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## **SK TARGET GROUP LIMITED**

**瑞強集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8427)**

### **PROPOSED ISSUE OF NEW SHARES TO INDEPENDENT SUBSCRIBERS UNDER GENERAL MANDATE**

#### **THE SUBSCRIPTION AGREEMENTS**

On 4 March 2021 (after trading hours), the Company entered into the Subscription Agreements with the each of the Subscribers, pursuant to which the Company will allot and issue, and the Subscribers will subscribe for, an aggregate of 96,000,000 Subscription Shares at the Subscription Price.

The 96,000,000 Subscription Shares represent (i) approximately 13.95% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.24% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$960,000.

The Subscription Shares will be issued and allotted under the General Mandate.

The gross proceeds from the Subscription are expected to be HK\$4,992,000 (based on the Subscription Price of HK\$0.052 per Subscription Share). The net proceeds of the Subscription (after deducting related professional fees and related expenses) are expected to be approximately HK\$4,967,000 and the net Subscription Price per Subscription Share will be approximately HK\$0.0517. The Company intends to use the net proceeds from the Subscription as general working capital of the Group. The Directors consider that the Subscription will enable the Group to raise capital to strengthen its financial position during the outbreak of COVID-19 epidemic which apply continuous pressure on the Group's operation and broaden its shareholder base.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

On 4 March 2021 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers, pursuant to which the Company will allot and issue, and the Subscribers will subscribe for, an aggregate of 96,000,000 Subscription Shares at the Subscription Price.

Principal terms of the Subscription Agreements are set out below.

## **THE SUBSCRIPTION AGREEMENTS**

The Company entered into the Subscription Agreements, on principally the same terms, with each of the Subscribers, details are set out below.

Date: 4 March 2021 (after trading hours)

Parties: (i) the Company; and

(ii) the respective Subscribers

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Subscriber is an Independent Third Party as at the date of this announcement.

### **The Subscription Shares**

The 96,000,000 Subscription Shares represent (i) approximately 13.95% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 12.24% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$960,000.

The Subscription Shares to be allotted and issued shall rank pari passu in all respects among themselves and with all existing Shares in issue as at the date of the Completion.

### **The Subscription Price**

The Subscription Price of HK\$0.052 per Subscription Share represents:

- (i) a discount of approximately 14.75% to the closing price of HK\$0.061 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 18.75% to the average closing price of approximately HK\$0.064 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Subscription Agreements;

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers taking into account, among other things, the current market sentiment, the historical trading performance of the Shares, and the historical financial performance and business prospects of the Group. The Board considers that the terms of the Subscription Agreements (including the Subscription Price) are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Based on the Subscription Price of HK\$0.052 per Subscription Share and the 96,000,000 Subscription Shares to be allotted and issued to the Subscribers, the total subscription amount payable by the Subscribers to the Company pursuant to the Subscription Agreements amounts to HK\$4,992,000.

### **Conditions precedent of the Subscription Agreements**

Completion of the Subscription Agreements is conditional upon fulfilment of the following conditions:

- (i) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Subscription Shares; and
- (ii) the Subscription Agreements not having been terminated in accordance with its terms.

If the above conditions are not fulfilled by the Long Stop Date, the Subscription Agreements will be terminated forth with and cease to have any effect.

## **Representation of the Subscribers**

Pursuant to the Subscription Agreements, each of the Subscribers represents and warrants to the Company that he/she, and/or his/her associates are not existing Shareholders or connected persons of the Company or its associates and the issue of the Subscription Shares to the Subscribers shall not constitute a connected transaction (as defined in the GEM Listing Rules) or result in the Subscribers becoming connected persons of the Company, and that each of the Subscribers and/or his/her associates are and will, immediately after completion of the Subscription Agreements, be independent of and not acting in concert with (as defined in the Takeovers Code) any connected persons of the Company in relation to the control of the Company.

## **Completion**

Completion of the Subscription Agreements shall take place on the date falling on or before the tenth Business Day after the date on which all the relevant conditions precedent to the Subscription Agreements set out above have been fulfilled or waived (as the case may be) (or such other date as the respective Subscribers and the Company may agree in writing), and in any event not later than the Long Stop Date (or such later date as may be agreed by the respective Subscribers and the Company).

## **GENERAL MANDATE**

The Subscription Shares will be issued and allotted under the General Mandate. The General Mandate entitles the Directors to issue, allot and deal with up to 137,640,000 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to and including the date of this announcement, no Share have been allotted and issued pursuant to the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Subscription Shares and the allotment and issue of the Subscription Shares is not subject to the Shareholders' approval.

## **APPLICATION FOR LISTING**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## REASONS FOR THE SUBSCRIPTION AGREEMENTS AND USE OF PROCEEDS

The Group is principally engaged in manufacturing and trading of precast junction boxes, trading of accessories and pipes and provision of mobile crane rental and ancillary services in Malaysia, Japanese catering services, and sourcing services in Hong Kong.

The Directors consider that the Subscription will enable the Group to raise capital to strengthen its financial position during the outbreak of COVID-19 epidemic which apply continuous pressure on the Group's operation and broaden its shareholder base. The gross proceeds from the Subscription are expected to be HK\$4,992,000 (based on the Subscription Price of HK\$0.052 per Subscription Share). The net proceeds of the Subscription (after deducting related professional fees and related expenses) are expected to be approximately HK\$4,967,000 and the net Subscription Price per Subscription Share will be approximately HK\$0.0517. The Company intends to use the net proceeds from the Subscription as general working capital of the Group.

## EFFECT ON THE SHAREHOLDING STRUCTURE

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion (assuming no other change in the shareholding of the Company):

	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approximate. %</i>	<i>Number of Shares</i>	<i>Approximate. %</i>
Mr. Loh Swee Keong ( <i>Note 1</i> )	238,620,000	34.67	238,620,000	30.43
Greater Elite Holdings Limited	108,980,000	15.84	108,980,000	13.90
Mr. Fung Tak, Andrew and Mr. Fung Hong, Albert ( <i>Note 2</i> )	89,320,000	12.97	89,320,000	11.39
Subscribers	–	–	96,000,000	12.24
Other public Shareholders	251,280,000	36.52	251,280,000	32.04
<b>Total</b>	<b>688,200,000</b>	<b>100.00</b>	<b>784,200,000</b>	<b>100.00</b>

Notes:

1. These Shares are held by Merchant World Investments Limited, a company wholly owned by Mr. Loh Swee Keong, an executive Director and chief executive officer of the Company.
2. Mr. Fung Tak, Andrew is interested in 89,320,000 shares jointly with Mr. Fung Hong, Albert.

## **FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS**

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds to be raised (approximately)</b>	<b>Proposed use of net proceeds</b>	<b>Actual use of net proceeds</b>
17 April 2020, 20 April 2020 and 29 April 2020 (completed on 8 May 2020)	Subscription of new Shares under general mandate granted on 25 November 2019	HK\$8,500,000	For general working capital of the Group	Used as intended

Save for the fund raising activity disclosed above, the Company had not conducted any fund raising activities in the past 12 months immediately preceding the date of this announcement.

**Shareholders and potential investors should note that completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

“AGM”	the annual general meeting of the Company held on 25 November 2020
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Sunday) on which banks generally are open for business in Hong Kong

“Company”	SK Target Group Limited (stock code: 8427), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed and traded on the GEM of the Stock Exchange
“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and its connected persons
“Last Trading Day”	4 March 2021, being the last trading day of the Shares immediately prior to the entering into of the Subscription Agreements
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Long Stop Date”	31 March 2021
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Four individual investors procured by the Company to subscribe for Subscription Shares pursuant to the Subscription Agreements, and each a Subscriber
“Subscription”	the conditional subscription of the Subscription Shares by the Subscribers pursuant to the terms of the Subscription Agreements
“Subscription Agreements”	the respective conditional agreements dated 4 March 2021 entered into between the Company and each of the Subscribers in relation to the issue of the Subscription Shares to the respective Subscribers by the Company, and each a Subscription Agreement
“Subscription Price”	the subscription price of HK\$0.052 per Subscription Share
“Subscription Shares”	an aggregate of 96,000,000 new Shares to be allotted and issued to the Subscribers pursuant to the Subscription Agreements
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 4 March 2021



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

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

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the website of the Company at [www.targetprecast.com](http://www.targetprecast.com).*