八月三十一日約1.3%，原因為全部銀行借款已獲悉數償還。本集團的財務狀況穩健強大。董事認為，憑藉可用的銀行結餘以及現金及銀行信貸融資，本集團擁有充裕的流動資金以滿足其資金需要。

### **董事及主要行政人員於本公司及相聯法團的股份、相關股份及債權證的權益及淡倉**

於二零一七年八月三十一日，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條存置的登記冊的權益及淡倉，或(iii)根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準須知會本公司及聯交所的權益及淡倉如下：

# Management Discussion and Analysis

## 管理層討論及分析

### Ordinary Shares of the Company

### 本公司普通股

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of Shares	Percentage of the Company's issued share capital as at 31 August 2017 佔本公司於 二零一七年 八月三十一日 已發行股本 百分比
董事／主要行政人員姓名	身份／權益性質	股份數目	
Mr. Loh Swee Keong (Note 2) Loh Swee Keong 先生 (附註2)	Interest in controlled corporation 受控制法團權益	317,020,000 (L) (Note 1) (附註1)	51.13%

#### 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先生被視為由Merchant World Investments Limited持有的全部股份中擁有權益。

Save for disclosed above, as at 31 August 2017, 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，於二零一七年八月三十一日，概無董事及本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及／或淡倉），或(ii)須記錄於本公司根據證券及期貨條例第352條存置的登記冊的任何權益或淡倉，或(iii)根據創業板上市規則第5.46條所述本公司董事進行交易的規定標準須知會本公司及聯交所的任何權益或淡倉。

# Management Discussion and Analysis

## 管理層討論及分析

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

As at 31 August 2017, the following persons (other than the Directors or chief executive of the Company) had interests and/or short positions in the shares and underlying shares of the Company which would fall to be disclosed of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under Section 336 and SFO were as follows:

### 主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零一七年八月三十一日，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益及／或淡倉，或須記錄於根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉如下：

### Ordinary Shares of the Company

### 本公司普通股

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of Shares	Percentage of the Company's issued share capital as at 31 August 2017 估二零一七年 八月三十一日 本公司 已發行股本 百分比
董事／主要行政人員 姓名／名稱	身份／權益性質	股份數目	
Merchant World Investments Limited	Beneficial owner	317,020,000 (L) (Note 1)	51.13%
Merchant World Investments Limited	實益擁有人	(附註1)	
Ms. Woon Sow Sum (Note 2) Woon Sow Sum 女士(附註2)	Interest of spouse 配偶權益	317,020,000 (L)	51.13%
Greater Elite Holdings Limited Greater Elite Holdings Limited	Beneficial owner 實益擁有人	122,980,000 (L)	19.84%
Mr. Law Fung Yuen Paul (Note 3) 羅鳳原先生(附註3)	Interest in controlled corporation 受控制法團權益	122,980,000 (L)	19.84%
Ms. Cheng Lai Wah Christina (Note 4) Cheng Lai Wah Christina 女士 (附註4)	Interest of spouse 配偶權益	122,980,000 (L)	19.84%

# 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.

Save for disclosed above, as at 31 August 2017, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

附註：

- (1) 英文字母(L)表示該人士於股份的好倉。
- (2) Woon Sow Sum女士為Loh Swee Keong先生的配偶，根據證券及期貨條例被視為或當作於Loh Swee Keong先生擁有權益的所有股份中擁有權益。
- (3) Greater Elite Holdings Limited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持有的全部股份中擁有權益。
- (4) Cheng Lai Wah Christina女士為羅鳳原先生的配偶，根據證券及期貨條例，彼被視為或當作於羅鳳原先生擁有權益的所有股份中擁有權益。

除上文所披露者外，於二零一七年八月三十一日，本公司並無得悉任何人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中，擁有或視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條條存置的登記冊的權益或淡倉。

# Management Discussion and Analysis

## 管理層討論及分析

### CHARGE ON GROUP'S ASSETS

The Group did not have any charge on its assets as at 31 August 2017 (2016: Nil).

### 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 at the balance sheet date.

### 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 should be clearly established.

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

Save as disclosed above, for the three months ended 31 August 2017, in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

### 本集團資產之抵押

於二零一七年八月三十一日，本集團並無抵押其任何資產（二零一六年：無）。

### 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，本集團面對之匯兌波動風險並不重大，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

本集團於資產負債表結算日概無或然負債。

### 企業管治常規

根據企業管治守則（「**企業管治守則**」）守則條文A.2.1，主席及行政總裁的職務應予區分，並不應由同一人士擔任。主席與行政總裁之間職務的分工應予清晰界定。

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

除上文所披露者外，截至二零一七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。



# Management Discussion and Analysis

## 管理層討論及分析

### SHARE OPTION SCHEME

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

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

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of shares 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.

### 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，本公司有條件採納購股權計劃，據此，董事會獲授權按其絕對酌情權，依照購股權計劃的條款，向合資格參與人士授出可認購本公司股份的購股權。購股權計劃將由授出購股權當日起計十年期間有效及生效。

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

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



# Management Discussion and Analysis

## 管理層討論及分析

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

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

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

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

授出購股權的要約必須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

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

### DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry 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 2017 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 2017.

### 董事收購股份或債權證的權利

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

### 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，其條款不遜於創業板上市規則第5.48至5.67條所載規定交易準則。本公司亦已向全體董事作出具體查詢，而全體董事確認彼等於截至二零一七年八月三十一日止三個月及截至本報告日期止一直遵守有關董事進行證券交易的規定交易準則。

### 購買、出售或贖回上市證券

截至二零一七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。

# Management Discussion and Analysis

## 管理層討論及分析

### DIRECTOR'S INTEREST OF COMPETING BUSINESS

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

### 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 primarily 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. Lee, Alexander Patrick. The chairman of the Audit Committee is Mr. Chu Kin Ming.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the three months 31 August 2017 and is of the opinion that such statements complied with applicable standards, the GEM Listing Rules and that adequate disclosure had been made.

### 董事於競爭業務的權益

董事確認，概無控股股東或董事及彼等各自的緊密聯繫人（定義見創業板上市規則）於本集團營運的業務外，現時或可能與本集團業務直接或間接競爭的任何業務中擁有任何權益。

### 審核委員會

本集團已成立審核委員會，並遵照創業板上市規則第5.28至5.33條及創業板上市規則附錄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管本公司的內部監控程序。

審核委員會目前由三名成員組成，即邱家禧先生、朱健明先生及李明鴻先生。審核委員會主席為朱健明先生。

審核委員會已審閱本集團採納的會計原則及政策以及本集團截至二零一七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創業板上市規則，且已作出足夠披露。

# Management Discussion and Analysis

## 管理層討論及分析

### INTEREST OF THE COMPLIANCE ADVISER

As notified by RHB Capital Hong Kong Limited (“**RHB Capital**”), compliance adviser of the Company, except for (i) RHB Capital’s participation as the sole sponsor in relation to the Listing; and (ii) the compliance adviser agreement entered into between the Company and RHB Capital dated 27 June 2017, neither RHB Capital nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of RHB Capital had any interest in the share capital of our Company or any member of our Group (including options or rights to subscribe for such securities, if any) which is required to be notified to our Company pursuant to Rule 6A.32 of the GEM Listing Rules as of 31 August 2017.

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

Hong Kong, 6 October 2017

*As at the date of this report, the Executive Directors are Mr. Loh Swee Keong and Mr. Tan Cheng Siong; the Independent Non-executive Directors are Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Lee, Alexander Patrick.*

### 合規顧問的權益

誠如本公司合規顧問興業金融融資有限公司(「**興業金融融資**」)告知，於二零一七年八月三十一日，除(i)興業金融融資作為獨家保薦人參與上市；及(ii)本公司與興業金融融資訂立日期為二零一七年六月二十七日的合規顧問協議外，興業金融融資、其任何緊密聯繫人(定義見創業板上市規則)及興業金融融資的董事或僱員概無於本公司或本集團任何成員公司的股本中，擁有根據創業板上市規則第6A.32條須知會本公司的任何權益，當中包括認購有關證券的購股權或權利(如有)。

承董事會命  
**瑞強集團有限公司**  
主席  
**Loh Swee Keong 先生**

香港，二零一七年十月六日

於本報告日期，執行董事為Loh Swee Keong先生及Tan Cheng Siong先生；獨立非執行董事為邱家禧先生、朱健明先生及李明鴻先生。