

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



2017 Annual Report 年報

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

**GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**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.**

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 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。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。

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份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，就彼等深知及盡信，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。

# Contents

## 目錄

Our Milestones 我們的里程碑	2
Corporate Information 公司資料	3-4
Chairman's Statement 主席報告書	5-7
Management Discussion and Analysis 管理層討論及分析	8-16
Directors and Senior Management Profiles 董事及高級管理層簡介	17-24
Report of the Directors 董事會報告	25-37
Corporate Governance Report 企業管治報告	38-53
Independent Auditors' Report 獨立核數師報告	54-60
Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表	61
Consolidated Statement of Financial Position 綜合財務狀況表	62-63
Consolidated Statement of Changes in Equity 綜合權益變動表	64
Consolidated Statement of Cash Flows 綜合現金流量表	65-67
Notes to the Consolidated Financial Statements 綜合財務報表附註	68-127
Three Years Financial Summary 三年財務概要	128

## OUR MILESTONES 我們的里程碑

The Group had experienced a special year. The shares of SK Target Group Limited (the “Shares”) were successfully listed on the GEM Board of the Stock Exchange on 19 July 2017. The day that sets a new page on SK Target Group’s history.

本集團渡過別具意義的一年。瑞強集團有限公司的股份(「股份」)於2017年7月19日在聯交所創業板成功上市，為瑞強集團掀開歷史新一頁。



# CORPORATE INFORMATION

## 公司資料

### REGISTERED OFFICE IN CAYMAN ISLANDS

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

### 開曼群島註冊辦事處

P.O. Box 1350, 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

### 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

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### 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

### EXECUTIVE DIRECTORS

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

### 執行董事

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

### INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### 獨立非執行董事

邱家禧先生  
朱健明先生  
李明鴻先生

### COMPANY SECRETARY

Ms. Chau Wing Kei, CPA

### 公司秘書

周詠淇女士 · 執業會計師

### COMPLIANCE OFFICER

Mr. Tan Cheng Siong

### 合規主任

Tan Cheng Siong 先生

### AUDIT COMMITTEE

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

### 審核委員會

朱健明先生 (*主席*)  
邱家禧先生  
李明鴻先生

### REMUNERATION COMMITTEE

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

### 薪酬委員會

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

# CORPORATE INFORMATION

## 公司資料

### 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, 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

### COMPLIANCE ADVISER

RHB Capital Hong Kong Limited

### AUDITORS

Deloitte PLT (LLP0010145-LCA)  
Chartered Accountant (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

### 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, 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

### 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

# CHAIRMAN'S STATEMENT

## 主席報告書

Dear Shareholders,

I am pleased to present the annual results of SK Target Group Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 May 2017.

The Company was successfully listed on the GEM Board of the Stock Exchange on 19 July 2017 (the “**Listing Date**”). I would like to take this opportunity and thank the professional parties and our staffs involved in the listing.

### FINANCIAL REVIEW

For the year ended 31 May 2017, the revenue of the Group increased by approximately 0.9% as compared to the financial year ended 31 May 2016. The revenue generated from the manufacturing and trading of precast concrete junction boxes decreased by approximately 1.7% while the Building Material and Services Business Segment increased by approximately 19%.

### BUSINESS REVIEW

During the year ended 31 May 2017, the overall market condition of the precast concrete junction box industry (i.e. the industry in relation to the manufacturing of both precast concrete telecommunication junction box and precast concrete electrical junction box) in Malaysia was relatively stable and is expected to maintain steady growth in the coming years. Looking ahead to the coming years, although certain challenging factors such as labour shortages and dependency on foreign workers, and rising production and transportation costs may exert pressure on the Group's business operations, the Group remains cautiously optimistic about the overall business prospects.

To optimise the Group's competitive advantages, in the future, the Group intends to continue and to accelerate the implementation of its strategies, namely (i) expansion of the Group's production capacity to meet the increasing future demand for precast concrete junction boxes in Malaysia; (ii) expansion of the Group's business vertically by acquiring companies which manufacture junction box covers and other accessories in Malaysia; and (iii) diversification of the customer base for the Group's precast concrete telecommunication junction boxes and its precast concrete electrical junction boxes by penetrating its sales into other regions of Malaysia.

各位股東：

本人欣然提呈瑞強集團有限公司(「**本公司**」)及其附屬公司(統稱「**本集團**」)截至2017年5月31日止年度的全年業績。

本公司股份於2017年7月19日(「**上市日期**」)在聯交所創業板成功上市。本人謹藉此機會向參與上市之專業人士及我們的員工致以謝意。

### 財務回顧

截至2017年5月31日止年度，本集團收入較截至2016年5月31日止財政年度增加約0.9%。製造及買賣預製混凝土接線盒所得的收入減少約1.7%，而建築材料及服務業務分部的收入則增加約19%。

### 業務回顧

於截至2017年5月31日止年度，馬來西亞預製混凝土接線盒行業(即與製造預製混凝土電信接線盒及預製混凝土電力接線盒有關的行業)的整體市況相對穩定，並預期將於未來數年維持穩健增長。展望未來數年，儘管勞工短缺及依賴外勞以及生產及運輸成本上升等若干挑戰因素可能對本集團的業務營運施加壓力，本集團對整體業務前景仍保持審慎樂觀態度。

為提升本集團的競爭優勢，本集團日後擬持續及加快實行其策略，即(i)擴大本集團產能以滿足馬來西亞未來對預製混凝土接線盒持續增加的需求；(ii)透過收購在馬來西亞製造接線盒蓋及其他配件的公司垂直擴展本集團的業務；及(iii)透過將銷售滲透至馬來西亞其他地區，多元化擴展本集團預製混凝土電信接線盒及其預製混凝土電力接線盒的客戶基礎。

## CHAIRMAN'S STATEMENT

### 主席報告書

Following our successful listing on the GEM Board of the Stock Exchange in July 2017, the Group has established a strong capital platform which will be conducive to taking the Group's business to the next level.

#### PROSPECT

During the Year, the Company's wholly-owned subsidiary, namely Target Precast Industries Sdn Bhd ("**Target Precast**") entered into a legally-binding Letter of Award with Telekom Malaysia Berhad ("**Telekom**"), which is a leading telecommunication company in Malaysia with a history tracing back to 1946, in respect of the supply and delivery of concrete junction boxes and junction box cover 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 on 1 August 2017 (the "**Formal Agreement**").

Pursuant to the Formal Agreement, Target Precast was appointed as a supplier to Telekom up to a total sum of approximately RM21.4 million during the term of the Formal Agreement.

In addition, 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. In view of the continuous growth of the precast concrete junction box industry, the Directors are optimistic about the operating environment in Malaysia.

The Directors are also looking for appropriate investment opportunities, especially on the vertical integration opportunity.

隨著我們於2017年7月在聯交所創業板成功上市後，本集團已設立強大的資本平台，有助提升本集團的業務至更高水平。

#### 前景

年內，本公司全資附屬公司Target Precast Industries Sdn Bhd(「**Target Precast**」)與Telekom Malaysia Berhad(「**Telekom**」，一家馬來西亞領先電信公司，歷史可追溯至1946年)就供應及交付混凝土接線盒及接線盒蓋訂立具法律約束力的中標函，自2017年1月1日至2019年12月31日為期三年。就此簽署的正式協議已於2017年8月1日交回本集團(「**正式協議**」)。

根據正式協議，Target Precast獲委任為Telekom的供應商，於正式協議期限內的最高總額約為21.4百萬令吉。

此外，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。鑑於預製混凝土電信接線盒行業的持續增長，董事對馬來西亞的營運環境抱樂觀態度。

董事亦在物色合適的投資機遇，特別是垂直整合方面的商機。



# CHAIRMAN'S STATEMENT

## 主席報告書

### APPRECIATION

Finally, on behalf of the Board, I would like to thank all shareholders and Board members for their support and efforts to the Group. I also express my sincere gratitude to our customers and business partners for continued support, as well as to my colleagues and staffs for all their dedication, loyalty and contribution to the Group.

**Loh Swee Keong**

*Chairman*

Hong Kong, 28 August 2017

### 致謝

最後，本人謹代表董事會就所有股東及董事會成員對本集團的支持及努力衷心致謝。本人亦衷心感謝客戶及業務夥伴的持續支持，以及董事會同仁及職員對本集團的熱誠、忠誠及貢獻。

**Loh Swee Keong**

*主席*

香港，2017年8月28日

# 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 our brand of “Target” in Malaysia. The Group’s precast concrete junction boxes are used in (i) telecommunication and electrical infrastructures upgrade and expansion works; and (ii) construction projects in Malaysia. They are buried underground to deter tampering and are used to house and protect a junction with telecommunication and electrical utility connection and distribution access points from weather, changing elevation underground and provide easy access for maintenance.

The Group has been a registered supplier or 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 year ended 31 May 2017, the revenue of the Group increased slightly by approximately 0.9% due to an increase in the revenue generated from trading of accessories and pipes and the provision of mobile crane rental and ancillary services. On the other hand, the demand for the Group’s precast concrete junction boxes dropped slightly compared to the previous year. This was mainly due to the fact that many of the projects of our customers were at their completion stage and as such the orders for junction boxes were reducing.

### 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。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。

本集團自2008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2012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2017年5月31日止年度，由於配件及管道貿易以及提供移動式起重機租賃及配套服務所產生的收入增加，故本集團的收入輕微增加約0.9%。另一方面，本集團的預製混凝土接線盒的需求較過往年度輕微下跌。此乃主要由於大部分客戶的項目處於完成階段，因此對接線盒的訂單有所減少。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Looking forward, the Directors consider that the future opportunities and challenges facing 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. Further, 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 Group and Telekom without the involvement of contractors or subcontractors, therefore it allows the Group to capture a higher profile margin in the sales of its precast concrete junction boxes. With the Group's experienced management team and ability to deliver a wide range of high quality precast concrete junction boxes, the Directors consider that the Group is well-positioned to compete against its competitors, and the Group will continue to pursue the following key business strategies: (i) expand the Group's production capacity at the existing production plant located at Lot 1894-A JLN KPB 5, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor (the "**Existing Selangor Plant**") and complete the establishment of the newly established plant in Plot A of land held GM 865, Lot 2945 in the Mukim Senai District, Kulajaya, State of Johor (the "**New Kulajaya Plant**"); (ii) acquire of the parcel of land in Southern Malaysia on which the New Kulajaya Plant is situated or a parcel of land in its peripheral area; (iii) continue to expand the Group's sales and marketing team; and (iv) expand the Group's business vertically in the supply chain of the precast concrete junction box industry through mergers and acquisitions by utilizing the net proceeds from the Listing of the Shares on GEM of the Stock Exchange on 19 July 2017.

### FINANCIAL REVIEW

#### Revenue

The revenue increased from approximately RM33.3 million for the year ended 31 May 2016 to approximately RM33.6 million for the year ended 31 May 2017, representing a growth of approximately 0.9%. Such increase was mainly due to the increase in the revenue generated from the trading of accessories and pipes and provision of mobile crane rental and ancillary services.

展望未來，董事認為，本集團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。此外，董事預期，本集團的增長將由正式協議維持，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。憑藉本集團經驗豐富的管理團隊以及交付各式各樣高質素預製混凝土接線盒的能力，董事認為本集團已具備與競爭對手競爭的優勢，而本集團將繼續實行以下主要業務策略：(i)擴大本集團位於Lot 1894-A JLN KPB 5, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor的現有生產廠房（「現有雪蘭莪廠房」）的產能以及完成建立位於柔佛州古來再也Mukim Senai區2945地段根據GM 865持有的A地塊的新建立廠房（「新古來再也廠房」）；(ii)收購馬來西亞南部的地塊（新古來再也廠房的所在地）或其周邊地區的地塊；(iii)持續擴大本集團的銷售及市場推廣團隊；及(iv)動用股份於2017年7月19日在聯交所創業板上市的所得款項淨額，透過併購在預製混凝土接線盒行業的供應鏈垂直拓展本集團的業務。

### 財務回顧

#### 收入

收入由截至2016年5月31日止年度約33.3百萬令吉增加至截至2017年5月31日止年度約33.6百萬令吉，增幅約0.9%。有關增加乃主要由於配件及管道貿易以及提供移動式起重機租賃及配套服務所產生的收入增加所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The Group's revenue generated from the trading of accessories and pipes and the provision of mobile crane rental and ancillary services increased by approximately 19%, from approximately RM4.2 million for the year ended 31 May 2016 to approximately RM5.0 million for the year ended 31 May 2017. The increase was mainly caused by the increase in sales of scrap metals.

### 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 slightly from approximately RM23.4 million for the year ended 31 May 2016 to approximately RM23.2 million for the year ended 31 May 2017, representing a decrease of approximately 0.8%. Such change was mainly attributable to (i) the decrease in sale of precast concrete junction boxes for year ended 31 May 2017; and (ii) the decrease in the average unit price of ready-mix concrete by approximately RM28.2 per m<sup>3</sup>, or 13.6%, resulting from a relatively lower price of ready-mix concrete offered by the Group's suppliers during the year ended 31 May 2017.

The total cost of sales from the manufacturing and sale of precast concrete junction boxes decreased from approximately RM19.5 million for the year ended 31 May 2016 to approximately RM18.3 million for the year ended 31 May 2017.

The Gross Profit increased from approximately RM9.9 million for the year ended 31 May 2016 to approximately RM10.4 million for the year ended 31 May 2017.

### Administrative expenses

Administrative expenses of the Group increased by approximately RM1.1 million or 50% from approximately RM2.2 million for the year ended 31 May 2016 to approximately RM3.3 million for the year ended 31 May 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 year.

本集團配件及管道貿易以及提供移動式起重機租賃及配套服務所產生的收入由截至2016年5月31日止年度約4.2百萬令吉增加約19%至截至2017年5月31日止年度約5.0百萬令吉。有關增加乃主要由於廢金屬銷售增加所致。

### 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2016年5月31日止年度約23.4百萬令吉輕微減少至截至2017年5月31日止年度約23.2百萬令吉，跌幅約0.8%。有關變動乃主要由於(i)截至2017年5月31日止年度的預製混凝土接線盒的銷售下跌；及(ii)預拌混凝土平均單價減少約每立方米28.2令吉或13.6%，導致本集團的供應商於截至2017年5月31日止年度提供相對較低的預拌混凝土價格。

生產及銷售預製混凝土接線盒的總銷售成本由截至2016年5月31日止年度約19.5令吉減少至截至2017年5月31日止年度約18.3令吉。

毛利由截至2016年5月31日止年度約9.9百萬令吉增加至截至2017年5月31日止年度約10.4百萬令吉。

### 行政開支

本集團的行政開支由截至2016年5月31日止年度約2.2百萬令吉增加約1.1百萬令吉或50%至截至2017年5月31日止年度約3.3百萬令吉。

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年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。

# 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 RM0.07 million or 5.6% from approximately RM1.26 million for the year ended 31 May 2016 to approximately RM1.33 million for the year ended 31 May 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 increase of selling and distribution expenses was mainly due to the increase in salaries, welfare and other benefits.

### Loss for the year

The Group recorded a net loss of approximately RM1.1 million for the year ended 31 May 2017 due to the net effect of (i) a non-recurring Listing expenses of approximately RM6 million for its Listing exercise during the year ended 31 May 2017; (ii) the increase in the administrative expenses incurred by the Group for the year ended 31 May 2017; (iii) the slight decrease in the cost of sales of the Group for the year ended 31 May 2017 and (iv) the slight increase in revenue of the Group for the year ended 31 May 2017.

## PRINCIPAL RISK AND UNCERTAINTIES

### Operational risk

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

- (a) Fluctuation in the prices of our major raw materials may have adverse impacts on the Group's financial results;
- (b) The Group's revenue is mainly derived from the manufacturing and sale of precast concrete junction boxes to its customers for infrastructure upgrades and expansion work for construction projects, which are non-recurrent in nature and there is no guarantee that the customers will place new business purchase orders; and
- (c) The Group's cash flow position may deteriorate owing to a mismatch between the time of receipt of payments from its customers and payments to its suppliers if the Group is unable to manage its cash flow mismatch properly.

### 銷售及分銷開支

本集團的銷售及分銷開支由截至2016年5月31日止年度約1.26百萬令吉增加約0.07百萬令吉或5.6%至截至2017年5月31日止年度約1.33百萬令吉。

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薪金、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增加乃主要由於薪金、福利及其他福利增加所致。

### 年內虧損

本集團於截至2017年5月31日止年度錄得淨虧損約1.1百萬令吉，乃由於以下各項的淨影響所致：(i)截至2017年5月31日止年度就籌備上市而產生的非經常性上市開支約6百萬令吉；(ii)截至2017年5月31日止年度本集團產生的行政開支增加；(iii)截至2017年5月31日止年度本集團的銷售成本輕微減少；及(iv)截至2017年5月31日止年度本集團的收入輕微增加。

### 主要風險及不確定因素

#### 經營風險

本集團的營運涉及可能影響建築項目的競爭及盈利能力的整體經濟及市場風險。本集團面臨的主要風險概述如下：

- (a) 主要原材料價格波動可能對本集團的財務業績造成不利影響；
- (b) 本集團的收入主要來自為客戶就屬於非經常性的基建升級及擴張工程以及建築項目製造及銷售預製混凝土接線盒，概不保證客戶將發出新業務採購訂單；及
- (c) 倘本集團未能妥善管理現金流量錯配的情況，本集團的現金流量狀況可能因收到客戶付款與向供應商付款出現時間錯配而惡化。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

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

### Financial risks

As a manufacturer of precast concrete junction boxes, the Group has to purchase raw materials from its suppliers from time to time based on its procurement policy. The Group relies on cash inflow from its customers to meet its payment obligations to our suppliers. The Group’s cash inflow is dependent on the prompt settlement of its payments. As at 31 May 2017, the Group recorded trade receivables amounting to approximately RM13.1 million, the number of trade receivables turnover days was approximately 143 days which exceeded the credit period stipulated on the Group’s service agreements with its customers with average trade payable turnover days of approximately 79 days. The Group is exposed to credit risk and liquidity risk. For further details, please refer to note 28 to the consolidated financial statements.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 May 2017, the Group’s cash and cash equivalents was approximately RM8.3 million (31 May 2016: approximately RM4.5 million).

As at 31 May 2017, the Group’s total borrowings were approximately RM0.6 million (31 May 2016: approximately RM0.8 million).

As at 31 May 2017, the Group current ratio was 2.6 (31 May 2016: 2.0), which is calculated based on the total current assets divided by the total current liabilities. The gearing ratio was approximately 3.2% as at 31 May 2017 (31 May 2016: 6.7%), which is calculated based on the total interest-bearing loans divided by the total equity.

As at 31 May 2017, the Group had no bank borrowings (2016: approximately RM0.6 million). The gearing ratio, calculated based on the total borrowings divided by total equity at the end of the year and multiplied by 100%, decreased from approximately 6.7% as at 31 May 2016 to approximately 3.2% as at 31 May 2017 due to repayment of all bank borrowings in full. 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.

有關本集團面臨的其他風險及不確定因素，請參閱本集團日期為2017年7月6日的招股章程（「招股章程」）「風險因素」一節。

### 財務風險

作為一家預製混凝土接線盒製造商，本集團須根據其採購政策不時向供應商採購原材料。本集團依賴來自客戶的現金流入以履行向供應商付款的責任。本集團的現金流入取決於迅速結清付款。於2017年5月31日，本集團錄得貿易應收款項約13.1百萬令吉，而貿易應收款項周轉日數約為143日，高於本集團與客戶訂立的服務協議所規定的信貸期，平均貿易應付款項周轉日數則約為79日。本集團面臨信貸風險及流動資金風險。進一步詳情請參閱綜合財務報表附註28。

### 流動資金及財務資源

於2017年5月31日，本集團的現金及現金等價物約為8.3百萬令吉（2016年5月31日：約4.5百萬令吉）。

於2017年5月31日，本集團的借款總額約為0.6百萬令吉（2016年5月31日：約0.8百萬令吉）。

於2017年5月31日，本集團的流動比率為2.6倍（2016年5月31日：2.0倍），乃按總流動資產除以總流動負債計算。於2017年5月31日，資本負債比率約為3.2%（2016年5月31日：6.7%），乃按總計息貸款除以權益總額計算。

於2017年5月31日，本集團並無銀行借款（2016年：約0.6百萬令吉）。資本負債比率乃按年末的借款總額除以權益總額再乘以100%計算，由2016年5月31日約6.7%減少至2017年5月31日約3.2%，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。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。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### CAPITAL STRUCTURE

The shares of the Company were successfully listed on the GEM Board of the Stock Exchange on 19 July 2017. There has been no change in the capital structure of the Group since then. The share capital of the Group only comprises of ordinary shares.

As at 31 May 2017, the share capital and equity attributable to owners of the Company amounted to approximately RM57 and approximately RM18.5 million respectively (31 May 2016: Nil and RM11.6 million respectively). Details of the capital risk management are set out in the note 27 to the consolidated financial statements.

### CAPITAL COMMITMENTS

As at 31 May 2017, the Group had capital commitments in respect of the acquisition of property, plant and equipment totalling RM117,000 (31 May 2016: Nil).

### EXPOSURE TO EXCHANGE RATE FLUCTUATION

Since a substantial amount of income and profit of our Group is denominated in Malaysian Ringgit (“RM”), any fluctuations in the value of RM may adversely affect the amount of dividends, if any, payable to the Shares in HK\$ to our Shareholders. Furthermore, fluctuations in the RM’s value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on our Group’s business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into HK\$, of our Group’s net assets, earnings or any declared dividends. Consequently, this may adversely affect our Group’s ability to pay dividends or satisfy other foreign exchange requirements.

### CHARGE OVER ASSETS OF THE GROUP

As at 31 May 2017, the Group had bank deposits pledged with banks totalling approximately RM1.1 million (31 May 2016: approximately RM1.3 million). These deposits were pledged to secure general banking facilities granted to the Group.

### 資本架構

本公司股份於2017年7月19日在聯交所創業板成功上市。本集團的資本架構自此概無變動。本集團的股本僅以普通股組成。

於2017年5月31日，本公司擁有人應佔股本及股權分別約為57令吉及18.5百萬令吉(2016年5月31日：分別為零及11.6百萬令吉)。資本風險管理的詳情載於綜合財務報表附註27。

### 資本承擔

於2017年5月31日，本集團有關收購物業、廠房及設備的資本承擔合共為117,000令吉(2016年5月31日：無)。

### 匯率波動風險

由於本集團大部分收入及溢利均以馬來西亞令吉(「令吉」)計值，令吉價值的任何波動均可能會對以港元計值股份的應付股東股息(如有)金額造成不利影響。再者，令吉兌其他貨幣的價值波動將會產生外匯匯兌收益或虧損，並可能會對本集團的業務、財務狀況及經營業績造成不利影響。任何外匯管制的實施、變動或解除均可能會對將本集團的淨資產、盈利或任何已宣派股息換算或兌換成港元的價值造成不利影響。因此，這可能會對本集團派付股息或滿足其他外匯需求的能力造成不利影響。

### 本集團的資產抵押

於2017年5月31日，本集團抵押予銀行的銀行存款合共約為1.1百萬令吉(2016年5月31日：約1.3百萬令吉)。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。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

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

Save for the reorganisation 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 year ended 31 May 2017. There is no future plan for material investments or capital assets as at 31 May 2017.

### CONTINGENT LIABILITIES

As at 31 May 2017, the Group had no material contingent liabilities (31 May 2016: Nil).

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 May 2017, we had 65 employees who are located in Malaysia and the Hong Kong Special Administrative Region. The Group generally recruits employees from the open market by placing recruitment advertisements. The Group entered into individual labour contracts with each of the employees in accordance with the applicable labour laws of Malaysia and the Hong Kong Special Administrative Region, which cover matters such as wages, employee benefits and grounds for termination. The remuneration package that the Group offers to the employees includes salary, bonuses, allowances and medical benefits. In general, the Group determines an employee's salary based on each employee's qualifications, experience and capability and the prevailing market remuneration rate. The Group has designed a review system to assess the performance of our employees once a year, which forms the basis of our decisions with respect to salary adjustments, bonuses and promotions.

### COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Given that the Share Offer was completed after 31 May 2017, the implementation plan as set out in the section headed "Future plans and use of proceeds" of the Prospectus will commence during the year ending 31 May 2018.

### 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2017年5月31日止年度，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2017年5月31日，概無重大投資或資本資產的未來計劃。

### 或然負債

於2017年5月31日，本集團概無任何重大或然負債(2016年5月31日：無)。

### 僱員及薪酬政策

於2017年5月31日，我們有65名僱員在馬來西亞及香港特別行政區。本集團通常透過刊登招聘廣告從公開市場招聘僱員。本集團根據馬來西亞及香港特別行政區的適用勞動法例與每名僱員訂立個別的勞工合約，當中涵蓋工資、僱員福利及終止理由等事宜。本集團向僱員提供的薪酬方案包括薪金、花紅、津貼及醫療福利。一般而言，本集團按照每名僱員的資格、經驗及能力以及當前的市場薪酬水平釐定僱員的薪金。本集團已設計一個審核制度，以就僱員表現每年進行一次評估，此構成我們對薪金調整、花紅及晉升方面所作決定的基準。

### 業務目標與實際業務進展的比較

鑑於股份發售乃於2017年5月31日後完成，招股章程中「未來計劃及所得款項用途」一節所載的實施計劃將於截至2018年5月31日止年度內展開。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### USE OF PROCEEDS FROM THE SHARE OFFER

The shares of the Company were listed on 19 July 2017 on the GEM by Share Offer. The Offer Price was HK\$0.28 per Offer Share. 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 utilised up to the date of report in accordance with the proposed applications set out in the section "Net Proceeds from The Share Offer" of the announcement "Offer Price and Allotment Results". The table below lists out the proposed applications of the net proceeds and usage up to the date of report.

### 股份發售所得款項的用途

本公司股份於2017年7月19日以股份發售方式在創業板上市。發售價為每股發售股份0.28港元。本公司自股份發售收取的所得款項淨額(扣除包銷費用及其他開支後)約為29.6百萬港元。

直至報告日期，上市所得款項淨額尚未根據「發售價及配發結果」公佈中的「股份發售所得款項淨額」一節所載的擬定用途動用。下表載列直至報告日期所得款項淨額的擬定用途及使用情況。

		Net proceeds from the share offer	Amount utilised up to 31 May 2017	Unutilised balance up to 31 May 2017
		股份發售所得款項淨額	直至2017年5月31日已動用金額	直至2017年5月31日未動用結餘
		HK\$ million	HK\$ million	HK\$ million
		百萬港元	百萬港元	百萬港元
Expansion of production capacity through	透過以下方式擴大產能			
(i) expanding our Existing Selangor Plant	(i) 擴充現有雪蘭莪廠房	7.0	–	7.0
(ii) completing the establishment of our New Kulaijaya Plant and	(ii) 完成建立新古來再也廠房；及	7.3	–	7.3
(iii) recruiting new staff	(iii) 聘請新員工	2.6	–	2.6
Acquisition of a parcel of land in Southern Malaysia	收購馬來西亞南部的地塊	8.4	–	8.4
Expansion of our business vertically in the supply chain of the precast concrete junction box industry through mergers and acquisitions	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	2.7	–	2.7
Expansion of our sales and marketing team	擴大銷售及市場推廣團隊	0.8	–	0.8
General working capital	一般營運資金	0.8	–	0.8
<b>Total</b>	<b>總計</b>	<b>29.6</b>	<b>–</b>	<b>29.6</b>

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.

董事將持續評估本集團的業務目標，並將因應不斷轉變的市況更改或修改計劃，以確保本集團的業務增長。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

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

於本報告日期，董事預計所得款項用途的計劃將不會出現任何變動。

### SUBSEQUENT EVENTS

The following significant events took place subsequent to 31 May 2017:

### 結算日後事項

以下為於2017年5月31日後發生的重大事項：

- (a) The Company has conditionally adopted a share option scheme on 27 June 2017, summary of terms and conditions of which are set out in the section headed “Share Option Scheme” in Appendix IV “Statutory and General Information” to the Prospectus. No share option has been granted since the adoption of the Share Option Scheme.
- (a) 本公司已於2017年6月27日有條件採納購股權計劃，其條款及條件概要載於招股章程附錄四「法定及一般資料」中「購股權計劃」一節。自採納購股權計劃起，概無授出購股權。
- (b) On 27 June 2017, the authorized share capital of the Company was increased to HK\$4,399,900 by the creation of an additional of 439,990,000 issued at a price of HK\$0.01 each.
- (b) 於2017年6月27日，藉增設額外439,990,000股以每股面值0.01港元的價格發行的股份，本公司的法定股本增加至4,399,900港元。
- (c) On 19 July 2017, the Company was successfully listed on the GEM Board of the Stock Exchange.
- (c) 於2017年7月19日，本公司成功於聯交所創業板上市。
- (d) On 24 February 2017, the Company entered into a legally-binding collaboration agreement with Buhmi Precast Sdn Bhd in order to secure punctual supply of ready-mix concrete. Up to reporting date, no transaction was resulted from the collaboration agreement yet. Details of the collaboration agreement are set out in the paragraph headed “Collaboration with a Ready-mix Concrete Supplier” in the Business section of the Prospectus.
- (d) 於2017年2月24日，為準時取得預拌混凝土供應，本公司與Buhmi Precast Sdn Bhd訂立具法律約束力的合作協議。直至報告日期，尚未因合作協議而產生任何交易。合作協議的詳情載於招股章程業務一節「與一家預拌混凝土供應商合作」一段。
- (e) on 1 August 2017, Telekom signed and returned the Formal Agreement between the Company’s wholly-owned subsidiary, namely Target Precast and Telekom in Respect of the Supply and Delivery of Concrete Junction Boxes and Junction Box Cover for a term of three years from 1 January 2017 to 31 December 2019.
- (e) 於2017年8月1日，Telekom簽訂及交回本公司全資附屬公司Target Precast與Telekom就混凝土接線盒及接線盒的供應及交付訂立的正式協議，期限自2017年1月1日起至2019年12月31日止為期三年。

# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## 董事及高級管理層簡介

### EXECUTIVE DIRECTORS

**Mr. Loh Swee Keong**, aged 50, is the founder of the group. He was appointed to the Board on 28 October 2016 and is the chairman of the Nomination Committee of the Company. He is responsible for the overall business strategy, approving annual budget proposals, and major business decisions of the group. Mr. Loh has over 20 years of work experience in the precast concrete junction box industry. Mr. Loh completed his secondary school from five level education in Tsung Wah National Type Secondary School, Kuala Kangsar, Perak, Malaysia in November 1985.

Before establishing the group, Mr. Loh established a sole proprietorship under the name Jackon Trading in 1989, where he was primarily involved in the supply of ready-mix concrete to construction companies in Malaysia. In March 1993, Mr. Loh co-founded Target Precast, an indirect wholly-owned subsidiary of the group which was at that time primarily involved in the supply of ready-mix concrete to construction companies, negotiating business with customers and responsible for the daily operations of the group. In 1995, Mr. Loh, for the first time, manufactured the moulds using the then existing technology for precast concrete junction boxes and commenced the production and manufacturing of precast junction concrete boxes to customers.

### 執行董事

**Loh Swee Keong** 先生，50歲，為本集團的創辦人。彼於2016年10月28日獲委任加入董事會，並為本公司提名委員會主席。彼負責整體業務策略、審批年度預算建議書及本集團的主要業務決策。Loh先生於預製混凝土接線盒行業擁有超過20年工作經驗。Loh先生於1985年11月於馬來西亞霹靂州江沙縣的Tsung Wah National Type Secondary School完成中學第五級課程。

於成立本集團前，Loh先生於1989年以Jackon Trading的名稱成立一家獨資企業，當中彼主要向馬來西亞的建築公司供應預拌混凝土。1993年3月，Loh先生共同創辦Target Precast（本集團的間接全資附屬公司），當時主要向建築公司供應預拌混凝土、與客戶洽談業務及負責本集團的日常營運。1995年，Loh先生採用當時現有技術首次製造預製混凝土接線盒模具，並開始為客戶生產及製造預製混凝土接線盒。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高級管理層簡介

**Mr. Tan Cheng Siong**, aged 37, is an Executive Director of the group. Mr. Tan was appointed to the Board on 9 December 2016 and is a member of the Remuneration Committee of the Company. He is responsible for reviewing the planning, and management of the business. He is also involved in the sales and marketing activities which include negotiating business with customers. Mr. Tan joined the group as a business development executive in November 2014. Mr. Tan graduated with a Bachelor 's degree of Commerce majoring in Accounting and Finance from the Curtin University of Technology in Australia in February 2002.

In May 2002, Mr. Tan worked as an audit assistant with Y C Tan & Co, a public accounting firm in Singapore. He was later promoted to the post of senior audit officer in May 2004. Mr. Tan later joined Kuek Brothers Furniture Sdn. Bhd. in 2005, a manufacturer distributors and exporters in home furnishing in Malaysia, as a marketing executive where he was responsible for handling the company's export markets. In 2006, Mr. Tan was subsequently promoted as a branch assistant manager in both the Muar and Kulai branches of Malaysia where he was responsible for handling the company's retail businesses. From September 2007 to February 2008, Mr. Tan worked as a sales and marketing manager in T & L Office Solution Sdn. Bhd., a supplier in all kind of office equipment. In 2008, Mr. Tan set up Billion Tree Asia, a consulting firm providing financial analytical coaching services to clients. Mr. Tan had been a director of Billion Tree Asia from 2008 to 2015. The company became inactive since 2015.

**Tan Cheng Siong** 先生，37歲，為本集團的執行董事。Tan先生於2016年12月9日獲委任加入董事會，並為薪酬委員會成員。彼負責檢討業務規劃和管理。彼亦參與銷售及市場推廣活動，當中包括與客戶洽談業務。Tan先生於2014年11月加入本集團為業務發展專員。Tan先生於2002年2月在澳洲的科廷科技大學畢業，獲商業學士學位，主修會計及財務。

於2002年5月，Tan先生於Y C Tan & Co(一家新加坡公共會計師事務所)工作任職審計助理。彼其後於2004年5月晉升至高級審計主任的職位。Tan先生其後於2005年加入Kuek Brothers Furniture Sdn. Bhd.(一家馬來西亞家具製造商、分銷商及出口商)任職市場推廣主任，負責處理公司的出口市場事宜。2006年，Tan先生其後晉升至馬來西亞麻坡及古來分公司的分公司助理經理，負責處理公司的零售業務。於2007年9月至2008年2月，Tan先生於T & L Office Solution Sdn. Bhd.(各類型辦公設備的供應商)任職銷售及市場推廣經理。2008年，Tan先生成立Billion Tree Asia(一家向客戶提供財務分析指導服務的諮詢公司)。Tan先生於2008年至2015年為Billion Tree Asia的董事。該公司自2015年起暫無營業。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高級管理層簡介

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Yau Ka Hei (邱家禧)**, aged 33, was appointed as our Independent Non-executive Director of the Company with effect from 27 June 2017 and is a member of the Audit Committee, and Nomination Committee and chairman of the Remuneration Committee of the Company. Mr. Yau is a member of the Hong Kong Institute of Certified Public Accountants since October 2016. He obtained his Bachelor's degree of Business Administration in Business Economics from the City University of Hong Kong in November 2007.

In September 2007, Mr. Yau was employed as an associate of the assurance department of PricewaterhouseCoopers where he was responsible for evaluating internal control environments and system processes, and identifying opportunities for improving companies' internal controls, operation workflows and integrity of financial records. He then joined the Bank of Communications in August 2010 as an officer of the company's finance department where he was responsible for, among others, preparing IFRS financial reports to the head office in the PRC and external auditors. From February 2011 to November 2011, he worked as a senior accountant at the assurance department of Ernst & Young. From June 2012 to August 2016, Mr. Yau worked as an internal auditor of Kaisun Energy Group Limited (a company listed on the Stock Exchange with stock code 8203) a company engaged in (i) mining and metallurgical machineries production; (ii) provision of supply chain management for mineral business; (iii) exploitation and production of coal; and (iv) securities investment where he was responsible for among others, (a) preparing internal control report of operational and financial processes and reporting to the audit committee of the company; and (b) performing due diligence providing advice of the operational and financial arrangements for merger and acquisition projects.

#### 獨立非執行董事

**邱家禧**先生，33歲，獲委任為本公司獨立非執行董事，自2017年6月27日起生效，並為本公司審核委員會及提名委員會成員以及薪酬委員會主席。邱先生自2016年10月起為香港會計師公會的會員。彼於2007年11月於香港城市大學取得工商管理(商業經濟學)學士學位。

於2007年9月，邱先生受僱於羅兵咸永道會計師事務所，任職審計部門的助理，負責評估內部監控環境及系統進程，以及為改善公司的內部監控、運作流程及財務記錄的完整性物色機會。彼其後於2010年8月加入交通銀行擔任公司財務部的主任，負責(其中包括)編製符合國際財務報告準則的財務報告並呈交中國總辦事處及外部核數師。於2011年2月至2011年11月，彼於安永會計師事務所審計部擔任高級會計師。於2012年6月至2016年8月，邱先生任職凱順能源集團有限公司(一家於聯交所上市的公司，股份代號8203)(一家從事(i)採礦及冶金機械生產；(ii)為礦產業務提供供應鏈管理；(iii)開採及生產煤炭；及(iv)證券投資的公司)的內部核數師，負責(其中包括)(a)編製營運及財務過程的內部監控報告並向該公司審核委員會報告；及(b)就併購項目進行盡職調查並提供營運及財務安排的建議。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高級管理層簡介

From October 2016 to February 2017, Mr. Yau worked in Deckers Asia Pacific Limited, a wholly-owned subsidiary of Deckers Outdoor Corporation (a company listed on the New York Stock Exchange) as an internal auditor, where he was responsible for validating audit on operation and finance management. From June 2017 to August 2017, Mr. Yau worked as an assistant account manager of Magico Group Limited, an indirect wholly-owned subsidiary of China Properties Group Limited (a company listed on the Stock Exchange with stock code 1838), a company engaged in property development and property investment in the PRC, where he is responsible for overseeing accounting activities of the company. Mr. Yau is currently finance manager of a private limited company in Hong Kong, which engaged in energy trading business.

**Mr. Chu Kin Ming (朱健明)**, aged 37, was appointed as our Independent Non-executive Director on 27 June 2017 and is a member of Remuneration Committee and Chairman of the Audit Committee of the Company. Mr. Chu obtained his Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University in November 2003. Mr. Chu has more than 15 years working experience in the accounting and company secretarial field.

Mr. Chu is currently a financial controller and company secretary of KEE Holding Company Limited (a company listed on the Stock Exchange with stock code 2011) and Ascent International Holdings Limited (formerly known as Chanco International Group Limited) (a company listed on the Stock Exchange with stock code 264), both of which are subsidiaries of ZhongHong Holdings Limited (a company listed on Shenzhen Stock Exchange with stock code 979).

Mr. Chu is a member of (i) the Association of Chartered Certified Accountants; (ii) the Hong Kong Institute of Certified Public Accountants; (iii) the Hong Kong Chartered Secretaries; and (iv) the Institute of Chartered Secretaries and Administrators.

於2016年10月至2017年2月，邱先生於Deckers Outdoor Corporation（一家於紐約證券交易所上市的公司）的全資附屬公司Deckers Asia Pacific Limited任職內部核數師，負責驗證營運及財務管理的審計。於2017年6月至2017年8月，邱先生擔任偉岸集團有限公司（China Properties Group Limited（一家於聯交所上市的公司，股份代號1838，一家於中國從物業開發及物業投資的公司）的間接全資附屬公司）的助理會計經理，負責監察公司的會計活動。邱先生現時為一家香港私人有限公司的財務總監，從事能源交易業務。

**朱健明**先生，37歲，於2017年6月27日獲委任為獨立非執行董事，並為本公司薪酬委員會成員及審核委員會主席。朱先生於2003年11月於香港理工大學取得會計文學士學位。朱先生於會計及公司秘書領域擁有逾15年工作經驗。

朱先生目前於開易控股有限公司（一家於聯交所上市的公司，股份代號2011）及中璽國際控股有限公司（前稱卓高國際集團有限公司）（一家於聯交所上市的公司，股份代號264）（均為中弘控股股份有限公司（一家於深圳證券交易所上市的公司，股份代號979）的附屬公司）擔任財務總監及公司秘書。

朱先生為(i)特許公認會計師公會會員；(ii)香港會計師公會會員；(iii)香港特許秘書公會會員；及(iv)特許秘書及行政人員公會會員。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高級管理層簡介

**Mr. Lee, Alexander Patrick (李明鴻)**, aged 36, was appointed as our Independent Non-executive Director on 27 June 2017 and is a member of Audit Committee and Nomination Committee of the Company. Mr. Lee obtained his Bachelor of Arts degree in Economics and Music from Emory University, United States in December 2007. Further, he is a member of The Hong Kong Institute of Directors since July 2017.

From May 2005 to April 2008, Mr. Lee worked in various institutions whereby he, inter alia, advised on business strategies in relation to acquisition or investment opportunities. For the period between April 2011 to May 2012, Mr. Lee worked for the group companies of Morgan Stanley, Hong Kong as an analyst in the international wealth management division in Hong Kong where he was responsible for expanding PRC client base. Mr. Lee then worked in the capacity of vice president of the private banking department for Credit Suisse, Hong Kong for the period between August 2012 to January 2013. From February 2014 to June 2015, Mr. Lee worked for BOCI-Prudential Asset Management Limited as vice president of the quantitative strategy business unit of the company. He is currently an investment director of First Impression Limited, a consulting firm, where he was responsible for, inter alia, advising on investment structures and implementing investment strategy aimed to enhance risk management.

李明鴻先生，36歲，於2017年6月27日獲委任為獨立非執行董事，並為本公司審核委員會及提名委員會成員。李先生於2007年12月在美國埃默里大學取得經濟及音樂文學士學位。此外，自2017年7月起，彼為香港董事學會的成員。

於2005年5月至2008年4月，李先生任職於多間機構，彼(其中包括)就收購或投資機會的業務戰略提供意見。於2011年4月至2012年5月期間，李先生任職於香港摩根士丹利集團公司，擔任香港國際財富管理業務分析師，負責拓展中國客戶群。李先生其後於2012年8月至2013年1月期間，於香港瑞信任職私人銀行業務部副總裁。於2014年2月至2015年6月，李先生任職於中銀國際英國保誠資產管理有限公司，擔任該公司定量策略業務部門的副總裁。彼現時任職一家諮詢公司 First Impression Limited 的投資總監，負責(其中包括)就投資架構提供意見及實施投資計劃，旨在改善風險管理。

# DIRECTORS AND SENIOR MANAGEMENT PROFILES

## 董事及高級管理層簡介

### SENIOR MANAGEMENT

**Mr. Phang Xue Zun**, aged 32, is the chief project officer of the group. He is responsible for providing pre-sales support to our customers and handling technical supporting activities with our sales and marketing team. Mr. Phang obtained his Diploma in Construction Management from the Imperia Institute of Technology, Malaysia in February 2006.

Mr. Phang joined the group in November 2005 as a production supervisor where he was responsible for handling our production activities in our production plant. He was subsequently promoted as the sales engineer in May 2008 where he was primarily responsible for sales and marketing activities of the group and managing projects for customers in Klang Valley and the eastern coast of West Malaysia. Mr. Phang was then promoted as the assistant sales manager in September 2014 and was further promoted as the chief project officer in January 2016. In October 2013, Mr. Phang and other Independent Third Parties established Five Stars Laundry Sdn. Bhd., a company engaged in the business of providing laundry, washing, cleaning and drying services. Mr. Phang is currently a director and shareholder of the company.

**Ms. Chau Wing Kei (周詠淇)**, aged 30, joined the group and was appointed as the company secretary of the group on 9 December 2016. She graduated from The University of Hong Kong with a Bachelor's degree in Science in November 2008. She has been a fellow member of Hong Kong Institute of Certified Public Accountants since March 2014.

She possesses over six years of experience in aspect of financial reporting, accounting, compliance, and auditing. From September 2010 to July 2014, Ms. Chau had worked as an auditor in Deloitte Touche Tohmatsu and her work mainly involved audit and assurance services. In February 2015, Ms. Chau joined Illinois Tool Works Inc. and her last position was senior internal auditor and she was responsible for performing financial and operational reviews of the subsidiaries.

### 高級管理層

**Phang Xue Zun** 先生，32歲，為本集團的項目總監。彼負責向客戶提供售前支援及與銷售及市場推廣團隊處理技術支援活動。Phang先生於2006年2月從馬來西亞的英博理工學院獲得建造管理文憑。

Phang先生於2005年11月加入本集團任職生產主管，負責處理生產廠房的生產活動。彼其後於2008年5月晉升為銷售工程師，主要負責本集團的銷售及市場推廣活動，以及為巴生谷及西馬來西亞東岸的客戶管理項目。Phang先生繼而於2014年9月晉升為助理銷售經理，並於2016年1月進一步晉升至項目總監。2013年10月，Phang先生與其他獨立第三方成立Five Stars Laundry Sdn. Bhd.，該公司是一家從事提供洗衣、洗滌、清潔及乾衣服務業務的公司。Phang先生目前為該公司的董事及股東。

**周詠淇**女士，30歲，於2016年12月9日加入本集團並獲委任為本集團的公司秘書。彼於2008年11月畢業於香港大學，取得理學士學位。彼自2014年3月起為香港會計師公會的資深會員。

彼於財務報告、會計、合規及審計方面擁有逾六年經驗。於2010年9月至2014年7月，周女士於德勤•關黃陳方會計師行任職核數師，工作主要涉及審計及保證服務。於2015年2月，周女士加入Illinois Tool Works Inc.，最後職位為高級內部核數師，負責對附屬公司進行財務及營運審閱。



## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高級管理層簡介

**Mr. Albert Wong Mun Sum**, aged 54, is the chief financial officer of the group. He is responsible for the daily operations and the financial and accounting activities of the group. Mr. Wong obtained his Bachelor 's degree of commerce from the University of New South Wales in April 1986 where he further obtained a Master 's degree of commerce in accounting in April 1988. Mr. Wong has been a member of the Malaysian Institute of Accountants since October 1993. He was admitted as a fellow of the Institute of Financial Accountants in the United Kingdom and the Institute of Public Accountants in November 2012 in Melbourne, Australia. He is also a registered GST agent in Malaysia since 2015. Mr. Wong has over 20 years of experience in the banking and accounting field.

Before joining our Group in December 2015, Mr. Wong worked as a senior manager in the finance and accounts division of S&P Food Manufacturing (M) Berhad for the period from September 1997 to November 1999. In April 2000, Mr. Wong joined the Econstates Berhad as its senior manager and then promoted as the general manager of the finance department of the company. In July 2004, Mr. Wong worked as the finance controller of the finance department of Haisan Resources Berhad. He then joined the Ireka Development Management Sdn. Bhd. in April 2008 and worked as a senior vice president of the corporate finance department. In December 2009, Mr. Wong joined the Quill Construction Sdn. Bhd. as the Chief Accountant. In July 2010, he was transferred to Quill Automobiles (M) Sdn. Bhd. as the finance director of the finance department of the company. In October 2011, Mr. Wong joined the Montprimo Sdn. Bhd. (formerly known as Macrodon Sdn. Bhd.) as the general manager of the finance department and was transferred to Fivestar Development (Puchong) Sdn. Bhd. where all the terms and conditions of his employment remain unchanged. He subsequently joined the Hatten Asset Management Sdn. Bhd. as the financial controller in December 2013.

黃文心先生，54歲，為本集團的財務總監。彼負責本集團的日常營運及財務和會計活動。黃先生於1986年4月於新南威爾士大學取得商業學士學位，彼於1988年4月在該校進一步取得會計學商業碩士學位。黃先生自1993年10月起為馬來西亞會計師協會的會員。彼獲認許為英國財務會計師公會的資深會員，並於2012年11月獲認許為澳洲墨爾本公共會計師公會的資深會員。彼自2015年起亦為註冊消費稅代理。黃先生於銀行及會計業擁有超過20年經驗。

於2015年12月加入本集團前，黃先生於1997年9月至1999年11月期間於S&P Food Manufacturing (M) Berhad的財務及會計分部任職高級經理。2000年4月，黃先生加入Econstates Berhad任職高級經理，其後晉升至該公司財務部的總經理。2004年7月，黃先生任職Haisan Resources Berhad財務部的財務總監。彼其後於2008年4月加入Ireka Development Management Sdn. Bhd.，任職企業財務部高級副總裁。於2009年12月，黃先生加入Quill Construction Sdn. Bhd.，任職總會計師。2010年7月，彼調職至Quill Automobiles (M) Sdn. Bhd.，擔任該公司的財務部財務董事。2011年10月，黃先生加入Montprimo Sdn. Bhd. (前稱Macrodon Sdn. Bhd.)任職財務部總經理，其後調職至Fivestar Development (Puchong) Sdn. Bhd. (彼所有僱傭條款及條件維持不變)。彼後來於2013年12月加入Hatten Asset Management Sdn. Bhd.任職財務總監。

## DIRECTORS AND SENIOR MANAGEMENT PROFILES

### 董事及高級管理層簡介

**Mr. Ma Hong Chee**, aged 49 is the operations manager of the group. He is responsible for overseeing the production activities of our production plant. Mr. Ma completed SRP, Malaysia Sekolah Menengah Tanah Putih, Kuantan, Pahang.

From October 1996 to April 2010, Mr. Ma joined Grobest Frozen (M) Sdn., Bhd. where he was responsible for (i) setting up the processing plant operation system; (ii) in production planning and operation; (iii) monitoring purchasing flow and supplier management flow; and (iv) implementing and managing marketing programmes. His last position with the company was manager.

**Ms. Siew Poi Voon**, aged 39 is the factory manager. She is responsible for overseeing the manufacturing and operations of the production activities of the group. Ms. Siew joined the group as a human resource and administration executive in March 2013 and was promoted as our assistant factory manager in April 2015. Ms. Siew was subsequently appointed as our factory manager in August 2016. Ms. Siew obtained a Bachelor's degree in Human Development from the University Putra Malaysia in July 2001.

From August 2001 to March 2003, Ms. Siew worked as the human resource officer of YP Precision (M) Sdn. Bhd. where she was responsible for general human resource functions which include payroll, training and development, recruitment as well as matters pertaining to foreign workers in the company. She subsequently joined the Delcol Water Solution Sdn. Bhd. in April 2003 as a human resource executive. In December 2007, Ms. Siew joined Jordone Corporation Sdn. Bhd. as a human resource and administration executive. She was subsequently promoted to the post of assistant administrative manager in August 2009 where she was responsible for the company's purchasing, advertising and branding (including media and branding) as well as general administration duties.

**Ma Hong Chee** 先生，49歲，為本集團的營運經理。彼負責監督生產廠房的生產活動。Ma先生於 Malaysia Sekolah Menengah Tanah Putih, Kuantan, Pahang 完成 SRP。

於1996年10月至2010年4月，Ma先生加入 Grobest Frozen (M) Sdn., Bhd.，負責 (i) 設立加工廠營運系統；(ii) 參與生產規劃及營運；(iii) 監察採購流程及供應商管理流程；及 (iv) 執行及管理市場推廣計劃。彼於該公司的最後職位為經理。

**Siew Poi Voon** 女士，39歲，為廠長。彼負責監督本集團的製造事宜及生產活動營運。Siew女士於2013年3月加入本集團任職人力資源及行政主任，並於2015年4月晉升為我們的助理廠長。Siew女士其後於2016年8月獲委任為廠長。Siew女士於2001年7月從馬來西亞博特拉大學獲得人力資源發展學士學位。

於2001年8月至2003年3月，Siew女士擔任 YP Precision (M) Sdn. Bhd. 的人力資源主任，負責一般人力資源職能，當中包括發薪、培訓和發展、招聘以及與公司的外國工人有關的事宜。彼其後於2003年4月加入 Delcol Water Solution Sdn. Bhd. 任職人力資源主任。2007年12月，Siew女士加入 Jordone Corporation Sdn. Bhd. 任職人力資源及行政主任。彼後來於2009年8月晉升至助理行政經理的職位，負責公司的採購、廣告宣傳及品牌推廣(包括媒體及品牌推廣)以及一般行政職責。

# REPORT OF THE DIRECTORS

## 董事會報告

The Board is pleased to present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 May 2017.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and other particulars of the Company's subsidiary are set out in note 32 to the consolidated financial statements. The Group is principally engaged in (i) manufacturing and trading of precast junction boxes, (ii) trading of accessories and pipes and (iii) provision of mobile crane rental and ancillary services in Malaysia.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

### CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" on pages 38 to 53 of this annual report.

### SEGMENT INFORMATION

Analysis of the Group's turnover and contribution by principal business segments during the Year are set out in note 6 to the consolidated financial statements.

### BUSINESS REVIEW

Details of business review of the Group for the year ended 31 May 2017 is set out in the section headed "Chairman's Statement" on pages 5 to 7 and the business review and outlook of the Group is set out in the section headed "Management Discussion and Analysis" on pages 8 to 16 of this annual report. The discussion and analysis of the Group's performance during the Year and the material factor underlying its financial performance and financial position are set out in the "Three Years Financial summary" and "Management Discussion and Analysis" on page 128 and pages 8 to 16 respectively.

董事會欣然提呈其年報，連同本集團截至2017年5月31日止年度的經審核綜合財務報表。

### 主要業務

本公司的主要業務為投資控股。本公司附屬公司的主要業務及其他詳情載於綜合財務報表附註32。本集團主要從事(i)預製接線盒的製造及貿易；(ii)配件及管道貿易；及(iii)於馬來西亞提供移動式起重機租賃及配套服務。

### 遵守相關法例及規例

年內，本集團一直遵守對其業務有重大影響的相關法例及規例。

### 企業管治

本公司採納的企業管治常規詳情載於本年報第38至53頁的「企業管治報告」。

### 分部資料

本集團於年內的主要業務分部營業額及貢獻的分析載於綜合財務報表附註6。

### 業務回顧

本集團截至2017年5月31日止年度的業務回顧詳情載於本年報第5至7頁的「主席報告書」一節，而本集團的業務回顧及前景則載於第8至16頁的「管理層討論及分析」一節。本集團年內表現的討論及分析以及有關其財務表現及財務狀況的重大因素分別載於第128頁的「三年財務概要」及第8至16頁的「管理層討論及分析」。

# REPORT OF THE DIRECTORS

## 董事會報告

### RESULTS AND DIVIDENDS

The result of the Group for the year ended 31 May 2017 and the state of the affairs of the Group as at that date are set out in the Consolidated Statement of Profit and Loss and Other Comprehensive Income on page 61.

During the Year, no interim dividend (2016: RM2 million) was declared and paid.

The Board does not recommend the payment of final dividend for the year ended 31 May 2017 (2016: Nil).

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

### FINANCIAL SUMMARY

A summary of published results, assets and liabilities of the Group for the last three financial years, as extracted from the audited financial statement and the Prospectus, is set out on page 128 on this annual report. This summary does not form part of the audited consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements.

### SHARE CAPITAL

Details of the Company's share capital and movements of during the Year are set out in note 26 to the consolidated financial statements.

### RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in the Consolidated Statement of Financial Position and in the Consolidated Statement of Changes in Equity set out on pages 62 to 64 respectively.

### 業績及股息

本集團截至2017年5月31日止年度的業績及其於該日的事務狀況載於第61頁的綜合損益及其他全面收益表。

年內，概無宣派及派付中期股息(2016年：2百萬令吉)。

截至2017年5月31日止年度，董事會並無建議派付末期股息(2016年：無)。

概無本公司股東放棄或同意放棄任何股息的安排。

### 財務概要

本集團於過去三個財政年度刊發的業績、資產及負債概要(摘錄自經審核財務報表及招股章程)載於本年報第128頁。此概要並非經審核綜合財務報表的一部分。

### 物業、廠房及設備

本集團於年內的物業、廠房及設備的變動詳情載於綜合財務報表附註14。

### 股本

本公司的股本及變動詳情載於綜合財務報表附註26。

### 儲備

本公司及本集團於年內的儲備變動詳情分別載於第62至64頁所載的綜合財務狀況表及綜合權益變動表。

# REPORT OF THE DIRECTORS

## 董事會報告

### DISTRIBUTION RESERVES

As at 31 May 2017, the Company's reserve available for distribution which consists of share premium, retained profit and the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to approximately RM9.9 million (2016: RM11.0 million).

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the law of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 May 2017.

### RELATIONSHIPS WITH STAKEHOLDERS

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

### 分派儲備

於2017年5月31日，本公司可分派儲備包括股份溢價、保留盈利及可分派予本公司權益股東的儲備總額約為9.9百萬令吉（2016年：11.0百萬令吉）。

### 優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權的條文，致使本公司須按比例向現有股東發售新股。

### 購買、出售或贖回上市證券

截至2017年5月31日止年度，本公司或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。

### 與利益相關者的關係

本集團瞭解，僱員、客戶及供應商為本集團取得成功的關鍵利益相關者。本集團透過激勵僱員、向客戶提供優質產品及服務、與供應商合作以提供優質及可持續的產品及服務，以及支持社區發展，致力實現企業可持續性。

# REPORT OF THE DIRECTORS

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the top five customers together accounted for approximately 19.8% of the Group's revenue and the Group's largest customer accounted for approximately 3.9% of the Group's revenue.

During the Year, the top five suppliers together accounted for approximately 39.6% of the Group's purchases and the Group's largest supplier accounted for approximately 9.4% of the Group's purchases.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in these major customers and suppliers.

### DIRECTORS

During the Year and up to the date of this annual report, the Directors were:

#### Executive Directors

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

#### Independent Non-Executive Directors

Mr. Yau Ka Hei (appointed on 27 June 2017)  
Mr. Chu Kin Ming (appointed on 27 June 2017)  
Mr. Lee, Alexander Patrick (appointed on 27 June 2017)

By virtue of Articles 108 and 112 of the articles of association of the Company, all the Directors shall retire at the forthcoming AGM and, being eligible, shall offer themselves for re-election at the said meeting.

### DIRECTORS' SERVICE CONTRACT

Each of the Executive Directors, namely Mr. Loh Swee Keong and Mr. Tan Cheng Siong, has entered into a service or an appointment letter with the Company for a fixed term of three years, which may be terminated by not less than three months' written notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in Articles.

### 主要客戶及供應商

年內，五大客戶合共佔本集團收入約19.8%，而本集團最大客戶則佔本集團收入約3.9%。

年內，五大供應商合共佔本集團採購額約39.6%，而本集團最大供應商則佔本集團採購額約9.4%。

概無董事、彼等任何緊密聯繫人或任何股東（據董事所盡悉，擁有超過本公司已發行股本的5%）於該等主要客戶及供應商擁有任何實益權益。

### 董事

於年內及直至本年報日期為止，董事為：

#### 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（於2017年6月27日獲委任）  
朱健明先生（於2017年6月27日獲委任）  
李明鴻先生（於2017年6月27日獲委任）

根據本公司組織章程細則第108及112條，全體董事將於應屆股東週年大會上退任，而彼等符合資格及願意於該大會上重選連任。

### 董事的服務合約

各執行董事（即Loh Swee Keong先生及Tan Cheng Siong先生）已與本公司訂立服務合約或委任書，固定年期為期三年，可由任何一方向另一方發出不少於三個月的書面通知終止，並須受當中所述終止條文及細則所載董事輪值退任條文所規限。

# REPORT OF THE DIRECTORS

## 董事會報告

Each of the Independent Non-executive Directors has entered into a service or an appointment letter with the Company for a fixed term of three years, which may be terminated by not less than one month's written notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in Articles.

None of the Directors (including those proposed for re-election at the forthcoming annual general meeting) has a service contract or an appointment letter which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographies details of Directors and senior management are set out on pages 17 to 24.

### DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUALS' REMUNERATION

Details of the Directors' remuneration and the five highest paid individual's remuneration are set out in notes 7 and 8 to the consolidated financial statements.

### DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS

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

### INTERESTS OF CONTROLLING SHAREHOLDERS IN CONTRACTS

No contract of significance has been entered during the Year between the Company or any of its subsidiaries and the controlling shareholders or any its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

各獨立非執行董事已與本公司訂立服務合約或委任書，固定年期為期三年，可由任何一方向另一方發出不少於一個月的書面通知終止，並須受當中所述終止條文及細則所載董事輪值退任條文所規限。

概無董事（包括於應屆股東週年大會上獲提名重選連任的董事）訂有本集團不可於一年內終止而不作補償（法定補償除外）的服務合約或委任書。

### 董事及高級管理層履歷詳情

董事及高級管理層履歷詳情載於第 17 至 24 頁。

### 董事、主要行政人員及五名最高薪酬人士的薪酬

董事及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註 7 及 8。

### 董事於交易、安排及合約的權益

本公司或其任何附屬公司概無訂定一名董事直接或間接於其中擁有重大權益，並且於年終或於年內任何時間仍然生效的重大交易、安排或合約。

### 控股股東於合約的權益

本公司或其任何附屬公司及控股股東或其任何附屬公司於年內概無訂立任何重大合約。

概無就本公司或其任何附屬公司控股股東向本公司或其任何附屬公司提供服務而訂立任何重大合約。

# REPORT OF THE DIRECTORS

## 董事會報告

### MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Year.

### DEED OF NON-COMPETITION

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

The controlling shareholders have confirmed with the Company that they had complied with the non-competition undertakings during the year ended 31 May 2017. The Directors (including the Independent Non-executive Directors) have reviewed and confirmed the compliance with the non-competition undertaking by the controlling shareholders.

### SUFFICIENCY OF PUBLIC FLOAT

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

### DIRECTORS' INTEREST COMPETING BUSINESS

As at 31 May 2017, none of the Directors, nor the substantial shareholders of the Company and any their respective close associates has any interest in a business which competes or likely to compete, either directly or indirectly, with the business of the Group.

### 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 May 2017.

### 管理合約

年內，概無訂立或存續有關本公司全部或任何大部分業務的管理及行政合約。

### 不競爭契據

控股股東(即Loh Swee Keong先生及彼透過其持有本公司股權的公司Merchant World Investments Limited)已於2017年6月27日與本公司訂立不競爭契據。不競爭契據的詳情已於招股章程披露。

控股股東已向本公司確認，彼等於截至二零一七年五月三十一日止年度一直遵守不競爭承諾。董事(包括獨立非執行董事)已審閱及確認控股股東遵守不競爭承諾的情況。

### 足夠公眾持股量

根據本公司公開可得資料及就董事所知，於本報告日期，本公司有足夠公眾持股量或不少於25%股份按創業板上市規則規定由公眾持有。

### 董事於競爭業務的權益

於2017年5月31日，概無董事、本公司主要股東或彼等各自的任何緊密聯繫人在與本集團業務造成或可能造成直接或間接競爭的業務中擁有任何權益。

### 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2017年5月31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2017年6月27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(包括認購有關證券的購股權或權利(如有))。



# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

As at 31 May 2017, the interests and short position 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 interest or/ 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2017年5月31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：

### Ordinary Shares of the Company

### 本公司普通股

Name	Capacity/ Nature of Interest	Number of issued ordinary shares held (Note 1) 所持已發行 普通股數目 (附註1)	Approximate percentage of issued share capital of the Company 佔本公司 已發行股本 概約百分比
Mr. Loh Swee Keong (Note 2)	Interest in controlled corporation	317,020,000 (L)	51.13%
Loh Swee Keong 先生(附註2)	受控制法團權益		

#### 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持有的全部股份中擁有權益。

## REPORT OF THE DIRECTORS 董事會報告

Save for disclosed above, as at 31 May 2017, none of the Directors and chief executive of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provision of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

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

As at 31 May 2017, the following persons (other than a Directors or chief executive of the Company) had interests 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:

除上文所披露者外，於2017年5月31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任何權益或淡倉。

### 主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於2017年5月31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：

# REPORT OF THE DIRECTORS

## 董事會報告

### Ordinary Shares of the Company

### 本公司普通股

Name 姓名／名稱	Capacity/ Nature of Interest 身份／權益性質	Number of Shares (Note 1) 股份數目(附註1)	Approximate percentage of shareholding 概約股權百分比
Merchant World Investments Limited Merchant World Investments Limited	Beneficial owner 實益擁有人	317,020,000 (L)	51.13%
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%

#### 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 May 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2017年5月31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條須存置的登記冊的權益或淡倉。

# REPORT OF THE DIRECTORS

## 董事會報告

### 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.

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.

### 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2017年6月27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。

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。

## REPORT OF THE DIRECTORS 董事會報告

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 within seven days inclusive of the day on which such offer was made. 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 business day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the share.

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for disclosed above, at no time during the Year 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).

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於七日內(包括作出該要約的日期)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(該日須為營業日)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營業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。

### 董事收購股份或債權證的權利

除上文所披露者外，於年內任何時間，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。

# REPORT OF THE DIRECTORS

## 董事會報告

### CONNECTED TRANSACTIONS

During the Year, there were no connected transactions or continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the GEM Listing Rules. Details of the significant related party transactions undertaken in the usual course of business are set out in note 34 to the consolidated financial statements. None of these related party transactions constitute a disclosable connected transaction as defined under the GEM Listing Rules.

### RETIREMENT BENEFITS PLAN

Details of the retirement benefits plan of the Group as at 31 May 2017 are set out in the note 7 to the consolidated financial statements.

### PERMITTED INDEMNITY PROVISION

Pursuant to the memorandum and articles of association ("**Articles of Association**") of the Company, the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in the execution of their duties in their offices. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

### EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme are set out above, the Company has not entered into any equity-linked arrangement during the Year.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

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

### DONATION

During the Year, the Group had made charitable and other donation for approximately RM31,417 (2016: RM19,656).

### 關連交易

年內，本公司並無創業板上市規則第20章項下的關連交易或持續關連交易，而須遵守創業板上市規則的任何申報、公告或獨立股東批准規定。於日常業務過程中進行的重大關連方交易詳情載於綜合財務報表附註34。概無該等關連方交易構成須予披露關連交易(定義見創業板上市規則)。

### 退休福利計劃

本集團於2017年5月31日的退休福利計劃詳情載於綜合財務報表附註7。

### 獲准許彌償條文

根據本公司的組織章程大綱及細則(「**組織章程細則**」)以及適用法例及規例，各董事將獲以本公司資產及溢利作為彌償保證，並確保其不會因彼等或彼等任何一方於執行彼等於有關職位的職責時可能招致或遭受的一切訴訟、費用、收費、損失、損害及開支而受到損害。本公司已為董事及本集團的高級職員安排購買適當的董事及高級職員責任保險。

### 股本掛鈎協議

除上文所載購股權計劃外，本公司於年內並無訂立任何股本掛鈎協議。

### 環保政策及表現

本公司深知其於業務活動中負有保護環境的責任。本公司力求實現環境及社會的可持續發展。本集團一直致力遵守有關環保的法例及規例，並採用有效的環保政策，以確保其業務符合環保方面的所需標準及操守。

### 捐贈

年內，本集團已作出慈善及其他捐贈約31,417令吉(2016年：19,656令吉)。

# REPORT OF THE DIRECTORS

## 董事會報告

### CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors a confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors were independent during the Year.

### AUDITORS

The financial statements for the year ended 31 May 2017 have been audited by Deloitte PLT (LLP0010145-LCA) who will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Deloitte PLT (LLP0010145-LCA) as auditor of the Company will be proposed at the forthcoming AGM.

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

Hong Kong, 28 August 2017

### 獨立性確認書

本公司已收到各獨立非執行董事根據創業板上市規則第5.09條發出的獨立性確認書，並認為全體獨立非執行董事於年內均為獨立人士。

### 核數師

截至2017年5月31日止年度的財務報表已由 Deloitte PLT (LLP0010145-LCA) 審核，其將告退並符合資格及願意接受續聘。重新委任 Deloitte PLT (LLP0010145-LCA) 為本公司核數師的決議案將於應屆的股東週年大會上提呈。

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

香港，2017年8月28日

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

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

As the Shares of the Company were only listed on the Stock Exchange on 19 July 2017, the Corporate Governance Code (the "CG Code") was not applicable to the Company during the financial year ended 31 May 2017. The Directors will continue to review and monitor its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Group.

Under the code provision A.2.1 of the CG Code, the role of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established.

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

Save as disclosed above, since the Listing Date and up to the date of this report, in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

### 企業管治常規

自上市以來，董事會一直意識到透明度及問責性對上市公司的重要性。因此，董事會及本集團高級管理層致力達致高標準的企業管治水平，制定良好的企業管治常規以改善營運的問責性及透明度，並不時加強內部監控及風險管理系統，以保障股東權利及提升股東價值。董事認為，良好的企業管治為有效的管理、成功的業務發展及健全的企業文化提供至關重要的框架，從而令本集團持份者整體受惠。

由於本公司股份僅於2017年7月19日方在聯交所上市，故於截至2017年5月31日止財政年度，企業管治守則（「企業管治守則」）並不適用於本公司。董事將繼續檢討及監察其企業管治常規，以提高企業管治標準，遵守不時日益收緊的監管要求，以及滿足本集團股東及其他持份者日益提高的期望。

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

Loh先生為本公司董事會主席兼行政總裁。鑑於Loh先生自1993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，自上市日期起至本報告日期止，董事認為，本集團一直遵守企業管治守則的守則條文。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' SECURITIES TRANSACTIONS

As the Shares of the Company were only listed on the Stock Exchange on 19 July 2017, the code of conduct regarding securities transactions by Director was not applicable to the Company during the financial ended 31 May 2017.

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 since the Listing Date (19 July 2017) to the date of this report.

### BOARD OF DIRECTORS

The Board currently comprises five Directors, including two Executive Directors, namely Mr. Loh Swee Keong and Mr. Tan Cheng Siong, and three Independent Non-executive Directors are Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Lee, Alexander Partick.

Mr. Loh Swee Keong is the chairman (the “**Chairman**”) of the Board.

### Overall Accountability

The Board is committed to providing effective and responsible leadership for the Company. The Board is accountable to the Shareholders and in discharging its corporate accountability. The Directors, individually and collectively, must act in good faith in the best interests of the Company and the Shareholders and fulfill his fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements. The Board has the full support from the Executive Directors and the senior management of the Company to discharge its responsibilities.

The biographical details of the Directors and other senior management are set out in the section headed with “**Directors and Senior Management Profiles**” of this report.

### 董事進行證券交易

由於本公司股份僅於2017年7月19日方在聯交所上市，故於截至2017年5月31日止財政年度，有關董事進行證券交易的行為守則不適用於本公司。

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自上市日期（2017年7月19日）起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。

### 董事會

董事會目前由五名董事組成，其中包括兩名執行董事（分別為Loh Swee Keong先生及Tan Cheng Siong先生）及三名獨立非執行董事（分別為邱家禧先生、朱健明先生及李明鴻先生）。

Loh Swee Keong先生為董事會主席（「**主席**」）。

### 全面問責

董事會致力為本公司提供有效及負責任的領導。董事會對股東負責，並履行其企業責任。董事須個別及共同地為本公司及股東的最佳利益真誠行事，並按照符合法定規定的標準應用必要水平的技能，謹慎盡忠地履行其董事受信責任。執行董事及本公司高級管理層會全力支持董事會履行職責。

董事及其他高級管理層的履歷詳情載於本報告「**董事及高級管理層簡介**」一節。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Board Responsibilities

The Board is responsible for formulating the Group's policies and business plans, and monitoring internal controls and performances. The overall management of the Company's business is vested in the Board which assumes the responsibility for promoting the success of the Company by supervising its affairs. The Board focuses on formulating the Group's overall strategies, approving the annual development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system and supervising the management's performance. Regarding the Group's corporate governance, the Board is responsible for performing following duties:

- (a) determined and reviewed the policies and practices on corporate governance of the Group and make recommendations;
- (b) reviewed and monitored the training and continuous professional development of Directors and senior management; and
- (c) reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors (the "Model Code") on terms no less exacting than the required standard of dealings concerning securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Directors are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Group, all Directors have confirmed that they have complied with the required standard set out in the Model Code from the Listing Date and up to 31 March 2017.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

CG Code provision A.2.1 stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. Mr. Loh is the chairman of the Board and the chief executive officer of the Company. In view of Mr. Loh has been operating and managing the operating subsidiaries of the Group since 1993, the Board believes that it is in the best interest of the Group to have Mr. Loh taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance.

### 董事會責任

董事會負責制定本集團的政策及業務計劃，以及監察內部監控及表現。本公司的整體業務由董事會負責管理。董事會負責監督本公司的事務，以促使其取得成功。董事會專注制定本集團的整體策略；審批年度發展計劃及預算；監察財務及營運表現、檢討內部監控制度的成效，及監督管理層的表現。就本集團的企業管治而言，董事會負責履行以下職責：

- (a) 釐定及檢討本集團的企業管治政策及常規，並提出推薦建議；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；及
- (c) 檢討及監察本集團在遵守法律及監管規定方面的政策及常規。

### 進行證券交易的標準守則

本集團已採納有關董事進行證券交易的行為守則（「標準守則」），其條款不遜於創業板上市規則第5.48至5.67條所載董事進行證券交易的規定交易準則。本公司亦定期提醒各董事於標準守則下須履行的責任。經本集團作出具體查詢後，全體董事確認彼等自上市日期起至2017年3月31日止一直遵守標準守則所載的規定準則。

### 主席及行政總裁

企業管治守則條文第A.2.1條訂明，主席及行政總裁的職務應予區分，不應由同一人士擔任。Loh先生為本公司董事會主席兼行政總裁。鑑於Loh先生自1993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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD MEETING, GENERAL MEETING AND PROCEDURES

The Board meets regularly and, in addition to regular meetings, it meets as and when warranted by particular circumstances. The Company was listed on 19 July 2017. One board meeting has been held from the date of the Listing to the date of this annual report.

### CORPORATE GOVERNANCE FUNCTIONS

The Group has not established a corporate governance committee and thus the Board is responsible for performing the corporate governance duties set out in CG Code D.3.1 such as reviewing and determining the policies and practices on corporate governance of the Group, developing the Group's policies, practices on corporate governance, training and continuous professional development of the Directors and senior management, the Group's policies and practices on compliance with legal and regulatory requirements.

The Board held meetings from time to time whenever necessary. To enable all the Directors to participate in the meetings, the Company ensures that all Directors are properly briefed on issues arising at the Board meetings and receive adequate, complete and reliable information in a timely manner. Notice of regular Board meetings is given to all Directors and they can include matters for discussion in the agenda as they think fit. Draft minutes of Board meeting shall be circulated to all Directors for comments prior to confirmation of the minutes. The signed minutes are kept by the Company Secretary. Every Board member has full access to the advice and services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed. They are also entitled to have full access to Board documents and related materials so that they are able to make an informed decision.

### 董事會會議、股東大會及程序

董事會定期召開會議，而除例會外，其亦在有特殊情況需要時召開會議。本公司於2017年7月19日上市。自上市日期起至本年報日期止，董事會已舉行一次會議。

### 企業管治職能

本集團並無成立企業管治委員會。因此，董事會負責履行企業管治守則第D.3.1條所載的企業管治職務，例如檢討及釐定本集團的企業管治政策及常規、制定本集團的企業管治政策及常規、董事及高級管理人員的培訓及持續專業發展，以及本集團在遵守法律及監管規定方面的政策及常規。

董事會不時在有需要時舉行會議。為使全體董事能夠出席會議，本公司確保全體董事妥為得知董事會會議上討論的事項，並及時收到足夠、完整而可靠的資料。全體董事就定期董事會會議獲發通知，而彼等可將其認為適合的討論事項納入會議議程。董事會會議記錄的草稿須向全體董事傳閱，以便彼等於確認會議記錄前給予意見。經簽署的會議記錄會由公司秘書保存。各董事會成員均可全面獲得公司秘書的意見及服務，以確保董事會的程序以及所有適用規則及規例均獲遵從。彼等亦有權全面查閱董事會文件及相關資料，以作出知情決定。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to Article 112 of the Articles of Association of the Company, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of members after his appointment and be subject to re-election at such meeting; and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to article 108(a) of the articles of association of the Company (the “Articles”), at each annual general meeting, one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Accordingly, Mr. Loh Swee Keong (Chairman and Chief Executive Officer), Mr. Tan Cheng Siong and three Independent Non-executive Directors namely Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Lee, Alexander Patrick shall retire at the AGM and being eligible, offer themselves for re-election.

The biographical details of above mentioned Directors proposed to be re-elected at the forthcoming annual general meeting are set out in the section headed “Directors and Senior Management Profiles” on pages 17 to 24 of this annual report.

Independent Non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. Each Independent Non-executive Directors is required to inform the Group as soon as practicable if there is any change that may affect his/her independence. The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independency pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers these Independent Non-executive Directors to be independent.

### 委任及重選董事

根據本公司組織章程細則第112條，董事有權不時及隨時委任任何人士為董事，以填補臨時空缺或增加現有董事會人數。任何獲董事會委任的董事以填補臨時空缺的董事任期僅至其獲委任後的首屆股東大會為止，並符合資格於有關大會上重選連任，而任何獲董事會委任以增加現有董事會人數的董事任期僅至本公司下屆股東周年大會為止，並符合資格重選連任。

根據本公司組織章程細則(「細則」)第108(a)條，於每屆股東週年大會上，當時在任的三分之一董事須輪值退任，惟每名董事(包括該等以特定任期獲委任的董事)須至少每三年輪值退任一次。退任董事符合資格重選連任。

因此，Loh Swee Keong先生(主席兼行政總裁)、Tan Cheng Siong先生及三名獨立非執行董事邱家禧先生、朱健明先生及李明鴻先生須於股東週年大會上退任且符合資格並願意重選連任。

上述建議於應屆股東週年大會上重選連任的董事之履歷詳情載於本年報第17至24頁「董事及高級管理層簡介」一節。

獨立非執行董事乃按特定任期獲委任，惟須根據細則輪值退任及重選連任。如出現任何可能影響其獨立性的變動，各獨立非執行董事須於切實可行情況下盡快通知本集團。本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條發出的年度獨立性確認書，且本公司認為該等獨立非執行董事均屬獨立人士。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CONTINUOUS PROFESSIONAL DEVELOPMENT

To ensure the Directors' contribution to the Board remains informed and relevant, the Directors are encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills relating to the roles, functions and duties of a director of a listed company. Prior to the Listing, all Directors had attended an in-house training course provided by the Hong Kong Legal Advisor of the Company in relation to the directors' obligations and responsibilities, the Hong Kong Companies Ordinance and the GEM Listing Rules. The relevant training material has been distributed to all the Directors. The training covered topics including the Code, listed company regulations and disclosure obligations in Hong Kong, disclosable transactions and connected transactions etc.

### BOARD COMMITTEES

The Board has established three board committees, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"). The terms of reference of the Board's committee are posted on the Company's website and the website of the Stock Exchange and are available to shareholders upon request.

#### Audit Committee

The Group established the Audit Committee on 27 June 2017 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules.

The Audit Committee currently consists of three 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.

### 持續專業發展

為確保董事一直在知情的情況下對董事會作出相關的貢獻，本公司鼓勵董事參與專業發展課程及研討會，以增進及重溫彼等有關上市公司董事的角色、職能及職責之知識及技能。於上市前，全體董事已參與由本公司香港法律顧問提供的內部培訓課程。課程內容涵蓋董事的義務及職責、香港公司條例及創業板上市規則。相關培訓資料已派發予全體董事。有關培訓涵蓋守則、香港上市公司規例及披露責任、須予披露交易及關連交易等課題。

### 董事會委員會

董事會已成立三個董事會委員會，分別為審核委員會（「**審核委員會**」）、薪酬委員會（「**薪酬委員會**」）及提名委員會（「**提名委員會**」）。董事會委員會的職權範圍於本公司網站及聯交所網站刊登，並於股東提出要求時可供查閱。

#### 審核委員會

本集團已於2017年6月27日成立審核委員會，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十五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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Audit Committee is mainly responsible for the followings:

審核委員會的主要職責如下：

- (a) to act as the key representative body for overseeing the Company's relations with the external auditor, and be primarily responsible for making recommendations to the board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
  - (b) to review with the Group's management, external auditors and internal auditor, where an internal audit function exists in the Company, the adequacy of the Group's policies and system regarding internal controls (including financial, operational and compliance controls), risk management system and any statement by the directors of the Company to be included in the annual accounts prior to endorsement by the Board;
  - (c) to review and monitor the integrity of the Company's financial statements and the annual, quarterly and interim financial reports, and to review significant financial reporting judgements contained in them prior to approval by the Board, with particular focus on:
    - (i) any changes in accounting policies and practices;
    - (ii) major judgmental areas;
    - (iii) significant adjustment resulting from the audit/review;
    - (iv) the going concern assumption and any qualifications;
    - (v) compliance with the accounting and auditing standards; and
    - (vi) compliance with the listing requirements on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and legal requirements in relation to financial reporting;
- (a) 擔任本公司與外聘核數師之主要代表，負責監察兩者之間的關係；及主要負責就外聘核數師之委任、重新委任及罷免向董事會提供建議、批准外聘核數師之薪酬及聘用條款，及處理任何有關該核數師辭任或辭退該核數師之問題；
  - (b) 於董事會核准前，與本集團管理層、外聘核數師及內部核數師（倘本公司設有內部審核職能）檢討本集團有關內部監控的政策及系統（包括財務、營運及合規監控）、風險管理系統以及本公司董事於年度賬目內作出的任何聲明是否充分；
  - (c) 在向董事會提交本公司財務報表以及年度、季度及中期財務報告以供批准前，先行審閱及監察該等報表及報告的完整性，並覆核當中所載的重大財務報告判斷，尤其須針對下列各項：
    - (i) 會計政策及慣例的任何改變；
    - (ii) 重大判斷範圍；
    - (iii) 有關核數／審閱結果的重大調整；
    - (iv) 持續經營的假設及任何保留意見；
    - (v) 有否遵守會計及核數準則；及
    - (vi) 有否遵守香港聯合交易所有限公司創業板的上市規定及有關財務報告的法律要求；

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

- (d) Oversee the issuer's financial reporting system, the risk management and the internal control systems;
- (i) to review the Company's financial controls, and unless expressly addressed by a separate board risk committee, or by the board itself, to review the Company's risk management and internal control systems;
- (ii) to review arrangements employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- (iii) to review the draft representation letter prior to approval by the Board;
- (iv) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have an effective system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the issuer's accounting and financial reporting function; and
- (v) to consider major investigation findings on risk management and internal control matters as delegated by the board or on its own initiative and management's response to these findings.
- (d) 監察發行人之財務報告系統、風險管理及內部監控系統；
- (i) 檢討本公司之財務監控，及除非由另一董事會之風險委員會或董事會本身明確表示，檢討本公司風險管理及內部監控系統；
- (ii) 檢討本集團僱員以保密方式就財務報告、內部監控或其他事宜可能存在不當情況提出疑問的安排。委員會須確保已作出適善安排，以公平及獨立地調查該等事項及作適當跟進行動；
- (iii) 經董事會批准前，審閱陳述書的草擬稿；
- (iv) 與管理層討論風險管理及內部監控系統，以確保管理層已履行其職責建立有效系統。此討論應包括發行人會計及財務報告功能的人力資源、員工資歷及經驗、培訓課程及預算是否充足；及
- (v) 主動或應董事會的委派，就有關風險管理及內部監控事宜的重要調查結果及管理層對調查結果的回應進行研究。

During the period from the Listing Date to the date of this report, one meeting has been being held for the Audit Committee. The audited consolidated financial statements of the Group for the year ended 31 December 2016 has been reviewed by the Audit Committee.

於上市日期至本報告日期期間，審核委員會已舉行一次會議。本集團截至二零一六年十二月三十一日止年度的經審核綜合財務報表已由審核委員會審閱。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Remuneration Committee

The Company established the Remuneration Committee on 27 June 2017 with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph B.1 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The Remuneration Committee currently consists of three members, namely Mr. Yau Ka Hei, Mr. Tan Cheng Siong and Mr. Chu Kin Ming. The chairman of the Remuneration Committee is Mr. Yau Ka Hei.

The Remuneration Committee is mainly responsible for the followings:

- (a) to consult the chairman of the Board and/or the chief executive of the Company (where applicable) about their remuneration proposals for other Executive Directors. The Committee should have access to independent professional advice if necessary;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) either (i) determine, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management of the Company; or (ii) make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management of the Company. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) make recommendations to the Board on the remuneration of Non-executive Directors and Independent Non-executive Directors of the Company;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries; and
- (f) review and approve compensation payable to the Executive Directors and senior management of the Company for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.

### 薪酬委員會

本公司已於2017年6月27日成立薪酬委員會，並遵照創業板上市規則第5.34至5.36條及創業板上規規則附錄十五所載的企業管治守則及企業管治報告第B.1段，制定其書面職權範圍。薪酬委員會目前由三名成員組成，即邱家禧先生、Tan Cheng Siong先生及朱健明先生。薪酬委員會主席為邱家禧先生。

薪酬委員會的主要職責如下：

- (a) 就其他執行董事的薪酬建議諮詢董事會主席及／或本公司行政總裁（倘適用）。倘有需要，委員會應可獲取獨立專業意見；
- (b) 因應董事會所訂立的企業方針及目標，檢討及批准管理層的薪酬建議；
- (c) (i) 獲董事會轉授責任釐定本公司個別執行董事及高級管理人員的薪酬待遇；或(ii) 向董事會建議本公司個別執行董事及高級管理人員的薪酬待遇。此應包括實物利益、退休金權利及賠償金額（包括喪失或終止職務或委任的應付賠償）；
- (d) 就本公司非執行董事及獨立非執行董事的薪酬向董事會提出建議；
- (e) 考慮同類公司支付的薪酬、須付出的時間及職責以及本公司及其附屬公司內其他職位的僱用條件；及
- (f) 檢討及批准向執行董事及本公司高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，有關賠償亦須公平合理，不致過多。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

During the period from the Listing Date to the date of this report, one meeting has been held for the Remuneration Committee.

The emolument payable to Directors depends on their respective contractual terms under the service contracts and the appointment letters, and as recommended by the Remuneration Committee. Details of the Directors' emolument are set out in note 7 to the consolidated financial statements.

Further details of the remuneration of the Directors and the 5 highest paid employees required to be disclosed under Appendix 16 of the Listing Rules have been set out in notes 7 and 8 to the consolidated financial statements.

### Nomination Committee

Our Company established the Nomination Committee on 27 June 2017 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The Nomination Committee currently consists of three members, namely Mr. Loh Swee Keong, Mr. Yau Ka Hei and Mr. Lee, Alexander Patrick. The chairman of the Nomination Committee is Mr. Loh Swee Keong.

The main roles and functions of the Nomination Committee include the followings:

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) assess the independence of Independent Non-executive Directors of the Company;
- (d) make recommendations to the Board on the appointment or re-appointment of directors of the Company and succession planning for directors of the Company, in particular the chairman of the Board and the chief executive officer of the Company; and

於上市日期至本報告日期期間，薪酬委員會已舉行一次會議。

應付董事酬金視乎彼等各自的服務合約及委任函件所載合約條款而定，並須參考薪酬委員會的推薦建議。董事酬金詳情載於綜合財務報表附註7。

根據上市規則附錄十六須予披露有關董事酬金及五位最高薪僱員的進一步詳情載於綜合財務報表附註7及8。

### 提名委員會

本公司已於2017年6月27日成立提名委員會，並遵照創業板上市規則附錄十五所載的企業管治守則及企業管治報告第A.5段，制定其書面職權範圍。提名委員會目前由三名成員組成，即Loh Swee Keong先生、邱家禧先生及李明鴻先生。提名委員會主席為Loh Swee Keong先生。

提名委員會的主要角色及職能包括以下各項：

- (a) 每年至少一次檢討董事會的架構、人數及組成(包括技能、知識及經驗)，並向董事會提出任何改動建議，以配合本公司的企業策略；
- (b) 物色合資格成為董事會成員的適當人選，並甄選或就甄選所提名擔任董事職務的人選向董事會提供建議；
- (c) 評核本公司獨立非執行董事的獨立性；
- (d) 就本公司董事委任或續任以及本公司董事的繼任計劃(尤其是董事會主席及本公司行政總裁)向董事會提出建議；及

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

(e) have a policy concerning diversity of Board members, review the policy and the progress on achieving the objectives set for implementing the policy and should disclose the policy or a summary of the policy in the corporate governance report annually.

The Board recognises the benefits of diversity of the Board members. In designing the Board's composition, Board diversity has been considered from a number of measurable aspects including but not limited to educational background, professional qualifications, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regards for the benefits of diversity on the Board. No restrictions, like age, gender, and ethnic origin, will be set for the selection of Board members. The Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the business of the Group. The Nomination Committee will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the business of the Group.

The Company was listed on 19 July 2017. During the period from the Listing Date to the date of this report, one meeting has been held for the Nomination Committee.

(e) 制定關於董事會成員多元化的政策、檢討政策及達致有關政策所設定目標的進度，並應每年於企業管治報告內披露有關政策或政策的摘要。

董事會明白董事會成員多元化之裨益。本公司在設定董事會成員組合時，會從多個可計量方面考慮董事會成員多元化，包括但不限於教育背景、專業資格、年齡、種族、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。於甄選董事會成員時，本公司不會設立如年齡、性別及種族之限制。本公司將確保董事會在切合本集團業務所需的技能、經驗及不同方面取得平衡。提名委員會將確保董事會在切合本集團業務所需的技能、經驗及不同方面取得平衡。

本公司於2017年7月19日上市。於上市日期至本報告日期期間，提名委員會已舉行一次會議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

From the Listing Date to the date of this report, the attendance record of each Director is set out in the table below:

自上市日期起至本報告日期止，各董事的出席記錄載於下表：

Name of Directors 董事姓名	Number of attendance/number of meetings from the Listing Date to the date of this report 自上市日期起至本報告日期止的出席次數／會議次數				
	Audit Board meeting 董事會會議	Remuneration Committee meeting 審核委員會會議	Nomination Committee meeting 薪酬委員會會議	General Committee meeting 提名委員會會議	General meeting 股東大會
Executive Directors 執行董事					
Mr. Loh Swee Keong Loh Swee Keong先生	1/1	N/A 不適用	N/A 不適用	1/1	N/A 不適用
Mr. Tan Cheng Siong Tan Cheng Siong先生	1/1	N/A 不適用	1/1	N/A 不適用	N/A 不適用
Independent Non-executive Directors 獨立非執行董事					
Mr. Yau Ka Hei 邱家禧先生	1/1	1/1	1/1	1/1	N/A 不適用
Mr. Chu Kin Ming 朱健明先生	1/1	1/1	1/1	N/A 不適用	N/A 不適用
Mr. Lee, Alexander Patrick 李明鴻先生	1/1	1/1	N/A 不適用	1/1	N/A 不適用

### ACCOUNTABILITY AND AUDITING

The Board acknowledges its responsibility in preparing the Group's consolidated financial statements for each financial year which give a true and fair view of the Group's state of affairs, results and cash flows and in accordance with the relevant accounting standards and principles and the disclosure requirements under applicable laws and regulations in Hong Kong.

The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. The statements by external auditor, Deloitte PLT (LLP0010145-LCA), about their reporting responsibility on the financial statements of the Group are set out in the independent auditor's report on pages 54 to 60 of this annual report.

### 問責及核數

董事會確認其有於每個財政年度編製本集團綜合財務報表之責任。綜合財務報表根據相關會計準則及原則，以及香港適用法例及規例之披露規定真實而中肯地反映本集團之事務狀況、業績及現金流量。

外聘核數師的責任為根據審核結果對董事會所編製綜合財務報表提出獨立意見，並向本公司股東匯報彼等的意見。外聘核數師Deloitte PLT (LLP0010145-LCA) 就其對本集團財務報表的申報責任所發表的聲明，載於本年報第54至60頁的獨立核數師報告。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining effective internal control and risk management systems and for monitoring their effectiveness to safeguard shareholders' investments and the assets of the Group. The internal control system of the Group aims to facilitate efficient operation which in turn reduces the risks to which the Group is exposed. The internal control and risk management systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

The Group recognises that effective risk management is essential for the long-term development on the Group's business. The management is responsible for establishing, implementing and reviewing the sound and effective internal control system underpinning the risk management framework. The Audit Committee will periodically review the Group's compliance status with the Hong Kong laws and will perform its functions by (i) reviewing the internal control and legal compliance; (ii) discussing the internal control systems with the management of the Group to ensure that the management has performed its duty to have an effective internal control system and (iii) considering the major investigation findings on internal control matters as delegated by the Board or its own initiative and the management's response to these findings. While taking into full account of the new requirements effective from the Listing Date under the GEM Listing Rules brought by Hong Kong Exchanges and Clearing Limited relating to risk management and internal control, the management has formulated the risk management and control framework. All employees are committed to implement the risk management framework into the daily operation.

In relation to the Listing, to assess and identify weakness in the Group's internal procedures, systems and controls, the Group has engaged an independent internal control consultant ("**Internal Control Consultant**") to review the adequacy and effectiveness of the internal control procedures, systems and controls. Based upon the recommendations from the Internal Control Consultant, the Group has taken remedial actions. Further, in order to continuously improve the Group's corporate governance in the future the Group will adopt the measures recommended by the Internal Control Consultant.

### 內部監控及風險管理

董事會負責維持有效的內部監控及風險管理制度，並監察其成效以保障股東的投資及本集團的資產。本集團的內部監控制度旨在促使有效營運，從而減少本集團面臨的風險。內部監控及風險管理制度旨在提供合理（而非絕對）的保證，以防出現重大錯誤陳述或損失的情況，並管理（而非完全杜絕）本集團營運系統的失誤及本集團未能達成業務目標的風險。

本集團明白有效的風險管理對本集團業務的長遠發展至關重要。管理層負責制定、實施及檢討健全有效的內部監控系統，並以此為風險管理框架的基礎。審核委員會將定期檢討本集團遵守香港法例的情況，並將透過下列方式履行其職責：(i) 檢討內部監控及遵守法律的情況；(ii) 與本集團的管理層討論內部監控系統以確保管理層已履行其職責設立有效的內部監控系統；及(iii) 審議董事會委託或自發對內部監控事宜進行調查的重大結果及管理層對該等結果的回應。除全面考慮香港交易及結算所有限公司所頒佈創業板上市規則項下自上市日期起生效的風險管理及內部監控相關新規定外，管理層已制定風險管理及監控框架。全體僱員致力在日常營運中實施風險管理框架。

就有關上市而言，為評估及識別本集團內部程序、系統及控制措施的弱點，本集團已委聘獨立內部監控顧問（「**內部監控顧問**」）檢討內部監控程序、系統及控制措施是否充分及有效。根據內部監控顧問的建議，本集團已採取補救措施。此外，務求在日後持續改善本集團的企業管治，本集團將採納內部監控顧問建議的措施。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Based on the result of the reviews as mentioned above, it is considered that proper internal control and risk management systems are in place and implemented effectively.

根據上述檢討結果，本公司認為內部監控及風險管理系統已妥為制定並有效地實施。

### AUDITORS' REMUNERATION

For the year ended 31 May 2017, the remuneration paid or payable to Deloitte PLT in respect of the statutory audit services and non-audit services for the Group are as follows:

### 核數師酬金

截至2017年5月31日止年度，本集團就法定審核服務及非審核服務已付或應付Deloitte PLT的酬金如下：

Nature of Services		Fee paid/ payables
服務性質		已付／應付 的費用 HK\$'000 千港元
Audit services	審核服務	780
Non-audit services	非審核服務	3,720

### COMPANY SECRETARY

Ms. Chau Wing Kei was appointed as the company secretary of the Company on 9 December 2016. All Directors have access to the Company Secretary to ensure that Board procedures and all applicable laws, rules and regulations are followed. Ms. Chau taken no less than 15 hours of relevant professional training for the year ended 31 May 2017. The biographical details of Ms. Chau are set out under the section headed "Directors and Senior Management Profile" on pages 17 to 24 of this annual report.

### 公司秘書

周詠淇女士已於2016年12月9日獲委任為本公司的公司秘書。全體董事均可尋求公司秘書的協助，以確保董事會的程序及所有適用法例、規則及規例已獲遵從。周女士已於截至2017年5月31日止年度接受不少於15小時的相關專業培訓。周女士的履歷詳情載於本年報第17及24頁「董事及高級管理層簡介」一節。

### SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interest and rights, separate resolutions can be proposed at shareholders' meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. All resolutions put forward at shareholders' meeting will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the website of The Stock Exchange and the Company's website after the relevant shareholders' meeting.

### 股東權利

作為其中一項保障股東利益及權利的措施，可於股東大會就各項重大議題（包括推選個別董事）提呈獨立決議案以供股東考慮及表決。根據創業板上市規則，於股東大會上提呈的所有決議案將以按股數投票方式表決，而投票表決結果將於相關股東大會結束後在聯交所網站及本公司網站刊載。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

#### Procedures for Shareholders to convene an extraordinary general meetings (“EGM”)

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors’ understanding of the Group’s business performance and strategies. The following procedures for shareholders to convene an extraordinary general meeting are subject to the Articles (as amended from time to time), and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time):

- (a) EGM shall be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition (the “**Requisition**”), not less than one tenth of the paid up capital of the Company having the right of voting at general meetings (the “**Eligible Shareholders**”). Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition;
- (b) The Eligible Shareholders must deposit the Requisition to the principal place of business of the Company in Hong Kong at “Units 2201–3, Tai Tung Building, 8 Fleming Road, Wanchai” or to Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for the attention of the Board and/or the Company Secretary;
- (c) If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

As a channel to promote effective communication, the Group maintains a website where information on the Company’s announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any enquiries.

### 與股東及投資者的溝通

#### 股東召開股東特別大會(「股東特別大會」)的程序

本公司相信，與股東有效溝通對加深投資者關係以及投資者對本集團業務表現及策略的了解而言至關重要。以下為股東召開股東特別大會的程序，乃受細則(經不時修訂)以及適用法例及規例(特別是創業板上市規則(經不時修訂))所規限：

- (a) 股東特別大會須應一名或多名股東的請求(「**請求**」)召開，該等股東於提出請求當日須持有本公司繳足股本不少於十分一且擁有在股東大會上投票的權利(「**合資格股東**」)。有關請求須以書面形式向董事會或秘書提出，藉以要求董事會就處理有關要求所指明之任何事務而召開股東特別大會。有關會議須在送交該請求後兩個月內舉行；
- (b) 合資格股東須將有關請求送交本公司香港主要營業地點(地址為灣仔菲林明道8號大同大廈2201–3室)或本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)，並註明收件人為董事會及／或公司秘書；
- (c) 如董事會在有關送交日期起計21日內未有進行安排召開有關會議，則請求人(或多名請求人)可用相同方式自行召開會議，且請求人因董事會未有妥為召開會議而產生的所有合理費用須由本公司償付。

作為鼓勵有效溝通的渠道，本集團設立網站以刊登本公司公佈的資料、財務資料及其他資料。股東及投資者可將任何查詢以書面形式直接寄往本公司的香港主要營業地點。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Procedures for putting forward proposals at Shareholders' meeting

There are no provisions in the Articles of the Company or the Companies Law of the Cayman Islands for shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

### Procedures for raising enquiries

Shareholders may raise questions, request for publicly available information and provide comments and suggestions to the Directors and management of the Company. Such questions, requests, comments and suggestions can be addressed to the Company by post to Units 2201-3 Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong or via telephone at (852) 2861 1999.

Should there are any enquiries and concerns from shareholders, they may direct their enquiries about their shareholdings to the Company's Hong Kong share registrar and transfer office, Tricor Investors Limited, by post to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or via telephone at (852) 2980 1333. Shareholders are reminded to lodge their questions together with their detailed contact information for the prompt response from the Company if it deems appropriate.

### INVESTORS RELATIONS

The Company has established a shareholders communication policy between itself and its shareholders, and investors which aims to set out the principles of the Company in relation to the shareholders' communications, with the objective of ensuring timely, transparent and accurate communications between the shareholders of the Company and the Company. These include answering questions through the annual general meeting, the publication of annual, interim and quarterly reports, notices, announcements and circulars, the Company's website at [www.targetprecast.com](http://www.targetprecast.com) and meetings with investors and shareholders. News update of the Group's business development and operation are also available on the Company's website.

### CONSTITUTIONAL DOCUMENTS

The Company adopted an amended and restated memorandum and articles of association of the Company (the "**Constitutional Documents**") on 27 June 2017 and effective upon the Listing. A copy of the Company's updated Constitutional Documents is available on the websites of the Company and the Stock Exchange.

### 於股東大會提出建議之程序

本公司細則或開曼群島公司法概無條文規定股東可於股東大會上動議新決議案。有意動議決議案的股東可依據前段所述程序要求本公司召開股東大會。

### 提出查詢的程序

股東可向本公司董事及管理層提出問題、索取公開可得資料並提供意見及建議。該等問題、索求、意見及建議可透過郵寄至香港灣仔菲林明道8號大同大廈2201-3室或透過電話(852) 2861 1999傳達至本公司。

股東如有任何查詢及疑問，可透過郵寄至香港皇后大道東183號合和中心22樓或透過電話(852) 2980 1333向本公司的香港股份過戶登記處卓佳證券登記有限公司提出有關其名下持股的問題。股東提出問題時，務請留下詳細聯絡資料以便本公司適時迅速回應。

### 投資者關係

本公司已制定股東通訊政策與股東及投資者溝通，當中旨在列述本公司有關股東通訊的原則，以確保本公司股東與本公司間及時、透明及準確的通訊。該等通訊包括於股東週年大會回答問題、刊發年度、中期及季度報告、通告、公告及通函、本公司網站([www.targetprecast.com](http://www.targetprecast.com))以及與投資者及股東間的會議。本集團業務發展及營運的消息更新亦可於本公司網站查閱。

### 章程文件

本公司於2017年6月27日採納經修訂及重列的本公司組織章程大綱及細則(「**章程文件**」)，並於上市後生效。本公司已更新章程文件的文本載於本公司及聯交所網站。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

# Deloitte.

Deloitte PLT (LLP0010145-LCA)  
Chartered Accountants (AF0080)  
Level 16, Menara LGB  
1 Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur  
Malaysia

Tel: +60 3 7610 8888  
Fax: +60 3 7726 8986  
myaaa@deloitte.com  
www.deloitte.com/my

**TO THE MEMBERS OF SK TARGET GROUP LIMITED**  
(Incorporated in the Cayman Islands with limited liability)

**致瑞強集團有限公司**  
(於開曼群島註冊成立的有限公司)  
全體股東

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表的審核報告

We have audited the consolidated financial statements of **SK TARGET GROUP LIMITED** (the “**Company**”) and its subsidiary companies (collectively referred to as the “**Group**”), which comprise the consolidated statement of financial position as at 31 May 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 May 2017, and a summary of significant accounting policies and other explanatory information as set out on pages 68 to 127.

我們已審核第68至127頁所載**瑞強集團有限公司**（「**貴公司**」）及其附屬公司（統稱「**貴集團**」）的綜合財務報表，該等綜合財務報表包括於2017年5月31日的綜合財務狀況表與截至2017年5月31日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及重大會計政策概要及其他解釋資料。

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position as at 31 May 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance.

我們認為，隨附綜合財務報表已根據國際財務報告準則及香港公司條例的披露規定真實而中肯地反映於2017年5月31日的綜合財務狀況以及截至該日止年度的財務表現及現金流量。

### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### 意見基礎

我們已根據國際審計準則進行審核。我們在該等準則下的責任於我們報告內核數師就審核綜合財務報表須承擔的責任一節中進一步論述。我們相信，我們所獲得的審核憑證能充足及適當地為我們的意見提供基礎。

With effect from 3 January 2017, Deloitte, a conventional partnership firm with the Registration No. AF0080, was converted to Deloitte PLT (LLP0010145-LCA) (AF0080).

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see [www.deloitte.com/my/about](http://www.deloitte.com/my/about) to learn more about our global network of member firms.



# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

### INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Group in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements for the current year. The matter was addressed in the context of our audit of the consolidated financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

### 獨立性及其他事業道德責任

根據國際會計師職業道德準則理事會的事業會計師職業道德守則(「IESBA 守則」)，我們乃獨立於貴集團，且我們已根據IESBA守則履行其他專業道德責任。

### 關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本年度綜合財務報表的審核最為重要的事項。該事項是在我們審核貴集團整體綜合財務報表及出具意見時進行處理的。我們不會對該事項提供單獨的意見。

#### Impairment of trade receivables

#### 貿易應收款項減值

We identified the impairment of trade receivables as a key audit matter due to the use of judgement and estimates by the management on the evaluation of the recoverability of trade receivables.

由於管理層於評估貿易應收款項的可回收程度時作出判斷及估計，我們將貿易應收款項減值識別為關鍵審核事項。

#### How our audit addressed the key audit matters

#### 我們的審核如何處理關鍵審核事項

Our procedures in relation to the recoverability of trade receivables included:

我們有關貿易應收款項可回收程度的程序包括：

- Verified the balances of trade receivables by requesting and receiving confirmations on a sample basis;
- 透過抽樣索取及接獲確認書，核實貿易應收賬款的結餘；
- Tested aging of trade receivable balances at year end on a sample basis;
- 抽樣測試年末貿易應收款項的賬齡；
- Obtained a list of long outstanding receivables and identified any debtors with financial difficulty through discussion with management;
- 透過與管理層討論，取得長期未償還應收款項的清單，以及識別任何有財政困難的債務人；

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

### KEY AUDIT MATTER (Continued)

### 關鍵審核事項(續)

#### Impairment of trade receivables

#### 貿易應收款項減值

To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments. The management also considers the creditworthiness, the past collection history of each customer, ageing analysis and subsequent settlement of individual balances.

為釐定是否存在減值的客觀證據，貴集團會考慮多項因素，例如對手方出現無力償債或重大財務困難以及拖欠或明顯延遲付款的可能性。管理層亦會考慮當前信用狀況、每名客戶過往的收款記錄、賬齡分析及個別結餘的其後結付情況。

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

倘有減值的客觀證據，未來現金流的金額及時間乃按具有類似信貸風險特徵的資產的過往虧損經驗予以估計。

As set out in Note 18 to the consolidated financial statements, the carrying amount of trade receivables is RM13.1 million (net of allowance for doubtful debts of RM0.2 million) as at 31 May 2017.

誠如綜合財務報表附註18所載，貿易應收款項於2017年5月31日的賬面值為13.1百萬令吉(扣除呆賬撥備0.2百萬令吉)。

#### How our audit addressed the key audit matters

#### 我們的審核如何處理關鍵審核事項

- Assessed the recoverability of these outstanding receivables through our discussion with management and with reference to credit profile of the customers; and
- 透過與管理層討論並參考客戶的信用狀況，評估該等未償還應收款項的可回收程度；及
- Assessed the recoverability of the balances by comparing the outstanding amounts as at year end against subsequent settlements.
- 透過比較年末未償還金額與其後結付情況，評估該等餘額的可回收程度。

Based on the audit procedures performed, we found that the Group's judgement and assumptions used in the impairment assessment are supported by the available evidence.

根據已完成的審核程序，我們認為貴集團在減值評估中所用判斷及假設有可得證據支持。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements of the Group and our auditors' report thereon.

Our opinion on the consolidated financial statements of the Group does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements of the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements of the Group or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of consolidated financial statements of the Group that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance. The Directors of the Company are also responsible for such internal control as the Directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, the Directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### 綜合財務報表及其核數師報告以外的資料

貴公司董事須對其他資料承擔責任。其他資料包括年報所載的資料，惟不包括 貴集團的綜合財務報表及我們就此發出的核數師報告。

我們對 貴集團綜合財務報表發表的意見並未考慮其他資料，而我們亦不對該等其他資料發表任何形式的核證結論。

就審核 貴集團的綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與 貴集團的綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告該事實。就此而言，我們並無需要報告的事項。

### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港公司條例的披露規定編製真實而中肯的 貴集團綜合財務報表。 貴公司董事亦負責對其認為就確保綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的有關內部控制。

在編製 貴集團的綜合財務報表時， 貴公司董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非 貴公司董事有意將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Company.

### 核數師就審核綜合財務報表須承擔的責任

我們的目標是對 貴集團整體綜合財務報表是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。合理保證是高水平的保證，但不能保證按照國際審計準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

我們根據國際審計準則進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足及適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於因錯誤而導致的重大錯誤陳述的風險。
- 瞭解與審核相關的內部監控，以設計於相關情況下屬適當的審核程序，但目的並非對 貴集團內部監控的成效發表意見。
- 評價 貴公司董事所採用會計政策的恰當性及所作出會計估計和相關披露的合理性。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements of the Group, including the disclosures, and whether the consolidated financial statements of the Group represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### 核數師就審核綜合財務報表須承擔的責任(續)

- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有可能對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘若我們總結認為有重大不確定因素，我們須在核數師報告中提請注意 貴集團綜合財務報表內的相關披露，或如果相關披露不足，則修訂我們的意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而，未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估 貴集團的綜合財務報表(包括資料披露)的整體列報、架構和內容，以及 貴集團的綜合財務報表是否已中肯地列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足及恰當的審核憑證，以就 貴集團的綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

我們就審核工作的計劃範圍和時間、在審核過程中的主要審核發現(包括內部監控的任何重大缺失)及其他事項與 貴公司董事進行溝通。

我們亦向 貴公司董事作出聲明，確認我們已遵守有關獨立性的專業道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關保障措施(如適用)，與 貴公司董事進行溝通。

# INDEPENDENT AUDITORS' REPORT

## 獨立核數師報告

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

*(Continued)*

From the matters communicated with the Directors of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 核數師就審核綜合財務報表須承擔的責任(續)

我們通過與 貴公司董事溝通，確定哪些是本年度 貴集團綜合財務報表審核工作的最重要事項，即關鍵審核事項。除非法律或法規不容許公開披露此等事項，或在極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

#### **DELOITTE PLT (LLP0010145-LCA)**

*Chartered Accountants (AF0080)*

#### **KHONG SIEW CHIN**

**Partner — 03049/03/2019 J**

*Chartered Accountant*

#### **DELOITTE PLT (LLP0010145-LCA)**

*特許會計師 (AF0080)*

#### **KHONG SIEW CHIN**

**合夥人 — 03049/03/2019 J**

*特許會計師*

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## 綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 MAY 2017  
截至2017年5月31日止年度

			2017	2016
			2017年	2016年
		Note	RM'000	RM'000
		附註	千令吉	千令吉
Revenue	收入	6	33,595	33,281
Cost of sales	銷售成本		(23,172)	(23,352)
Gross profit	毛利		10,423	9,929
Other income	其他收入		948	154
Administrative expenses	行政開支		(3,342)	(2,198)
Selling and distribution expenses	銷售及分銷開支		(1,331)	(1,256)
Listing expenses	上市開支		(6,048)	–
Finance costs	融資成本	9	(57)	(75)
Fair value change of financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值變動		13	12
Profit before taxation	除稅前溢利	10	606	6,566
Taxation	稅項	11	(1,715)	(1,671)
(Loss)/Profit and total comprehensive (loss)/income for the year	年內(虧損)/溢利及全面(虧損)/收益總額		(1,109)	4,895
(Loss)/Earnings per share — Basic (RM cents)	每股(虧損)/盈利 — 基本(仙令吉)	12	(0.29)	1.54

The accompanying notes form an integral part of the Consolidated Financial Statements.

隨附附註構成此等綜合財務報表的一部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AT 31 MAY 2017  
於2017年5月31日

			2017	2016
			2017年	2016年
		Note	RM'000	RM'000
		附註	千令吉	千令吉
<b>Non-Current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	3,218	2,261
Investment property	投資物業	15	401	411
<b>Total Non-Current Assets</b>	<b>非流動資產總值</b>		<b>3,619</b>	<b>2,672</b>
<b>Current Assets</b>	<b>流動資產</b>			
Inventories	存貨	16	651	1,049
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	17	–	835
Receivables, deposits and prepayment	應收款項、按金及預付款	18	15,873	11,599
Amount owing from a Director	應收董事款項	19	–	177
Amount owing from ultimate holding company	應收最終控股公司款項	19	9	–
Amount owing from a shareholder	應收股東款項	19	7	–
Tax recoverable	可收回稅項		166	–
Short-term bank deposits pledged with banks	抵押予銀行的短期銀行存款	20	1,059	1,349
Cash on hand and at bank	手頭及銀行現金		7,248	3,181
<b>Total Current Assets</b>	<b>流動資產總值</b>		<b>25,013</b>	<b>18,190</b>
<b>Current Liabilities</b>	<b>流動負債</b>			
Payables and accrued charges	應付款項及應計費用	21	8,450	6,110
Amount owing to a Director	應付董事款項	19	570	–
Finance leases	融資租賃	22	172	93
Bank borrowings	銀行借款	23	–	599
Tax payable	應付稅項		399	286
Dividend payable	應付股息		–	2,000
			<b>9,591</b>	<b>9,088</b>
<b>Net Current Assets</b>	<b>淨流動資產</b>		<b>15,422</b>	<b>9,102</b>



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AT 31 MAY 2017  
於2017年5月31日

			2017	2016
			2017年	2016年
		Note	RM'000	RM'000
		附註	千令吉	千令吉
<b>Total Assets Less Current Liabilities</b> 總資產減流動負債			19,041	11,774
<b>Non-Current Liabilities</b> 非流動負債				
Finance leases	融資租賃	22	411	69
Bank borrowings	銀行借款	23	–	16
Deferred tax liabilities	遞延稅項負債	24	147	106
			558	191
<b>Net Assets</b> 淨資產			18,483	11,583
<b>Capital and Reserves</b> 股本及儲備				
Share capital	股本	26	–	–
Reserves	儲備		18,483	11,583
			18,483	11,583

The consolidated financial statements on pages 61 to 67 were approved and authorised for issue by the board of directors on 28 August 2017 and are signed on its behalf by:

載於第61至67頁的綜合財務報表由董事會於2017年8月28日通過並批准刊發，並由以下董事代表簽署：

**Loh Swee Keong**

Director  
董事

**Tan Cheng Siong**

Director  
董事

The accompanying notes form an integral part of the Consolidated Financial Statements.

隨附附註構成此等綜合財務報表的一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

		Share capital	Other reserve	Accumulated profits	Total
		股本	其他儲備	累計溢利	總計
		RM'000	RM'000	RM'000	RM'000
		千令吉	千令吉	千令吉	千令吉
		(Note 26)	(Note 25)		
		(附註26)	(附註25)		
<b>At 31 May 2015</b>	<b>於2015年5月31日</b>	–	570	8,118	8,688
Profit and total comprehensive income for the year	年內溢利及全面收益總額	–	–	4,895	4,895
Dividend declared (Note 13)	已宣派股息(附註13)	–	–	(2,000)	(2,000)
<b>At 31 May 2016</b>	<b>於2016年5月31日</b>	–	570	11,013	11,583
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	(1,109)	(1,109)
Acquisition of the equity interest in subsidiary companies by an intermediate holding company of the Company pursuant to the reorganisation	本公司的中間控股公司根據重組收購附屬公司股權	–	(570)	–	(570)
Capital injection and issuance of shares	注資及發行股份	–	8,579	–	8,579
<b>At 31 May 2017</b>	<b>於2017年5月31日</b>	–	8,579	9,904	18,483

The accompanying notes form an integral part of the Consolidated Financial Statements. 隨附附註構成此等綜合財務報表的一部分。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
<b>OPERATING ACTIVITIES</b>	<b>經營活動</b>		
Profit before taxation	除稅前溢利	606	6,566
Adjustments for:	就以下各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	426	325
Depreciation of investment property	投資物業折舊	10	10
Finance costs	融資成本	57	75
Allowance for doubtful debts	呆賬撥備	-	176
Bad debts written off/(recovered)	已撇銷/(收回)壞賬	18	(23)
Fair value change of financial assets at fair value through profit or loss	按公平值計入損益的金融資產的公平值變動	(13)	(12)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(13)	-
Unrealised gain on foreign exchange	未變現外匯收益	(15)	-
Interest income	利息收入	(54)	(33)
Operating Cash Flows Before Movements In Working Capital	營運資金變動前的經營現金流量	1,022	7,084
Decrease/(Increase) in inventories	存貨減少/(增加)	398	(267)
Increase in receivables, deposits and prepayment	應收款項、按金及預付款增加	(4,292)	(3,022)
Increase in payables and accrued charges	應付款項及應計費用增加	2,340	395
Net Cash (Used In)/Generated From Operations	營運(所用)/所得現金淨額	(532)	4,190
Income tax paid	已付所得稅	(1,727)	(2,210)
Net Cash (Used In)/From Operating Activities	經營活動(所用)/所得現金淨額	(2,259)	1,980

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Interest received	已收利息	14	33
Purchase of property, plant and equipment	購買物業、廠房及設備	(754)	(313)
Proceed from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產所得款項	848	–
Proceed from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	113	–
Proceed from disposal of available-for-sale investment	出售可供出售投資的所得款項	–	125
Repayment from a Director	董事還款	197	29
Advance to a shareholder	提供予股東的墊款	(7)	–
Advance to ultimate holding company	提供予最終控股公司的墊款	(9)	–
Advance to a Director	提供予董事的墊款	–	(156)
Decrease in amounts owing from related parties	應收關聯方款項減少	–	60
<b>Net Cash From/(Used In) Investing Activities</b>	<b>投資活動所得／(所用)現金淨額</b>	<b>402</b>	<b>(222)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Dividend paid	已付股息	(2,000)	–
Finance costs paid	已付融資成本	(57)	(75)
Repayment of bank borrowings	償還銀行借款	(1,312)	(1,327)
New bank borrowings raised	新造銀行借款	697	1,400
Repayment of finance leases	償還融資租賃	(308)	(297)
Decrease/(Increase) in short term bank deposits pledged	有抵押短期銀行存款減少／(增加)	330	(30)
Investment from pre-IPO investor	首次公開發售前投資者的投資	8,579	–
<b>Net Cash From/(Used In) Financing Activities</b>	<b>融資活動所得／(所用)現金淨額</b>	<b>5,929</b>	<b>(329)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等價物增加淨額	4,052	1,429
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	年初現金及現金等價物	3,181	1,752
Effects of exchange rate changes on the balance of cash held in foreign currency	匯率變動對外幣現金結餘的影響	15	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR REPRESENTED BY</b>	年末現金及現金等價物，		
Cash on hand and at bank	指手頭及銀行現金	7,248	3,181

The accompanying notes form an integral part of the Consolidated Financial Statements. 隨附附註構成此等綜合財務報表的一部分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited 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 and principal place of business 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 principal activities and other particulars of the subsidiary companies are set out in Note 32 to the consolidated financial statements.

The 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2017年7月19日起於香港聯合交易所有限公司創業板（「**創業板**」）上市。本公司於2016年10月28日在開曼群島註冊成立為一家私人有限公司。本公司的註冊辦事處地址及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。附屬公司的主要業務及其他詳情載於綜合財務報表附註32。

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 CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2. BASIS OF PREPARATION AND PRESENTATION

In preparation for the proposed initial listing of the shares of the Company on the GEM of The Stock Exchange of Hong Kong Limited, the Group underwent a reorganisation (the “**Reorganisation**”) as described below.

The Reorganisation involved the setting up of the Company, Gallant Empire Ltd (“**Gallant Empire**”), SK Target Holdings Sdn Bhd (“**SK Target Holdings**”) and Loyal Earn Ltd (“**Loyal Earn**”), and interspersing the Company, Gallant Empire, SK Target Holdings and Loyal Earn between Target Precast Industries Sdn Bhd (“**Target Precast**”), Target Sales & Marketing Sdn Bhd (“**Target S&M**”), and Target Crane & Logistic Sdn Bhd (“**Target C&L**”) and Mr. Loh Swee Keong, the director and sole beneficial owner of these group of entities. The Company, Gallant Empire, SK Target Holdings, Loyal Earn, Target Precast, Target S&M, and Target C&L were under common control by Mr. Loh Swee Keong throughout the year ended 31 May 2016 and 31 May 2017 or since their respective dates of incorporation, where there is a shorter period. The Company is the holding company after the Reorganisation and forming part of the Group. The Group comprising the Company and its subsidiary companies resulted from the Reorganisation is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting. The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group have been prepared as if the group structure upon completion of the Reorganisation had been in existence throughout the year or since their date of incorporation, where there is a shorter period. The consolidated statements of financial position of the Group as at 31 May 2016 and 31 May 2017 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the group structure upon completion of the Reorganisation had been in existence at those dates taking into account the respective date of incorporation, where applicable.

### 2. 編製及呈列基準

為籌備本公司股份於香港聯合交易所有限公司創業板進行建議首次上市，本集團進行了重組（「**重組**」），詳述如下。

重組涉及成立本公司、Gallant Empire Ltd（「**Gallant Empire**」）、SK Target Holdings Sdn Bhd（「**SK Target Holdings**」）及Loyal Earn Ltd（「**Loyal Earn**」），以及由本公司、Gallant Empire、SK Target Holdings及Loyal Earn介入Target Precast Industries Sdn Bhd（「**Target Precast**」）、Target Sales & Marketing Sdn Bhd（「**Target S&M**」）及Target Crane & Logistic Sdn Bhd（「**Target C&L**」）與Loh Swee Keong先生（集團實體董事兼唯一實益擁有人）之間。本公司、Gallant Empire、SK Target Holdings、Loyal Earn、Target Precast、Target S&M及Target C&L於截至2016年5月31日及2017年5月31日止年度或自彼等各自的註冊成立日期起（以期間較短者為準）均受Loh Swee Keong先生的共同控制。本公司於重組後為控股公司並為本集團的一部分。由重組產生的本集團（包括本公司及其附屬公司）被視為持續實體。故此，綜合財務報表乃採用合併會計準則而編製。本集團的綜合全面收益表、綜合權益變動表及綜合現金流量表乃假設於重組完成後的集團架構於本年度或自其註冊成立日期起（以期間較短者為準）一直存在而編製。已編製本集團於2016年5月31日及2017年5月31日的綜合財務狀況表以呈列現時組成本集團的公司的資產及負債，猶如於重組完成後的集團架構於該等日期一直存在，當中考慮到各自的註冊成立日期（如適用）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

#### New and Revised IFRS in Issue but Not Yet Effective

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

Amendments to IAS 1	Disclosure Initiative
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operation
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation

For the purpose of preparing and presenting the consolidated financial statements for the year, the Group has consistently applied all new and revised International Financial Reporting Standards, International Accounting Standards, amendments and interpretations (“**new and revised IFRSs**”) issued by the International Accounting Standards Board (“IASB”) which are effective for annual accounting periods beginning on 1 June 2016 throughout the year.

### 3. 採納新訂及經修訂國際財務報告準則(「國際財務報告準則」)

#### 已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團已於本年度首次應用以下由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的修訂本：

國際會計準則第1號的修訂	披露計劃
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號的修訂	投資實體：應用綜合入賬的例外情況
國際財務報告準則第11號的修訂	收購合資經營權益的會計處理
國際會計準則第16號及國際會計準則第38號的修訂	折舊和攤銷的可接受方法的澄清

為編製及呈列本年度的綜合財務報表，本集團已於本年度貫徹應用所有由國際會計準則理事會(「國際會計準則理事會」)頒佈並於2016年1月1日開始的年度會計期間生效的新訂及經修訂國際財務報告準則、國際會計準則、修訂及詮釋(「**新訂及經修訂國際財務報告準則**」)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (Continued)

#### New and Revised IFRS in Issue but Not Yet Effective (Continued)

The Group has not early applied the following new and revised IFRSs that have been issued by not yet effective:

Amendments to IAS 7	Disclosure Initiative <sup>1</sup>
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <sup>1</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014–2016 Cycle <sup>4</sup>
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>6</sup>
IFRS 9	Financial Instruments <sup>2</sup>
IFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>2</sup>
IFRS 16	Leases <sup>3</sup>
IFRS 17	Insurance Contracts <sup>5</sup>
IFRIC 22	Foreign Currency Transactions and Advance Consideration <sup>4</sup>
IFRIC 23	Uncertainty over Income Tax Treatments <sup>3</sup>
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>2</sup>
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts <sup>2</sup>
Amendments to IAS 40	Transfers of Investment Property <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2017
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2018
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2021
- <sup>6</sup> Effective for annual periods beginning on or after a date to be determined

The Directors of the Company anticipate that the application of the new and revised IFRSs will have no material impact on the results and the financial position of the Group.

### 3. 採納新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

#### 已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

本集團尚未提早應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際會計準則第7號的修訂	披露計劃 <sup>1</sup>
國際會計準則第12號的修訂	就未實現虧損確認遞延稅項資產 <sup>1</sup>
國際財務報告準則的修訂	國際財務報告準則2014–2016週期的年度改進 <sup>4</sup>
國際財務報告準則第10號及國際會計準則第28號的修訂	投資者與其聯營公司或合資公司之間的資產出售或投入 <sup>6</sup>
國際財務報告準則第9號	金融工具 <sup>2</sup>
國際財務報告準則第15號	來自客戶合約的收入及有關修訂 <sup>2</sup>
國際財務報告準則第16號	租賃 <sup>3</sup>
國際財務報告準則第17號	保險合同 <sup>5</sup>
國際財務報告詮釋委員會詮釋第22號	外幣交易及預先交收代價 <sup>4</sup>
國際財務報告詮釋委員會詮釋第23號	所得稅不確定性的處理 <sup>3</sup>
國際財務報告準則第2號的修訂	以股份為基礎付款的交易的分類及計量 <sup>2</sup>
國際財務報告準則第4號的修訂	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具 <sup>2</sup>
國際會計準則第40號的修訂	轉讓投資物業 <sup>2</sup>

- <sup>1</sup> 於2017年1月1日或之後開始的年度期間生效
- <sup>2</sup> 於2018年1月1日或之後開始的年度期間生效
- <sup>3</sup> 於2019年1月1日或之後開始的年度期間生效
- <sup>4</sup> 於2017年1月1日或2018年1月1日(倘適當)或之後開始的年度期間生效
- <sup>5</sup> 於2021年1月1日或之後開始的年度期間生效
- <sup>6</sup> 於待確定的日期或之後開始的年度期間生效

本公司董事預期應用新訂及經修訂國際財務報告準則將不會對本集團的業績及財務狀況造成重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with accounting policies which conform with IFRSs issued by the IASB. In addition, the consolidated financial statements have included applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The 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 the reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

### 4. 重大會計政策

綜合財務報表乃根據與國際會計準則理事會頒佈的國際財務報告準則一致的會計政策編製。此外，綜合財務報表載有香港聯合交易所有限公司創業板證券上市規則及香港公司條例規定的適用披露。

綜合財務報表乃按歷史成本法編製，惟若干金融工具以報告期末的公平值計量。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。

公平值是指市場參與者之間於計量日期進行的有序交易中出售資產所收取的價格或轉讓負債所支付的價格，不論該價格是直接觀察到的結果或是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮市場參與者於計量日期為該資產或負債進行定價時將會考慮的該等特徵。於綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬國際會計準則第17號「租賃」範疇內的租賃交易以及與公平值計量具有若干相似之處惟並非公平值計量（如國際會計準則第2號「存貨」的可變現淨值或國際會計準則第36號「資產減值」的可使用價值）除外。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一、第二或第三層級，概述如下：

- 第一層級輸入數據為實體於計量日期可取得的相同資產或負債於活躍市場的報價（未經調整）；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary company begins when the Group obtains control over the subsidiary company and ceases when the Group loses control over the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary company.

Where necessary, adjustments are made to the financial statements of a subsidiary company to bring its accounting policies into line with the Group's accounting policies.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 4. 重大會計政策(續)

- 第二層級輸入數據為資產或負債可直接或間接觀察的輸入數據，第一級報價除外；及
- 第三層級輸入數據為資產或負債的不可觀察輸入數據。

已採納的主要會計政策載於下文。

#### 合併基準

綜合財務報表包括本公司及其附屬公司的財務報表。當本公司符合下列情況，則視為取得控制權：

- 有權力控制投資對象；
- 參與投資對象的業務而取得或有權取得可變回報；及
- 有能力以其權力影響其回報。

倘有事實及情況顯示上述三項控制因素中有一項或多項出現變化，則本集團會重新評估其是否對投資對象擁有控制權。

附屬公司的綜合入賬於本集團取得附屬公司的控制權起開始，並於本集團失去附屬公司的控制權時終止。具體而言，年內所收購或出售附屬公司的收入及開支乃自本集團取得控制權的日期起計入綜合全面收益表，直至本集團不再控制附屬公司的日期為止。

如有需要，會對附屬公司的財務報表作出調整，使其會計政策與本集團的會計政策相符。

有關本集團成員公司之間交易的所有集團內公司間的資產、負債、股權、收入、開支及現金流量於綜合時悉數對銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing carrying amounts from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless the date of the common control combination.

#### Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced for the sales related tax (e.g. goods and services tax).

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

##### (i) Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

### 4. 重大會計政策(續)

#### 涉及受共同控制實體業務合併的合併會計處理

綜合財務報表包括發生共同控制合併的合併實體或業務的財務報表項目，猶如自該等合併實體或業務首次受控制方控制日期起已進行合併。

合併實體或業務的淨資產乃按控制方認為的現有賬面值合併入賬。在控制方持續擁有權益的情況下，於共同控制合併時並無就商譽或收購方於被收購方可識別資產、負債及或然負債的公平淨值中的權益超出成本的部分確認任何金額。

綜合損益及其他全面收益表包括自最早呈列日期起或自該等合併實體或業務首次受共同控制之日起(以期間較短者為準而不論共同控制合併的日期)各合併實體或業務的業績。

#### 收入確認

收入按已收或應收代價的公平值計量。收入已就銷售相關稅項(如商品及服務稅)作出扣減。

當收入金額能可靠地計量；當未來經濟利益將流入本集團且當本集團以下各業務達到特定標準時，方會確認收入。

##### (i) 貨品銷售

貨品銷售的收入在貨品交付及所有權轉移時確認，屆時已符合下列各項條件：

- 本集團已向買家轉讓貨品擁有的重大風險及回報；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition (Continued)

##### (i) Sales of goods (Continued)

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### (ii) Rendering of services

Service income is recognised when services are provided.

##### (iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

##### (iv) Interest income

Interest income is recognised on an accruals basis using the effective interest method.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised and included in profit or loss under finance costs in the consolidated statements of profit or loss and other comprehensive income in the period in which they are incurred.

### 4. 重大會計政策(續)

#### 收入確認(續)

##### (i) 貨品銷售(續)

- 本集團既不保留擁有權通常涉及對管理的持續參與，亦不保留對已售貨品的有效控制權；
- 收入金額能可靠地計量；
- 該項交易涉及的經濟利益有可能流入本集團；及
- 就交易已產生或將產生的成本能可靠地計量。

##### (ii) 提供服務

服務收入於提供服務時確認。

##### (iii) 租金收入

租金收入於租期內按直線法列賬。向承租人提供的獎勵成本總額於租期內按直線法確認為租金收入的扣減。

##### (iv) 利息收入

利息收入按應計基準使用實際利息法確認。

#### 借貸成本

收購、建造或生產合資格資產(亦即必須耗用大量時間才可作其擬定用途或銷售的資產)的應佔直接借貸成本，均計入該等資產的成本，直至該等資產大致上可供擬定用途或銷售。

所有其他借貸成本均在產生期間的綜合損益及其他全面收益表中財務成本項下的損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Employee benefits

##### (i) Short-term employee benefits

Wages, salaries, bonuses and non-monetary benefits are recognised as expense in the period in which the associated services are rendered by employees of the Group. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

##### (ii) Retirement benefits costs

Contributions to defined contribution retirement plans are recognised as an expense when employees have rendered services entitling them to the contributions. The Group has no further payment obligations once these contributions have been paid.

#### Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statements of profit or loss and other statement of comprehensive income because of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

### 4. 重大會計政策(續)

#### 僱員福利

##### (i) 短期僱員福利

工資、薪金、花紅及非金錢利益於本集團僱員提供相關服務的期間確認為開支。短期非累積有薪休假(如病假)於休假時確認。

##### (ii) 退休福利成本

向界定供款退休計劃作出的供款於僱員提供服務致使彼等合資格享有供款時確認為開支。本集團一經繳付該等供款後再無進一步付款責任。

#### 稅項

所得稅開支是指即期應付稅項與遞延稅項的總和。

##### 即期稅項

即期應付稅項乃根據年內的應課稅溢利計量。應課稅溢利與綜合損益及其他全面收益表中呈報的「除稅前溢利」不同，原因在於其他年度的應課稅收入或可扣稅開支項目，及從未課稅或不可扣稅的項目。本集團的即期稅項以各報告期末已頒佈或實質已頒佈的稅率計算。

##### 遞延稅項

遞延稅項按綜合財務報表中資產及負債賬面值與其用於計算應課稅溢利的相應稅基之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額予以確認。遞延稅項資產一般於有可能有應課稅溢利可動用以抵銷可扣減暫時差額的情況下，就所有可扣減暫時差額確認。倘暫時差額來自不影響應課稅溢利或會計溢利的交易的資產及負債的初步確認(惟業務合併除外)，則不會確認有關遞延稅項資產及負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### 4. 重大會計政策(續)

#### 稅項(續)

遞延稅項資產賬面值(如有)於各報告期末審閱,並在不再可能有足夠應課稅溢利以供收回全部或部分資產的情況下調減。

遞延稅項負債及資產根據各報告期末已頒佈或實際頒佈的稅率(及稅法),按預期償付負債或變現資產期內適用的稅率計算。

遞延稅項負債及資產的計量反映按照本集團於各報告期末收回或清償其資產及負債賬面值所預期方式的稅務後果。

即期及遞延稅項於損益內確認,惟倘其涉及於其他全面收益或直接於權益內確認的項目,則即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。

倘有合法執行權利可將即期稅項資產對銷即期稅項負債以及倘其與同一稅務機關徵收的所得稅相關,而本集團有意按淨額基準結算其即期稅項資產及負債時,則遞延稅項資產及負債予以對銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment

Property, plant and equipment including buildings, leasehold land (classified as finance leases) held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress for manufacturing purposes is carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are reclassified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 4. 重大會計政策(續)

#### 物業、廠房及設備

持作生產或供應貨品或服務用途，或持作行政用途的物業、廠房及設備(包括樓宇、租賃土地(分類為融資租賃)，但不包括下述在建工程)，乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

持作生產用途的在建工程按成本減任何已確認減值虧損列賬。成本包括專業費用，而就合資格資產而言，包括根據本集團會計政策撥充資本的借貸成本。該等物業於竣工並可作擬定用途時重新歸入適當的物業、廠房及設備類別。該等資產的折舊乃於資產可作其擬定用途時開始計算。

確認折舊是用直線法在資產(在建工程除外)的估計可使用年期內撇銷其成本減其剩餘價值。估計可使用年期、剩餘價值及折舊方法均於各報告期末時檢討，而估計的任何變動的影響則預先入賬。

根據融資租賃持有的資產於其預期可使用年期內按與自有資產相同的基準進行折舊。然而，倘不能合理確定於租期結束時將獲得所有權，則資產於租期與其可使用年期兩者當中的較短者進行折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何未來經濟利益時終止確認。物業、廠房及設備項目於出售或報廢時產生的任何盈虧，乃按銷售所得款項與該資產的賬面值兩者間的差額釐定，並於損益中確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

### 4. 重大會計政策(續)

#### 投資物業

投資物業是持有以用來賺取租金及／或資本增值的物業。

投資物業初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業乃按成本減其後累計折舊及任何累計減值虧損列賬。折舊獲確認以按投資物業的估計可使用年期以直線法撇銷其成本。

投資物業於出售時或於投資物業永久不再使用且預期出售不會產生未來經濟利益時取消確認。取消確認物業產生的任何收益或虧損(按出售所得款項淨額與資產賬面值之間差額計算)會計入取消確認物業期間的損益。

#### 存貨

存貨按成本及可變現淨值兩者中的較低者列賬。存貨成本採用加權平均成本法計算。可變現淨值代表存貨估計售價減所有估計完成成本及進行銷售所需成本。

#### 非金融資產減值

本集團於各報告期末審閱其非金融資產的賬面值，以釐定是否有任何跡象顯示該等資產有減值虧損。如有任何該等跡象，則估計該項資產的可收回金額以釐定減值虧損(如有)的程度。倘無法估計個別資產的可收回金額，則本集團會估計該資產所屬現金產生單位的可收回金額。當可確定合理一致的分配基準時，則公司資產亦分配至個別現金產生單位，否則，公司資產將分配至能確定合理一致分配基準的最小現金產生單位組別。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) Impairment of non-financial assets (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 4. 重大會計政策(續) 非金融資產減值(續)

可收回金額為公平值減出售成本與使用價值兩者的較高者。於評估使用價值時，估計未來現金流量會採用稅前折現率折現至其現值，而該稅前折現率可反映對貨幣時間價值及資產(其未來現金流量估計未經調整)特定風險的現時市場評估。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則資產(或現金產生單位)的賬面值將減少至其可收回金額。減值虧損即時於損益確認。

倘減值虧損其後撥回，則除商譽外的有關資產(或現金產生單位)的賬面值會調高至經修訂的估計可收回金額，惟調高後的賬面值不可超過有關資產(或現金產生單位)於過往年度並無確認減值虧損時應釐定的賬面值。減值虧損撥回即時於損益確認。

### 金融工具

金融資產及金融負債於集團實體成為金融工具契約條款的一方時確認。

金融資產及金融負債初步以公平值計量。初步確認後，金融資產及金融負債(按公平值計入損益的金融資產及金融負債除外)的收購或發行應佔的直接交易成本加於金融資產或金融負債的公平值或從金融資產或金融負債的公平值中扣除(倘適用)。收購按公平值計入損益的金融資產或金融負債應佔的直接交易成本即時於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial assets

The Group's financial assets are classified as loans and receivables and financial assets at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including receivables, amount owing from a Director, amount owing from ultimate holding company, amount owing from a shareholder and cash on hand and at bank) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

#### Financial assets at FVTPL

A financial asset may be designated as FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 "Financial Instruments: Recognition and Measurement" permits the entire combined contract to be designated as FVTPL.

### 4. 重大會計政策(續) 金融資產

本集團的金融資產分為貸款及應收款項以及按公平值計入損益的金融資產(「按公平值計入損益的金融資產」)。分類視乎金融資產的性質及用途而定，並且於初步確認時釐定。所有以一般方式買賣的金融資產均按買賣日期基準確認及終止確認。一般方式買賣指須於市場規管或慣例所設定時限內交付的金融資產買賣。

#### 貸款及應收款項

貸款及應收款項為有固定或可釐定款額且並無於活躍市場報價的非衍生金融資產。於初步確認後，貸款及應收款項(包括應收款項、應收董事款項、應收最終控股公司款項、應收股東款項，以及手頭及銀行現金)採用實際利息法按攤銷成本減任何減值計量(見下文有關金融資產減值的會計政策)。

#### 按公平值計入損益的金融資產

於下列情況，金融資產於初步確認時可被指定為按公平值計入損益：

- 有關指定消除或重大減少原應會出現的計量或確認的不一致性；或
- 該項金融資產構成一組金融資產或金融負債或兩者的一部分，且受管理及其表現乃根據本集團明文編製的風險管理或投資策略按公平值評估，而有關分組的資料乃按該基準由內部提供；或
- 其構成一份包含一項或多項內含衍生工具的合約一部分，以及國際會計準則第39號「金融工具：確認及計量」允許將整份綜合的合約指定為按公平值計入損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial assets (Continued)

##### Financial assets at FVTPL (Continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising from remeasurement recognised in profit or loss. Fair value is determined in the manner described in Note 28(c).

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL, of which interest income is included in net gains or losses.

##### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

### 4. 重大會計政策(續)

#### 金融資產(續)

##### 按公平值計入損益的金融資產(續)

按公平值計入損益的金融資產按公平值列賬，而因重新計量產生的任何收益或虧損則於損益內確認。公平值乃以附註28(c)所述方式釐定。

##### 實際利息法

實際利息法乃計算債務工具的攤銷成本及分配有關期間利息收入的方法。實際利率為於初步確認時透過債務工具的預計年期或較短期間(如適用)將估計未來現金款項(包括已付或已收構成實際利率整體部分的所有費用、交易成本及其他溢價或折價)準確折現至賬面淨值的利率。

除了分類為按公平值計入損益的金融資產的利息收入計入收益或虧損淨額外，債務工具的利息收入按實際利率基準確認。

##### 金融資產減值

金融資產(按公平值計入損益的金融資產除外)於各報告期末評估減值跡象。倘有客觀證據顯示於初步確認貸款及應收款項後因發生一項或多項事件而導致貸款及應收款項的估計未來現金流量受到影響，則金融資產被視為出現減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial assets (Continued)

##### Impairment of financial assets (Continued)

For loans and receivables and financial assets at FVTPL, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

### 4. 重大會計政策(續)

#### 金融資產(續)

##### 金融資產減值(續)

就按公平值計入損益的貸款及應收款項以及金融資產而言，減值的客觀證據包括：

- 發行人或對手方出現嚴重財務困難；或
- 拖欠或無力支付利息或本金；或
- 借款人有可能破產或進行財務重組；或
- 財務困難導致該金融資產的活躍市場消失。

就按攤銷成本入賬的金融資產而言，已確認的減值虧損金額為資產賬面值與按金融資產原實際利率折現的估計未來現金流量現值之間的差額。

就按攤銷成本計量的金融資產而言，倘於往後期間，減值虧損的金額減少而該減幅可客觀地與確認減值後所發生的事件有關，則過往確認的減值虧損透過損益撥回，惟資產於撥回減值當日的賬面值不得超過並無確認減值的原有攤銷成本。

就所有金融資產而言，金融資產的賬面值乃根據減值虧損直接扣減，惟貿易應收款項除外，其賬面值乃利用撥備賬扣減。倘貿易應收款項被視為無法收回，則從撥備賬撇銷。此前被撇銷的款項於隨後收回後，在撥備賬對銷。撥備賬賬面值的變動乃於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

#### Other financial liabilities

The Group's other financial liabilities including payables, amount owing to a director, dividend payable and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis for debt instruments.

### 4. 重大會計政策(續) 金融負債及股本工具

一間集團實體發行的債務及股本工具乃根據合約安排內容及就金融負債及股本工具的定義分類為金融負債或股本。

#### 股本工具

股本工具是證明任何在扣除所有負債後實體的資產剩餘權益的合約。集團實體發行的股本工具乃按已收所得款項(扣除直接發行成本)確認。

#### 其他金融負債

本集團的其他金融負債(包括應付款項、應付董事款項、應付股息及銀行借款)其後以實際利息法按攤銷成本計量。

#### 實際利息法

實際利息法乃計算金融負債的攤銷成本及分配有關期間利息開支的方法。實際利率為於初步確認時透過金融負債的預計年期或較短期間(如適用)將估計未來現金款項(包括已付或已收構成實際利率整體部分的所有費用、交易成本及其他溢價或折價)準確折現至賬面淨值的利率。

就債務工具而言，利息開支按實際利息基準確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 4. 重大會計政策(續) 終止確認

當從資產收取現金流量的合約權利屆滿或本集團將金融資產及資產擁有權絕大部分風險及回報轉移至另一實體時，方會終止確認金融資產。倘本集團並未轉移亦未保留擁有權的絕大部分風險及回報，並繼續控制已轉移資產，則本集團會就其可能需要支付的金額確認其於資產及相關負債的保留權益。倘本集團仍保留已轉移金融資產的擁有權的絕大部分風險及回報，本集團將繼續確認該金融資產以及確認已收所得款項的已抵押借款。

終止確認金融資產時，資產賬面值與已收取及應收代價總額之間的差額於損益確認。

僅當本集團的責任獲解除、撤銷或屆滿時，本集團方會終止確認金融負債。終止確認金融負債的賬面值與已付及應付代價之間的差額於損益確認。

### 租賃

當租賃條款將擁有權的絕大部分風險及回報轉移至承租人時，租賃歸類為融資租賃。所有其他租賃則歸類為經營租賃。

#### 本集團作為出租人

經營租賃的租金收入按直線法於有關租期內在損益確認。於協商及安排經營租賃時產生的初始直接成本乃加至租賃資產的賬面值，並按租期以直線法確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Leasing (Continued)

##### The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 4. 重大會計政策(續)

#### 租賃(續)

##### 本集團作為承租人

根據融資租賃持有的資產於租賃開始時以其公平值或以最低租賃款項的現有價值(以較低者為準)確認為本集團的資產。付予出租人的相關負債於綜合財務狀況表中當作一項融資租賃。

租賃付款在融資開支與租賃承擔減少之間分配，從而達到負債餘額的常數定期利率。融資開支立即於損益確認，除非為直接歸屬於合資格資產，在該情況下其按照本集團的借貸成本的一般政策(見下文的會計政策)資本化。或然租金於其產生期間確認為開支。

經營租賃款項按直線法在租賃期內確認為開支，然而倘另有系統性基準較時間性模式更具代表性，租賃資產的經濟效益據此被消耗則除外。經營租賃產生的或然租金於其產生期間確認為開支。

倘訂立經營租賃可以獲得租賃優惠，該等優惠則確認為負債。優惠整體利益以直線法確認為租金開支扣減，然而倘另有系統性基準較時間性模式更具代表性，租賃資產的經濟效益據此被消耗則除外。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued) Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 4. 重大會計政策(續) 租賃土地及樓宇

倘租賃同時包含土地及樓宇元素，本集團會根據對各元素的擁有權所附帶的絕大部分風險和回報是否已轉移予本集團所作評估，分別評估各元素應歸類為融資或經營租賃，除非上述兩項元素顯然是經營租賃，則整項租賃歸類為經營租賃。具體而言，最低租賃付款(包括任何一次性前期付款)乃按租賃的土地及樓宇元素於租賃開始時的租賃權益的相對公平值比例，在土地及樓宇元素之間分配。

倘租賃付款不能在土地及樓宇元素之間可靠地分配，則整項租賃一般分類為融資租賃，並入賬列為物業、廠房及設備。

### 5. 估計不確定因素的主要來源

於應用本集團會計政策(於附註4載述)時，本公司董事須就並非顯然從其他來源得到的資產及負債賬面值作出判斷、估計及假設。估計及相關假設按照過往經驗及其他視為相關的因素作出。實際結果可能有別於該等估計。

估計及相關假設按持續基準審閱。如修訂僅影響該期間，則會計估計修訂會於估計作出修訂的期間確認，或倘修訂影響本期間及未來期間，則於修訂期間及未來期間確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months.

#### Impairment of trade receivables

The Group assesses at end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments. The management also considers the creditworthiness, the past collection history of each customer, ageing analysis and subsequent settlement of individual balances.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for receivables are disclosed in Note 18.

### 6. REVENUE AND SEGMENTAL INFORMATION

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

- (a) Manufacturing and trading — manufacturing and trading of precast concrete junction boxes; and
- (b) Other building materials and services — trading of accessories and pipes and provision of mobile crane rental and ancillary services.

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

### 5. 估計不確定因素的主要來源(續)

以下為有關未來的主要假設，及於各報告期末的估計不確定因素其他主要來源，其重大風險為會對未來12個月內的資產及負債賬面值構成重大調整。

#### 貿易應收款項減值

本集團於各報告期末評估是否有任何客觀證據證明應收款項已減值。為釐定是否存在減值的客觀證據，本集團考慮多個因素，例如對手方出現無力償債或重大財務困難以及拖欠或明顯延遲付款的可能性。管理層亦會考慮當前信用狀況、每名客戶過往的收款記錄、賬齡分析及個別結餘的其後結付情況。

倘有減值的客觀證據，未來現金流的金額和時間乃按具有類似信貸風險特徵的資產的過往虧損經驗予以估計。應收款項於報告日期的賬面值於附註18披露。

### 6. 收入及分部資料

就資源分配及分部表現評估目的而向本集團董事Loh Swee Keong先生(即首席經營決策人(「首席經營決策人」))匯報的資料，乃按下列根據國際財務報告準則第8號經營分部而識別的可報告及經營分部呈報：

- (a) 製造及貿易 — 預製混凝土接線盒的製造及貿易；及
- (b) 其他建築材料及服務 — 配件及管道貿易以及提供移動式起重機租賃及配套服務。

於達致本集團的可報告分部時，並無匯集計算由首席經營決策人識別的经营分部。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

#### Segment revenues and results

For the year ended 31 May 2017

### 6. 收入及分部資料(續)

分部收入及業績

截至2017年5月31日止年度

		Manufacturing and trading 製造及貿易 RM'000 千令吉	Other building materials and services 其他建築 材料及服務 RM'000 千令吉	Total 總計 RM'000 千令吉
Revenue	收入			
External sales	外部銷售	28,604	4,991	33,595
Inter-segment sales	分部間銷售	–	1,240	1,240
Segment revenue	分部收入	28,604	6,231	34,835
Elimination	抵銷			(1,240)
Group revenue	集團收入			33,595
Segment result	分部業績	10,263	160	10,423
Administrative expenses	行政開支			(3,342)
Selling and distribution expenses	銷售及分銷開支			(1,331)
Listing expenses	上市開支			(6,048)
Finance costs	融資成本			(57)
Other income	其他收入			948
Fair value change of financial assets at fair value through profit or loss	按公平值計入損益的金融 資產的公平值變動			13
Profit before taxation	除稅前溢利			606

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

Segment revenues and results (Continued)

For the year ended 31 May 2016

### 6. 收入及分部資料(續)

分部收入及業績(續)

截至2016年5月31日止年度

		Manufacturing and trading 製造及貿易 RM'000 千令吉	Other building materials and services 其他建築 材料及服務 RM'000 千令吉	Total 總計 RM'000 千令吉
Revenue	收入			
External sales	外部銷售	29,089	4,192	33,281
Inter-segment sales	分部間銷售	–	846	846
Segment revenue	分部收入	29,089	5,038	34,127
Elimination	抵銷			(846)
Group revenue	集團收入			33,281
Segment result	分部業績	9,589	340	9,929
Administrative expenses	行政開支			(2,198)
Selling and distribution expenses	銷售及分銷開支			(1,256)
Finance costs	融資成本			(75)
Other income	其他收入			154
Fair value change of financial assets at fair value through profit or loss	按公平值計入損益的金融 資產的公平值變動			12
Profit before taxation	除稅前溢利			6,566

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

#### Segment revenues and results (Continued)

The accounting policies of the operating segments are the same as the Group's accounting policies as described in Note 4. Segment results represents the profit from each segment without allocation of administrative expenses, listing expenses, selling and distribution expenses, finance costs, other income, fair value change of financial assets at fair value through profit or loss and taxation. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates with discount given for certain bulk purchase.

#### Segment assets and liabilities

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

As at 31 May 2017

### 6. 收入及分部資料(續)

#### 分部收入及業績(續)

經營分部的會計政策與附註4所述的本集團會計政策相同。分部業績乃指未分配行政開支、上市開支、銷售及分銷開支、融資成本、其他收入、按公平值計入損益的金融資產的公平值變動及稅項前各分部的溢利。此為就資源分配及表現評估目的而報告予首席經營決策人的計量方法。

分部間銷售以當前市場利率及就若干大宗採購給予的折扣計算。

#### 分部資產及負債

下文為本集團資產及負債按可報告及經營分部劃分的分析：

於2017年5月31日

		Manufacturing and trading 製造及貿易 RM'000 千令吉	Other building materials and services 其他建築 材料及服務 RM'000 千令吉	Segment assets (liabilities) 分部資產 (負債) RM'000 千令吉	Unallocated 未分配 RM'000 千令吉	Consolidated assets (liabilities) 綜合資產 (負債) RM'000 千令吉
Non-current assets	非流動資產	3,203	416	3,619	-	3,619
Current assets	流動資產	14,013	6,849	20,862	4,151	25,013
Non-current liabilities	非流動負債	(411)	-	(411)	(147)	(558)
Current liabilities	流動負債	(6,031)	(621)	(6,652)	(2,939)	(9,591)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

Segment assets and liabilities (Continued)

As at 31 May 2016

### 6. 收入及分部資料(續)

分部資產及負債(續)

於2016年5月31日

		Manufacturing and trading 製造及貿易 RM'000 千令吉	Other building materials and services 其他建築 材料及服務 RM'000 千令吉	Segment assets (liabilities) 分部資產 (負債) RM'000 千令吉	Unallocated 未分配 RM'000 千令吉	Consolidated assets (liabilities) 綜合資產 (負債) RM'000 千令吉
Non-current assets	非流動資產	2,242	430	2,672	-	2,672
Current assets	流動資產	11,494	6,696	18,190	-	18,190
Non-current liabilities	非流動負債	(85)	-	(85)	(106)	(191)
Current liabilities	流動負債	(7,515)	(1,287)	(8,802)	(286)	(9,088)

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

除若干手頭及銀行現金、遞延上市開支、其他應付款項、流動及遞延稅項責任外，所有資產及負債分配至經營分部。

### Other segment information

For the year ended 31 May 2017

### 其他分部資料

截至2017年5月31日止年度

		Manufacturing and trading 製造及貿易 RM'000 千令吉	Other building materials and services 其他建築 材料及服務 RM'000 千令吉	Total 總計 RM'000 千令吉
Amounts included in the measure of segment profit or loss or segment assets:	包括在計算分部溢利或 虧損或分部資產的 金額：			
Additions to non-current assets	添置非流動資產	1,483	-	1,483
Factory rental	工廠租賃	440	-	440

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. REVENUE AND SEGMENTAL INFORMATION

(Continued)

**Other segment information** (Continued)

**For the year ended 31 May 2016**

### 6. 收入及分部資料(續)

其他分部資料(續)

截至2016年5月31日止年度

	Manufacturing and trading 製造及貿易	Other building materials and services 其他建築 材料及服務	Total 總計
	RM'000 千令吉	RM'000 千令吉	RM'000 千令吉
Amounts included in the measure of segment profit or loss or segment assets:			
Additions to non-current assets	413	–	413
Factory rental	376	–	376

Amounts included in the measure of segment profit or loss or segment assets: 包括在計算分部溢利或虧損或分部資產的金額：

Additions to non-current assets 添置非流動資產

Factory rental 工廠租賃

#### 地區資料

概無呈列地區分部資料，原因為根據貿易及服務提供的地點，本集團的全部收入均來自馬來西亞，而按照資產的實際所在地，本集團的非流動資產乃位於馬來西亞。

#### Geographical information

No geographical segment information is presented as the Group's revenue is all derived from Malaysia based on the location of trading and services delivered and the Group's non-current assets are located in Malaysia by physical location of assets.

#### 主要客戶資料

在每個報告年度概無客戶貢獻本集團總銷售逾10%。

#### Information about major customers

No customer contributes over 10% of total sales of the Group for each of the reporting years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7. DIRECTORS' EMOLUMENTS

Mr. Loh Swee Keong and Mr. Tan Cheng Siong were appointed as Directors of the Company on 28 October 2016 and 9 December 2016 respectively. Details of the emoluments paid or payable to the Directors of the Company (including emoluments for their services as employees or Directors at the Group prior to becoming the Directors of the Company) are as follows:

For the year ended 31 May 2017

		Mr. Loh Swee Keong Loh Swee Keong 先生 RM'000 千令吉	Mr. Tan Cheng Siong Tan Cheng Siong 先生 RM'000 千令吉	Total 總計 RM'000 千令吉
Directors	董事			
Other emoluments:	其他酬金：			
Salaries	薪金	192	84	276
Bonus	花紅	–	11	11
Contributions to Employees Provident Fund ("EPF") (Note)	僱員公積金(「僱員公積金」)供款(附註)	35	13	48
<b>Total</b>	<b>總計</b>	<b>227</b>	<b>108</b>	<b>335</b>

### 7. 董事酬金

Loh Swee Keong 先生及 Tan Cheng Siong 先生分別於2016年10月28日及2016年12月9日獲委任為本公司董事。已付或應付本公司董事的酬金(包括彼等成為本公司董事前在本集團任職僱員或董事的服務酬金)詳情如下：

截至2017年5月31日止年度

For the year ended 31 May 2016

		Mr. Loh Swee Keong Loh Swee Keong 先生 RM'000 千令吉	Total 總計 RM'000 千令吉
Directors	董事		
Other emoluments:	其他酬金：		
Salaries	薪金	192	192
Contributions to EPF (Note)	僱員公積金供款(附註)	36	36

228



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7. DIRECTORS' EMOLUMENTS (Continued) For the year ended 31 May 2017 (Continued)

Notes:

The Group is required by Malaysian law to make monthly contributions to the EPF, a statutory defined contribution plan for all its eligible employees based on certain prescribed rates of the employees' applicable remuneration. Contributions are charged to profit or loss in the period in which they relate. The contributions to EPF are disclosed separately and the contributions to EPF are included in salaries, bonuses, allowances and other staff benefits. Once the contributions have been paid, the Group has no further payment obligations.

No Independent Non-executive Directors were appointed by the Company during the year. Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Lee, Alexander Patrick were appointed as Independent Non-executive Directors of the Company on 27 June 2017. No emoluments were paid to any of the Independent Non-executive Directors during both years.

During both years, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of the office.

No directors' emoluments were waived during both years.

### 8. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included 1 and 2 Directors for the year ended 31 May 2016 and 31 May 2017 respectively, details of whose remuneration are set out in Note 7. Details of the remuneration for the remaining 4 and 3 highest paid employees who are neither a Director nor chief executive of the Company are as follows:

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Salaries and allowances	薪金及津貼	642	446
Bonuses	花紅	52	33
Contributions to EPF	僱員公積金供款	77	78
		771	557

### 7. 董事酬金(續) 截至2017年5月31日止年度(續) 附註：

馬來西亞法例要求本集團按月向僱員公積金供款，其為根據僱員適用薪酬的若干訂明比率，為所有符合資格僱員提供法定界定供款的計劃。供款於相關期內的損益扣除。僱員公積金的供款為各別披露，而向僱員公積金作出的供款包括在薪金、花紅、津貼及其他僱員福利之內。一旦作出供款，本集團概無進一步供款責任。

年內，本公司並無委任獨立非執行董事。邱家禧先生、朱健明先生及李明鴻先生於2017年6月27日獲委任為本公司的獨立非執行董事。於兩個年度內，概無向任何獨立非執行董事支付任何酬金。

於兩個年度內，本集團並無向本公司董事支付任何酬金，作為加入本集團或於加入本集團時的獎勵或作為離職補償。

於兩個年度內，概無董事放棄酬金。

### 8. 五名最高薪酬僱員

本集團五名最高薪酬僱員分別包括截至2016年5月31日及2017年5月31日止年度的1及2名董事，有關薪酬詳情載於附註7。餘下4及3名最高薪酬僱員（非本公司董事或主要行政人員）的薪酬詳情載列如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8. FIVE HIGHEST PAID EMPLOYEES (Continued)

The number of the highest paid employees whose remuneration fell within the following bands is as follows:

	2017 2017年	2016 2016年
Nil to RM500,000 (equivalent to HK\$ nil to HK\$1,000,000)	5	5

During both years, no emoluments were paid by the Group to the five highest paid employees of the Company as an inducement to join or upon joining the Group or as compensation for loss of the office.

### 8. 五名最高薪酬僱員(續)

以下載列最高薪酬僱員(薪酬介乎以下範圍)的人數：

於兩個年度內，本集團並無向本公司五名最高薪酬僱員支付任何酬金，作為加入本集團或於加入本集團時的獎勵或作為離職補償。

### 9. FINANCE COSTS

	2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
Interest on finance leases	27	14
Interest on trust receipt loan	12	24
Interest on bank overdraft	10	14
Interest on term loan	8	23
	57	75

### 9. 融資成本

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10. PROFIT BEFORE TAXATION

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

### 10. 除稅前溢利

除稅前溢利於扣除/(計入)以下各項後達  
致：

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Auditors' remuneration	核數師酬金	425	59
Cost of inventories recognised as an expense	確認為開支的存貨成本	15,878	23,352
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	3,934	2,393
— Contribution to EPF	— 僱員公積金供款	371	224
		4,305	2,617
Minimum lease payments on rented land	所租賃土地的最低租金付款	440	376
Minimum lease payments on rented crane	所租賃起重機的最低租金付款	122	36
Depreciation of property, plant and equipment	物業、廠房及設備折舊	426	325
Depreciation of investment property	投資物業折舊	10	10
Bad debts written off/(recovered)	已撇銷/(收回)壞賬	18	(23)
Allowance for doubtful debts	呆賬撥備	—	176
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(13)	—
Rental income from investment property	投資物業租金收入	(22)	(25)
Interest income	利息收入	(54)	(33)
Unrealised gain on foreign exchange	未變現匯兌收益	(15)	—
Realised gain on foreign exchange	已變現匯兌收益	(4)	—

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. TAXATION

### 11. 稅項

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Malaysia corporate income tax:	馬來西亞企業所得稅：		
Current year	本年度	1,647	1,671
Underprovision in prior years	過往年度撥備不足	27	-
Deferred tax (Note 24):	遞延稅項(附註24)：		
Current year	本年度	57	-
Overprovision in prior years	過往年度超額撥備	(16)	-
		1,715	1,671

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

馬來西亞企業所得稅就各應課稅年度的估計應課稅溢利按法定稅率計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. TAXATION (Continued)

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

### 11. 稅項(續)

年度稅項與除稅前溢利的對賬如下：

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Profit before taxation	除稅前溢利	606	6,566
Statutory tax rate	法定稅率	24%	24%
Taxation at applicable statutory tax rate	按適用法定稅率計算的稅項	145	1,576
Tax saving of 5% (Note)	省稅5%(附註)	(60)	(53)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	1,585	148
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(3)	—
Deferred tax assets not recognised	未確認遞延稅項資產	2	—
Effect of different tax rate of entities operating in other jurisdictions	於其他司法權區經營的實體的不同稅率影響	35	—
Underprovision of income tax payable in prior year	過往年度應付所得稅的撥備不足	27	—
Overprovision of deferred tax in prior year	過往年度遞延稅項的超額撥備	(16)	—
Taxation for the year	年度稅項	1,715	1,671

Note: Under the Income Tax Act 1967 of Malaysia, small and medium enterprises in Malaysia with paid-up capital amounting to RM2,500,000 or less are subject to income tax at the rate of 19% and 18% for the year ended 31 May 2016 and 31 May 2017 respectively, on chargeable income amounting to RM500,000 or less. For chargeable income in excess of RM500,000, the corporate income tax rate is 24% for the year ended 31 May 2016 and 31 May 2017 respectively.

附註：根據馬來西亞1967年所得稅法，截至2016年5月31日及2017年5月31日止年度，於馬來西亞擁有繳足股本2,500,000令吉或以下的中小型企業須分別按稅率19%及18%就最高為500,000令吉的應課稅收入繳納所得稅。至於超過500,000令吉的應課稅收入，截至2016年5月31日及2017年5月31日止年度，企業所得稅稅率分別為24%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

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

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
(Loss)/Earnings for the purpose of basic (loss)/earnings per share ((loss)/profit for the year attributable to the owners of the Company)	用於計算本公司擁有人每股基本(虧損)/盈利的(虧損)/盈利	(1,109)	4,895
		<b>Number of shares</b>	<b>Number of shares</b>
		<b>股份數目</b>	<b>股份數目</b>
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	384,743,233	317,020,000

The weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share has been determined on the assumption that the Reorganisation and the capitalisation issue as described in Note 35 to the consolidated financial statements has been effective on 1 June 2015.

No diluted (loss)/earnings per share information has been presented for the year ended 31 May 2017 and 2016 as there were no potential ordinary shares outstanding during both years.

### 13. DIVIDEND

Interim dividend of RM2,000,000 was declared by the subsidiary companies during the financial year ended 31 May 2016.

Other than disclosed above, no dividend was paid or declared by the Company since its incorporation or by other group entities for both years.

### 12. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據下列數據計算：

用於計算每股基本(虧損)/盈利的普通股加權平均數乃假設綜合財務報表附註35所述的重組及資本化發行已於2015年6月1日生效而釐定。

由於截至2017年及2016年5月31日止年度均無尚未行使潛在普通股，故並無就該兩個年度呈列每股攤薄(虧損)/盈利的資料。

### 13. 股息

中期股息2,000,000令吉已由附屬公司於截至2016年5月31日止財政年度宣派。

除上文所披露者外，本公司(自其註冊成立以來)或其他集團實體(於該兩個年度)並無派付或宣派任何股息。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Leasehold land and building 租賃土地 及樓宇 RM'000 千令吉	Plant and machinery 廠房 及機械 RM'000 千令吉	Motor vehicles 汽車 RM'000 千令吉	Renovation 裝修 RM'000 千令吉	Mould 模具 RM'000 千令吉	Factory 工廠 RM'000 千令吉	Office equipment 辦公設備 RM'000 千令吉	Computer software 電腦軟件 RM'000 千令吉	Construction in progress 在建工程 RM'000 千令吉	Total 總計 RM'000 千令吉
<b>Cost</b>	<b>成本</b>										
At 1 June 2015	於2015年6月1日	365	1,502	1,124	162	258	151	641	19	-	4,222
Additions	添置	-	-	126	61	-	11	21	-	194	413
At 31 May 2016	於2016年5月31日	365	1,502	1,250	223	258	162	662	19	194	4,635
Additions	添置	-	775	362	175	62	70	39	-	-	1,483
Disposal	出售	-	-	(413)	-	-	-	-	-	-	(413)
Reclassification	重新分類	-	194	-	-	-	-	-	-	(194)	-
At 31 May 2017	於2017年5月31日	365	2,471	1,199	398	320	232	701	19	-	5,705
<b>Accumulated depreciation</b>	<b>累計折舊</b>										
At 1 June 2015	於2015年6月1日	96	897	445	93	124	73	304	17	-	2,049
Depreciation for the year	年內折舊	7	93	119	11	26	15	53	1	-	325
At 31 May 2016	於2016年5月31日	103	990	564	104	150	88	357	18	-	2,374
Depreciation for the year	年內折舊	7	157	124	34	29	22	52	1	-	426
Disposal	出售	-	-	(313)	-	-	-	-	-	-	(313)
At 31 May 2017	於2017年5月31日	110	1,147	375	138	179	110	409	19	-	2,487
<b>Carrying value</b>	<b>賬面值</b>										
At 31 May 2016	於2016年5月31日	262	512	686	119	108	74	305	1	194	2,261
At 31 May 2017	於2017年5月31日	255	1,324	824	260	141	122	292	-	-	3,218

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and building	2%
Plant and machinery	10%
Motor vehicles	10%
Renovation	10%
Mould	10%
Factory	10%
Office equipment	10%
Computer software	20%

The following are the carrying values of the assets held under finance leases included in property, plant and equipment:

### 14. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)以直線法按以下年率折舊：

租賃土地及樓宇	2%
廠房及機械	10%
汽車	10%
裝修	10%
模具	10%
工廠	10%
辦公設備	10%
電腦軟件	20%

以下為根據融資租賃持有的資產(已計入物業、廠房及設備內)的賬面值：

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Motor vehicles	汽車	344	377
Plant and machinery	廠房及機械	433	-
		777	377

The Group has pledged leasehold land and building with a carrying value of approximately RM262,000 and RM255,000 as at 31 May 2016 and 31 May 2017 respectively, to secure general banking facilities granted to the Group as disclosed in Note 23.

於2016年5月31日及2017年5月31日，本集團已質押賬面值分別約262,000令吉及255,000令吉的租賃土地及樓宇，作為本集團所獲授的一般銀行融資的抵押(如附註23所披露)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. INVESTMENT PROPERTY

### 15. 投資物業

		RM'000 千令吉
<b>Cost</b>	<b>成本</b>	
At 31 May 2016 and 31 May 2017	於2016年5月31日及2017年5月31日	450
<b>Accumulated depreciation</b>	<b>累計折舊</b>	
At 1 June 2015	於2015年6月1日	29
Charge for the year	年內扣除	10
At 31 May 2016	於2016年5月31日	39
Charge for the year	年內扣除	10
At 31 May 2017	於2017年5月31日	49
<b>Carrying value</b>	<b>賬面值</b>	
At 31 May 2017	於2017年5月31日	401
At 31 May 2016	於2016年5月31日	411

The investment property, comprising of a freehold land and building in Malaysia, is depreciated on a straight-line basis over 50 years.

投資物業(包括馬來西亞永久業權土地及樓宇)乃以直線法按50年以上計算折舊。

Rental income earned by the Group from the investment property which is leased out under operating leases, amounted to approximately RM25,000 and RM22,000 for the year ended 31 May 2016 and 31 May 2017 respectively. Direct operating expenses incurred in respect of the investment property amounted to RM681 and RM887 for the year ended 31 May 2016 and 31 May 2017 respectively.

截至2016年5月31日及2017年5月31日止年度，本集團自投資物業(根據經營租賃出租)賺取的租金收入分別約為25,000令吉及22,000令吉。截至2016年5月31日及2017年5月31日止年度，就投資物業產生的直接經營開支分別為681令吉及887令吉。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. INVESTMENT PROPERTY (Continued)

Fair values of the Group's investment property at 31 May 2016 and 31 May 2017 were RM690,000 and RM690,000 respectively. The fair values of the investment property have been arrived at on the basis of a valuation carried out on those dates by Messrs. Laurelcap Sdn. Bhd. (the "Valuers"), Suite E-7-2, East Wing, Subang Square, Jalan SS 15/4G, Subang Jaya, 47630, Subang Jaya, Selangor, 47500, Malaysia, using the comparison method by referring to recent transactions involving similar properties in the vicinity. The Valuers are independent qualified professional valuers not connected with the Group, and are members of the Board of Valuers, Appraisals & Estate Agency, Malaysia. The valuation is a Level 3 fair value estimation. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

### 15. 投資物業(續)

於2016年5月31日及2017年5月31日，本集團的投資物業公平值分別為690,000令吉及690,000令吉。投資物業公平值乃根據 Messrs. Laurelcap Sdn. Bhd. (「估值師」，地址為 Suite E-7-2, East Wing, Subang Square, Jalan SS 15/4G, Subang Jaya, 47630, Subang Jaya, Selangor, 47500, Malaysia) 於該等日期採用比較法參考近期於鄰近地區涉及類似物業的交易作出的估值計得。估值師為獨立合資格專業估值師，與本集團並無關連，並為馬來西亞估價師、評價師及產業代理局成員。估值為第三級公平值估算。於估計物業公平值時，物業的最高及最佳用途是指其現行用途。

### 16. INVENTORIES

### 16. 存貨

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
At cost:	按成本：		
Raw materials and consumables	原材料及消耗品	236	600
Finished goods	製成品	415	449
		651	1,049

### 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 17. 按公平值計入損益的金融資產

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Unit trust funds in Malaysia, at fair value	馬來西亞的單位信託基金，按公平值	-	835

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. RECEIVABLES, DEPOSITS AND PREPAYMENT

### 18. 應收款項、按金及預付款

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
Trade receivables	貿易應收款項	13,301	11,630
Less: Allowance for doubtful debts	減：呆賬撥備	(176)	(176)
		13,125	11,454
Other receivables	其他應收款項	25	52
Deposits	按金	278	88
Prepayments	預付款	92	5
Deferred listing expenses	遞延上市開支	2,353	–
		15,873	11,599

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

應收貿易賬款無抵押且不計息，而本集團所授予的信貸期介乎30至120日。

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) presented based on the invoice date.

以下為根據發票日期呈列的貿易應收款項(減呆賬撥備)賬齡分析。

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
1–30 days	1至30日	3,112	1,988
31–60 days	31至60日	4,108	2,741
61–90 days	61至90日	2,747	2,666
91–120 days	91至120日	961	1,365
More than 120 days	120日以上	2,197	2,694
		13,125	11,454

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. RECEIVABLES, DEPOSITS AND PREPAYMENT

(Continued)

As of 31 May 2016 and 31 May 2017, trade receivables of RM6,584,000 and RM3,409,000 respectively, were past due but not impaired. These relate to a number of diversified customers for whom there was no recent history of default and have a good track record with the Group. Based on past experience, the Directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as these balances were either subsequently settled or there has not been a significant change in credit quality and the balances are still considered recoverable.

The following is an ageing of trade receivables which are past due but not impaired based on invoice date.

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
31-60 days	31至60日	1,204	-
61-90 days	61至90日	685	2,556
91-120 days	91至120日	272	1,334
More than 120 days	120日以上	1,248	2,694
		<b>3,409</b>	<b>6,584</b>

The movement in allowance for doubtful debts:

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
At beginning of year	於年初	176	-
Impairment losses recognised	已確認減值虧損	-	176
At end of year	於年末	<b>176</b>	<b>176</b>

Included in the allowance for doubtful debts is one individually impaired trade receivable with balance of approximately RM176,000 as at 31 May 2016 and 31 May 2017 which has been placed in severe financial difficulties. The Group does not hold any collateral over this balance.

### 18. 應收款項、按金及預付款(續)

截至2016年5月31日及2017年5月31日，分別為6,584,000令吉及3,409,000令吉的貿易應收款項已逾期但未減值。有關款項涉及多名不同的客戶，該等客戶並無近期違約記錄，並與本集團擁有良好的往績紀錄。根據過往經驗，本公司董事認為毋須就該等結餘作出減值撥備，因為該等結餘會在後來結清或其信貸質素並無重大變動，而該等結餘仍被視為可以收回。

以下為根據發票日期已逾期但未減值的貿易應收款項的賬齡。

呆賬撥備變動如下：

計入呆賬撥備的金額為個別已減值的貿易應收款項，於2016年5月31日及2017年5月31日的結餘約為176,000令吉，該等賬款的債務人已陷入嚴重財政困難。本集團並無就該結餘持有任何抵押品。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 19. AMOUNTS OWING FROM/(TO) A DIRECTOR, ULTIMATE HOLDING COMPANY AND A SHAREHOLDER

Particulars of the amount owing from a director discloseable pursuant to the Hong Kong Companies Ordinances are as follows:

	Balance at 31 May 2017 於2017年 5月31日 的結餘 RM'000 千令吉	Balance at 1 June 2016 於2016年 6月1日 的結餘 RM'000 千令吉	Maximum amount outstanding during the year 年內最高 未償還款項 RM'000 千令吉
Mr. Loh Swee Keong			
Loh Swee Keong 先生	—	177	177

The amounts owing from/(to) a director, Mr. Loh Swee Keong, is non-trade nature, unguaranteed, unsecured, interest-free and repayable on demand. As at 31 May 2017, including in the amount owing to a director of RM570,000 represents the unpaid balance of the acquisition of the subsidiary companies and has fully settled on 17 July 2017.

The amount owing from ultimate holding company is non-trade nature, unsecured, interest free and repayable on demand.

The amount owing from a shareholder is non-trade nature, unsecured, interest free and repayable on demand.

### 20. SHORT TERM BANK DEPOSITS PLEDGED WITH BANKS

Short term bank deposits with an original maturity of three months or less carry interest at prevailing market rate of 3.30% and 3.15% per annum as at 31 May 2016 and 31 May 2017 respectively. The short term bank deposits are pledged to secure general banking facilities granted to the Group as disclosed in Note 22.

### 19. 應收／(應付)董事、最終控股公司及股東款項

根據香港公司條例須予披露的應收董事款項詳情如下：

應收／(應付)董事Loh Swee Keong先生款項為非貿易性質、無擔保、無抵押、免息及須按要求償還。於2017年5月31日，計入應付董事款項570,000令吉的金額是指收購附屬公司的未付結餘，且已於2017年7月17日悉數結清。

應收最終控股公司款項為非貿易性質、無擔保、無抵押、免息及須按要求償還。

應收股東款項為非貿易性質、無抵押、免息及須按要求償還。

### 20. 抵押予銀行的短期銀行存款

於2016年5月31日及2017年5月31日，原定到期日為三個月或以下的短期銀行存款乃按適用市場年利率分別3.30%及3.15%計息。短期銀行存款已質押作為授予本集團的一般銀行信貸的抵押(如附註22所披露)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 21. PAYABLES AND ACCRUED CHARGES

### 21. 應付款項及應計費用

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
Trade payables	貿易應付款項	5,178	4,810
Other payables	其他應付款項	600	923
Accrued listing fees	應計上市費用	2,053	-
Accrued charges	應計費用	496	163
Tenant's deposit	租戶按金	4	4
Advance from customers	客戶墊款	119	210
		8,450	6,110

The following is an aged analysis of trade payables presented based on the invoice dates.

貿易應付款項按發票日期呈列的賬齡分析如下。

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
1-30 days	1至30日	2,270	1,451
31-60 days	31至60日	1,225	1,811
61-90 days	61至90日	1,341	1,278
91-120 days	91至120日	207	244
Over 120 days	120日以上	135	26
		5,178	4,810

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 21. PAYABLES AND ACCRUED CHARGES (Continued)

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

Tenant deposits represent the refundable deposits to tenants upon termination or cancellation of operating lease arrangements. The tenant deposits are refundable to tenants within 60 days upon the termination of the tenancy agreement. The tenants' deposits to be settled after twelve months from the end of the reporting periods based on the lease terms amounted to RM4,000 and RM4,000 as at 31 May 2016 and 31 May 2017 respectively.

### 22. FINANCE LEASES

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Analysed for reporting purposes as:	就報告目的分析如下：		
Current liabilities	流動負債	172	93
Non-current liabilities	非流動負債	411	69
		583	162

It is the Group's policy to lease certain of its motor vehicles, plant and machinery and office equipment. The Directors determined the leases to be finance leases as the ownership of the relevant assets will be transferred to the Group upon the payment of the last instalment of the individual agreement. The average lease term is 4 and 5 years as at 31 May 2016 and 31 May 2017 respectively. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 6.25% to 7.10% and 4.70% to 7.10% per annum for the year ended 31 May 2016 and 31 May 2017 respectively.

### 21. 應付款項及應計費用(續)

購貨的平均信貸期為30至75日。本集團設有財務風險管理政策以確保所有應付款項均在信貸期限內結清。

租戶按金是指於經營租賃安排終止或取消時可退還租戶的按金。租戶按金可於租賃協議終止後60日內退還租戶。根據租賃期將於報告期末起計12個月後結算的租戶按金於2016年5月31日及2017年5月31日分別為4,000令吉及4,000令吉。

### 22. 融資租賃

本集團的政策是出租其若干車輛、廠房及機械以及辦公設備。董事確定該等租賃為融資租賃，因為相關資產的所有權將於個別協議最後一期付款後轉讓予本集團。於2016年5月31日及2017年5月31日，平均租賃期分別為4年及5年。截至2016年5月31日及2017年5月31日止年度，融資租賃下的所有責任的相關利率乃於各相關合約日期確定，介乎年利率6.25%至7.10%及4.70%至7.10%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 22. FINANCE LEASES (Continued)

### 22. 融資租賃(續)

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Total outstanding:	未支付總額：		
Not later than one year	不超過一年	201	104
Later than one year and not later than five years	超過一年但不超過五年	440	76
		641	180
Less: Finance charges	減：財務費用	(58)	(18)
Principal outstanding	未支付本金	583	162
Less: Amount due for settlement within 12 months (Shown under current liabilities)	減：於12個月內到期結算的款項(列於流動負債項下)	(172)	(93)
Amount due for settlement after 12 months	於12個月後到期結算的款項	411	69

Finance leases are denominated in RM. Certain finance leases are guaranteed by Mr. Loh Swee Keong, a Director and Ms. Loh Lily, the sibling of Mr. Loh Swee Keong. The Directors represented that the guarantee will be released in the foreseeable future.

融資租賃乃以令吉計值。若干融資租賃由董事 Loh Swee Keong 先生及 Loh Swee Keong 先生的胞妹 Loh Lily 女士擔保。董事表示，有關擔保將於可見將來解除。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23. BANK BORROWINGS

### 23. 銀行借款

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
Current — secured	即期 — 有抵押		
Term loan	定期貸款	—	115
Trust receipt loan	信託收據貸款	—	285
Bank overdraft	銀行透支	—	199
Carrying amount of bank borrowings repayable within one year	須於一年內償還銀行借款賬面值	—	599
Non-current — secured term loan repayable Within a period of more than one year but not more than two years	非即期 — 應償還有抵押定期貸款為期超過一年但不超過兩年	—	16
		—	615

The term loan bore interest at Base Lending Rate (“BLR”) plus 1.5% per annum as at 31 May 2016.

於2016年5月31日，定期貸款按基準借貸利率（「基準借貸利率」）加年利率1.5%計息。

The trust receipt loan bore interest at Islamic Base Rate (“IBR”) plus 1.5% per annum as at 31 May 2016.

於2016年5月31日，信託收據貸款按伊斯蘭基準利率（「伊斯蘭基準利率」）加年利率1.5%計息。

The bank overdraft bore interest at IBR plus 1.5% per annum as at 31 May 2016.

於2016年5月31日，銀行透支按伊斯蘭基準利率加年利率1.5%計息。

The bank borrowings facilities are secured by:

銀行借款融資由以下項目抵押：

- (i) leasehold land and building with a carrying amount of RM262,000 and RM255,000 as at 31 May 2016 and 31 May 2017 respectively;
- (ii) fixed deposit of RM1,349,000 and RM1,059,000 as at 31 May 2016 and 31 May 2017 respectively; and
- (iii) personal guarantee by Mr. Loh Swee Keong, a Director of the Company. The Directors of the Company represented that the guarantee will be released in the foreseeable future.

- (i) 於2016年5月31日及2017年5月31日賬面值分別為262,000令吉及255,000令吉的租賃土地及樓宇；
- (ii) 於2016年5月31日及2017年5月31日分別為1,349,000令吉及1,059,000令吉的定期存款；及
- (iii) 本公司董事Loh Swee Keong先生提供的個人擔保。本公司董事表示，該擔保將於可見將來解除。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 24. DEFERRED TAX LIABILITIES

### 24. 遞延稅項負債

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
At beginning of year	於年初	106	106
Charged to profit or loss (Note 11):	在損益扣除(附註11):		
Property, plant and equipment	物業、廠房及設備	41	-
At end of year	於年末	147	106

The deferred tax liabilities mainly represent the taxable temporary differences arising from property, plant and equipment.

遞延稅項資產及負債主要指物業、廠房及設備產生的應課稅暫時性差額。

### 25. OTHER RESERVE

The other reserve at 31 May 2016 and 31 May 2017 represented the aggregate amount of the fully paid registered or paid-in capital of Target Precast, Target S&M, Target C&L, Gallant Empire, SK Target Holdings and Loyal Earn. As at 31 May 2017, the amount represents the capital contribution from a pre-IPO investor. Pursuant to a subscription agreement, the pre-IPO investor agreed to subscribe for, and Gallant Empire agreed to allot and issue 388 ordinary shares of Gallant Empire, which represented 27.95% equity interest in Gallant Empire, to the pre-IPO investor for a total subscription price of HK\$15,000,000 (approximately equivalent to RM8,579,000).

As part of the Reorganisation, Mr. Loh transferred his equity interest in Target Precast, Target S&M and Target C&L to SK Target Holdings for a total consideration of RM570,000. After the transfer, Target Precast, Target S&M and Target C&L became wholly-owned subsidiary companies of SK Target Holdings.

### 25. 其他儲備

於2016年5月31日及2017年5月31日的其他儲備指Target Precast、Target S&M、Target C&L、Gallant Empire、SK Target Holdings及Loyal Earn的繳足註冊或實收資本總額。於2017年5月31日，有關金額是指首次公開發售前投資者的注資。根據認購協議，首次公開發售前投資者同意認購及Gallant Empire同意向首次公開發售前投資者配發及發行388股Gallant Empire普通股(相當於Gallant Empire的27.95%股權)，總認購價為15,000,000港元(相當於約8,579,000令吉)。

作為重組的一部分，Loh先生將其於Target Precast、Target S&M及Target C&L的股權轉讓予SK Target Holdings，總代價為570,000令吉。轉讓後，Target Precast、Target S&M及Target C&L成為SK Target Holdings的全資附屬公司。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26. SHARE CAPITAL

The share capital as at 31 May 2017 represented the issued share capital of the Company. Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 11 November 2016. The share capital as at 31 May 2017 represents the share capital of the Company with details as follows:

### 26. 股本

於2017年5月31日的股本相當於本公司已發行股本。根據重組，本公司於2016年11月11日成為目前組成本集團的公司的控股公司。於2017年5月31日的股本(相當於本公司的股本)的詳情如下：

		Number of shares 股份數目	Share capital 股本 HK\$ 港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
<b>Authorised:</b>	<b>法定：</b>		
At date of incorporation/31 May 2017 (note a)	於註冊成立日期/ 2017年5月31日(附註a)	38,000,000	380,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>		
At date of incorporation (note a)	於註冊成立日期(附註a)	1	—
Issue of shares on Reorganisation (note b)	重組時發行股份(附註b)	9,999	100
At 31 May 2017	於2017年5月31日	10,000	100

#### Notes:

- (a) On 28 October 2016, the Company was incorporated and registered as an exempted company in the Cayman Islands with an authorised share capital of HK\$380,000 comprising 38,000,000 ordinary shares of HK\$0.01 each and paid up share capital of HK\$0.01 comprising 1 ordinary share of HK\$0.01 each.
- (b) On 11 November 2016, Merchant World and Greater Elite transferred 1,000 and 388 ordinary shares of Gallant Empire to the Company respectively, and in consideration thereof, the Company allotted and issued as fully paid an additional 7,204 ordinary shares to Merchant World and 2,795 ordinary shares to Greater Elite. After the said transfers, Gallant Empire became a wholly-owned subsidiary company of the Company.

#### 附註：

- (a) 於2016年10月28日，本公司於開曼群島註冊成立及註冊為獲豁免公司，法定股本為380,000港元(包含38,000,000股每股面值0.01港元的普通股)及繳足股本0.01港元(包含1股每股面值0.01港元的普通股)。
- (b) 於2016年11月11日，Merchant World及Greater Elite分別將1,000股及388股Gallant Empire的普通股轉讓予本公司，而作為有關代價，本公司以繳足股款形式配發及發行額外7,204股普通股予Merchant World及2,795股普通股予Greater Elite。於上述轉讓後，Gallant Empire成為本公司的全資附屬公司。

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

所有於年內發行的普通股與當時現有的普通股在各方面享有同等地位。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 27. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of finance leases, bank borrowings and equity balance. Equity balance consists of equity attributable to owners of the Company, comprising share capital and retained profits.

The management of the Group reviews the capital structure on an on-going annual basis. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends as well as the issue of new debt and repayment of debt.

### 27. 資本風險管理

本集團管理其資本以確保本集團各實體可持續經營，並透過優化債務及股權餘額為持份者帶來最大回報。年內，本集團整體策略保持不變。

本集團的資本架構由融資租賃、銀行借款及股權餘額組成。股權餘額包括本公司擁有人的應佔股權，包含股本及保留盈利。

本集團管理層一直按年審視資本架構。作為審視的一部分，本集團管理層考慮資本成本及各類資本相關風險。按本集團管理層的建議，本集團將透過支付股息及發行新債務和償還債務平衡其整體資本架構。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
<b>Financial assets</b>	<b>金融資產</b>		
Loans and receivables (including cash on hand and at bank)	貸款及應收款項(包括手頭及銀行現金)	21,751	16,301
Financial assets at FVTPL	按公平值計入損益的金融資產	–	835
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	9,020	8,725

### 28. 金融工具

#### (a) 金融工具類別

#### (b) Financial risk management objectives and policies

The Group's major financial instruments and details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

#### (b) 財務風險管理目標及政策

本集團的主要金融工具及該等金融工具的詳情於相關附註披露。與該等金融工具相關的風險及如何減低該等風險的政策載列如下。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Market risk

##### Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the Group's bank balances as well as variable-rate bank borrowings.

The Group currently does not have an interest rate hedging policy. However, management closely monitors its exposure to future cash flow interest rate risk as a result of changes in market interest rates and will consider hedging changes in market interest rates should the need arise.

##### Sensitivity analysis

No sensitivity analysis is provided on bank balances and bank borrowings as the management of the Company considers that the interest rate fluctuation on bank balances and bank borrowings are minimal and the impact from the exposure to interest rate risk sensitivity is considered insignificant.

##### Credit risk

The Group's exposure to credit risk is primarily due to the collectability risk of the trade receivables. The length of the credit period granted by the Group will depend on the customers' scale of operation, reputation and credibility. The Group performs on-going credit evaluation on the financial condition of trade debtors and tightly monitors the overdue debts. The Group will take the necessary follow up action in case of long outstanding debts or when the above credit evaluation results draw the attention of management. In addition, the management reviews the recoverable amount of the trade receivables individually and collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts as set out in Note 5. The credit policies have been followed by the Group and are considered to be effective in limiting the Group's exposure to credit risk.

### 28. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險

##### 利率風險

本集團面對與本集團銀行結餘及浮息銀行借款相關的現金流利率風險。

本集團現時並無利率對沖政策。然而，管理層密切監察因市場利率變動而引致其面對未來現金流利率的風險，並將於有需要時考慮對沖市場利率變動。

##### 敏感度分析

概無就銀行結餘及銀行借款提供敏感度分析，原因為本公司管理層認為銀行結餘及銀行借款的利率波動微不足道，且就面對利率風險的敏感度而言，影響被視為並不重大。

##### 信貸風險

本集團涉及的信貸風險主要是由於貿易應收款項的可收回風險所致。本集團所授予信貸期的期限將視乎客戶的營運規模、聲譽及信譽而定。本集團就貿易債務人的財務狀況進行持續的信貸評估，並緊密監察逾期債務。倘長期未償還債項或上述信貸評估結果需要管理層關注，本集團將採取必要的跟進行動。此外，誠如附註5所載，管理層於各報告日期對貿易應收款項的可收回金額進行個別及綜合的審閱，以確保就不可收回金額作出足夠的減值虧損撥備。本集團一直遵從信貸政策，且有關政策被視為有效限制本集團涉及的信貸風險。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### **Credit risk** (Continued)

At the end of each reporting period, the Group's maximum exposure to credit risk which might cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

The Group has no significant concentration of credit risk with its exposure spread over a large number of customers.

The credit risk on liquid funds of the Group is limited because the counterparties are banks with good credit ratings and the Group has limited exposure to any single financial institution.

##### **Liquidity risk**

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities which has been drawn up based on the undiscounted cash flows of the non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for the financial liabilities are based on the agreed repayment dates.

### 28. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### **信貸風險**(續)

於各報告期末，本集團因對手方未能履行責任造成本集團財務損失而面對的最高信貸風險，乃源自於綜合財務狀況表所示相關已確認金融資產的賬面值。

本集團並無重大集中的信貸風險，有關風險乃分散至大量客戶。

由於對手方為具有良好信貸評級的銀行，且本集團就任何單一財務機構所面對的風險有限，故本集團流動資金的信貸風險亦有限。

##### **流動資金風險**

在管理流動資金風險時，本集團對現金及現金等價物的水平進行監察並將其維持在管理層認為足以為本集團業務營運提供資金的水平，並減少現金流量波動的影響。

下表詳列本集團非衍生金融負債的剩餘合約年期。該表按本集團可被要求付款的最早日期的非衍生金融負債未貼現現金流量列示。金融負債的到期日根據協定還款日期而定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### Liquidity risk (Continued)

The table includes both interest and principal cash flows, to the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

### 28. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 流動資金風險(續)

表中包括利息及本金現金流量。倘利率為浮動利率，則未貼現金額按報告期末的利率曲線計算。

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or less than 12 months 按要求或 12個月以下 RM'000 千令吉	1 to 2 years RM'000 千令吉	Over 2 years RM'000 千令吉	Total undiscounted cash flows 未貼現現金 流量總額 RM'000 千令吉	Total carrying amount RM'000 千令吉
<b>As at 31 May 2016</b>	<b>於2016年5月31日</b>						
Payables and accrued charges	應付款項及應計費用	-	6,110	-	-	6,110	6,110
Finance leases	融資租賃	6.25-7.10	104	18	58	180	162
Bank borrowings	銀行借款	3.35-9.0	623	16	-	639	615
Dividend payable	應付股息		2,000	-	-	2,000	2,000
			8,837	34	58	8,929	8,887
<b>As at 31 May 2017</b>	<b>於2017年5月31日</b>						
Payables and accrued charges	應付款項及應計費用	-	8,450	-	-	8,450	8,450
Amount owing to a Director	應付董事款項	-	570	-	-	570	570
Finance leases	融資租賃	4.70-7.10	201	201	239	641	583
			9,221	201	239	9,661	9,603



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value of the Group's financial assets and financial liabilities

- (i) Fair value of the Group's financial assets at fair value through profit or loss is determined in accordance with the quoted prices in the over-the-counter market. This valuation falls under Level 2 of the fair value hierarchy and is based on the monthly reports provided by the fund manager, which represent the fair value of the mutual fund.
- (ii) The Directors consider that the carrying amounts of other financial assets and other financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Fair values of the other financial assets and other financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### 29. LEASE COMMITMENT

#### The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017	2016
		2017年	2016年
		RM'000	RM'000
		千令吉	千令吉
Within one year	一年內	30	30

Operating lease payments represent rentals payable by the Group for a piece of land. The lease is negotiated for a term of 3 years and is cancellable on giving a notice of 3 months. The rental is fixed for 3 years.

### 28. 金融工具(續)

#### (c) 本集團的金融資產及金融負債的公平值

- (i) 本集團按公平值計入損益的金融資產的公平值乃根據場外報價釐定。此估值屬於公平值層級第二級，並根據基金經理提供的每月報告計算，其代表互惠基金的公平值。
- (ii) 董事認為，於綜合財務報表按攤銷成本入賬的其他金融資產及其他金融負債的賬面值與其公平值相若。其他金融資產及其他金融負債的賬面值已根據公認定價模式按貼現現金流量分析釐定，且最重要輸入數據為反映對手方信貸風險的貼現率。

### 29. 租賃承擔

#### 本集團作為承租人

於報告期末，本集團根據不可取消的經營租賃有未來最低租賃付款承擔於下列時間到期：

經營租賃付款指本集團就一幅土地應付的租金。租賃經磋商後為期3年，並可發出3個月通知予以撤銷。租金於3年內不變。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 29. LEASE COMMITMENT (Continued)

#### The Group as lessor

The property held by the Group has committed tenants and lease rentals are negotiated annually.

At the end of the reporting period, the Group had contracted with a tenant for the following future minimum lease receivables:

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
Within one year	一年內	2	22
In the second to fifth years inclusive	第二至五年(包括首尾兩年)	–	2
		2	24

### 30. CAPITAL COMMITMENT

At the end of the reporting period, the Group had the following capital commitments in respect of the acquisition of property, plant and equipment:

		2017 2017年 RM'000 千令吉	2016 2016年 RM'000 千令吉
Contracted but not provided for	已訂約但未撥備	117	–

### 31. NON CASH TRANSACTION

Addition of property, plant and equipment of RM100,000 during the year ended 31 May 2016 and RM729,000 during the year ended 31 May 2017 was financed by new finance lease agreements.

### 29. 租賃承擔(續)

#### 本集團作為出租人

所持物業有每年磋商釐定的已承諾租戶及租賃租金。

於報告期末，本集團已與一名租戶就下列未來最低應收租賃訂約：

### 30. 資本承擔

於報告期末，本集團有以下涉及收購物業、廠房及設備的資本承擔：

### 31. 非現金交易

於截至2016年5月31日止年度及截至2017年5月31日止年度添置為數分別為100,000令吉及729,000令吉的物業、廠房及設備由新融資租賃協議提供資金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32. INTERESTS IN SUBSIDIARY COMPANIES

During the year, the Company has direct and indirect shareholders/equity interests in the following subsidiary companies:

### 32. 於附屬公司的權益

年內，本公司於下列附屬公司擁有直接及間接股東／股本權益：

Name of Company 公司名稱	Place of incorporation 註冊成立地點	Equity attributable to the Group 本集團應佔股權			Principal activities 主要業務
		Issued and fully paid-up share capital 已發行及繳足股本	As at 31 May 2016 於2016年5月31日	As at 31 May 2017 於2017年5月31日	
Target Precast Industries Sdn. Bhd.	Malaysia 馬來西亞	RM500,000 500,000 令吉	100%	100%	Manufacturing and trading of precast concrete junction boxes 製造及買賣預製混凝土接線盒
Target Sales & Marketing Sdn. Bhd.	Malaysia 馬來西亞	RM70,002 70,002 令吉	100%	100%	Trading of precast concrete junction boxes and accessories and pipes 買賣預製混凝土接線盒及配件及管道
Target Crane & Logistic Sdn. Bhd.	Malaysia 馬來西亞	RM100 100 令吉	100%	100%	Provision of mobile crane rental and ancillary services 提供移動式起重機租賃及配套服務
Gallant Empire Limited* <sup>1</sup>	British Virgins Island 英屬處女群島	US\$1,000 1,000 美元	–	100%	Investment holding 投資控股
SK Target Holdings <sup>2</sup> Sdn. Bhd.	Malaysia 馬來西亞	RM100 100 令吉	–	100%	Investment holding 投資控股
Loyal Earn Limited <sup>3</sup>	Hong Kong 香港	HK\$1 \$1 港元	–	100%	Inactive 暫無營業

\* Directly held by the Company

\* 由本公司直接持有

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32. INTERESTS IN SUBSIDIARY COMPANIES

(Continued)

Notes:

- (1) Gallant Empire Limited (“**GEL**”) was incorporated in the BVI with limited liability on 5 June 2016. As at the date of incorporation, GEL was authorised to issue a maximum of 50,000 shares of USD1 each. On 21 July 2016, 1,000 shares (representing the entire issued share capital of GEL) were allotted and issued as fully paid to Merchant World. As part of the Pre-IPO Investment as described in Note 24 to the financial statements, GEL allotted and issued as fully paid 388 shares to Greater Elite Limited (“**Greater Elite**”).

On 11 November 2016, as part of the Reorganisation, each of Merchant World and Greater Elite transferred its respective entire shareholding interests in GEL to the Company, in consideration of Company allotting and issuing as fully paid an additional 7,204 ordinary shares to Merchant World and 2,795 ordinary shares to Greater Elite. After the said transfers, GEL became a wholly-owned subsidiary company of the Company.

- (2) SK Target Holdings Sdn. Bhd. (“**SKTH**”) was incorporated in Malaysia on 24 August 2016 with an authorised capital of RM400,000 divided into 400,000 shares of RM1 each, and 99 shares were allotted and issued to Mr. Loh Swee Keong (“**Mr. Loh**”) and one (1) share was allotted and issued to Mr. Ng Thuan Leong (“**Mr. Ng**”), both for cash at par value. Pursuant to a declaration of trust executed by Mr. Ng on 14 December 2016, Mr. Ng confirmed, inter alia, that the one (1) share held by him was held on trust for Mr. Loh with effect from 24 August 2016 and he dealt with the said one (1) share in such manner as Mr. Loh from time to time directed and voted at the shareholders’ meeting and board of directors’ meeting as Mr. Loh from time to time directed. On 6 October 2016, GEL acquired 99 shares of SKTH from Mr. Loh at the consideration of RM99 and acquired one (1) share of SKTH from Mr. Ng at the consideration of RM1. After the said transfers, SKTH became a wholly-owned subsidiary company of GEL.
- (3) Loyal Earn Limited (“**LEL**”) was incorporated in Hong Kong with limited liability on 1 June 2016. On the date of incorporation, LEL allotted and issued as fully paid one (1) share (representing the entire issued share capital of LEL) to the initial subscriber, which was then transferred to GEL at the consideration of HKD1 on 28 July 2016.

None of the subsidiary companies had issued any debt securities at the end of year.

### 32. 於附屬公司的權益(續)

附註：

- (1) Gallant Empire Limited (「**GEL**」)於2016年6月5日在英屬處女群島註冊成立為有限公司。於註冊成立日期，獲授權發行最多50,000股每股面值1.00美元的股份。於2016年7月21日，1,000股股份(相當於GEL的全部已發行股本)以繳足股款形式配發及發行予Merchant World。作為財務報表附註24所述的首次公開發售前投資的一部分，GEL以繳足股款形式配發及發行388股股份予Greater Elite Limited (「**Greater Elite**」)。

於2016年11月11日，作為重組的一部分，Merchant World及Greater Elite各自將其於GEL的全部股權轉讓予本公司，以作為本公司以繳足股款形式配發及發行額外7,204股普通股予Merchant World及2,795股普通股予Greater Elite的代價。上述轉讓後，GEL成為本公司的全資附屬公司。

- (2) SK Target Holdings Sdn. Bhd. (「**SKTH**」)於2016年8月24日在馬來西亞註冊成立，法定資本為400,000令吉，分為400,000股每股面值1令吉的股份，並將99股股份配發及發行予Loh Swee Keong先生(「**Loh先生**」)及一(1)股股份配發及發行予Ng Thuan Leong先生(「**Ng先生**」)，均按面值換取現金。根據Ng先生於2016年12月14日簽立的信託聲明，Ng先生確認(其中包括)其自2016年8月24日起持有的一(1)股股份乃以信託方式為Loh先生持有，以及其以Loh先生不時指示的方式處置該一(1)股股份，並按Loh先生不時的指示於股東大會及董事會會議上投票。於2016年10月6日，GEL以代價99令吉從Loh先生收購SKTH的99股股份，並以代價1令吉從Ng先生收購SKTH的一(1)股股份。上述轉讓後，SKTH成為GEL的全資附屬公司。
- (3) Loyal Earn Limited (「**LEL**」)於2016年6月1日在香港註冊成立為有限公司。於註冊成立日期，LEL以繳足股款形式配發及發行一(1)股股份(相當於LEL的全部已發行股本)予初步認購人，其後於2016年7月28日以代價1港元轉讓予GEL。

概無附屬公司於年末發行任何債務證券。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33. PERFORMANCE GUARANTEE

As at 31 May 2017, the Group has provided a performance guarantee in respect of a project signed with Telekom Malaysia Berhad, a customer, amounting to RM534,000 for securing a project. This guarantee will be discharged upon the completion of the project.

### 34. RELATED PARTIES TRANSACTIONS

(a) During the year, the Group entered into the following transactions with related parties:

(i) Mr. Loh Swee Keong, a Director of the Company and Ms. Loh Lily, the sibling of Mr. Loh Swee Keong, have provided financial guarantees to certain subsidiary companies of the Group as disclosed in Notes 22 and 23.

(b) Balances with related parties are disclosed in the consolidated statements of financial position and in Note 19.

(c) The remuneration paid or payable to the key management personnel, being the Directors of the Company, during the year is included in Note 7. The remuneration of key management personnel is determined with reference to the performance of the individuals and market trends.

### 35. SUBSEQUENT EVENTS

#### (a) Listing on GEM of The Stock Exchange of Hong Kong Limited

Pursuant to the written resolutions passed by the shareholders of the Company on 27 June 2017, the authorised share capital was increased from HKD380,000 comprising 38,000,000 shares at par value of HKD0.01 each to HKD100,000,000 comprising 10,000,000,000 shares of par value of HKD0.01 each, by way of creation of an additional 9,962,000,000 shares at par value of HKD0.01 each.

### 33. 履約擔保

於2017年5月31日，本集團已就與一名客戶Telekom Malaysia Berhad簽署的項目提供履約擔保，金額為534,000令吉，以擔保有關項目。該擔保將於項目完成後解除。

### 34. 關聯方交易

(a) 年內，本集團與關聯方訂立以下交易：

(i) 如附註22及23所披露，Loh Swee Keong先生（本公司董事）及Loh Lily女士（Loh Swee Keong先生的胞妹）已向本集團若干附屬公司提供財務擔保。

(b) 與關聯方的結餘於綜合財務狀況表及附註19披露。

(c) 年內已付或應付主要管理人員（即本公司董事）的酬金載於附註7。主要管理人員的酬金乃參考個人表現及市場趨勢釐定。

### 35. 期後事項

#### (a) 於香港聯合交易所有限公司創業板上市

根據本公司股東於2017年6月27日通過的書面決議案，藉增設額外9,962,000,000股每股面值0.01港元的股份，法定股本由380,000港元（包括38,000,000股每股面值0.01港元的股份）增至100,000,000港元（包括10,000,000,000股每股面值0.01港元的股份）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 35. SUBSEQUENT EVENTS (Continued)

#### (a) Listing on GEM of The Stock Exchange of Hong Kong Limited (Continued)

On the same date, pursuant to the written resolutions passed by the shareholders of the Company, conditional upon the crediting of the Company's share premium account as a result of the issue of the public offer shares and the placing shares for the proposed initial listing of shares of the Company on the GEM board of The Stock Exchange of Hong Kong Limited, the directors of the Company were authorised to capitalise an amount of HK\$4,399,000 standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par a total of 439,990,000 shares for allotment and issue to the shareholders as of 27 June 2017.

On 19 July 2017, the Company has successfully listed on the GEM board of The Stock Exchange of Hong Kong Limited and made an offering of 162,000,000 new shares by way of placement and 18,000,000 new shares by public offering priced at HKD0.28 per share. On the same date, the Company has completed the capitalisation issue to the shareholders after the successful listing on the GEM board of The Stock Exchange of Hong Kong Limited.

This has resulted in the issued and paid-up share capital increased from HKD100 comprising 10,000 shares at par value of HKD0.01 each to HKD6,200,000 comprising 620,000,000 shares at par value of HKD0.01 each.

#### (b) Share option scheme

Pursuant to the written resolutions passed by the shareholders of the Company on 27 June 2017, the Company has conditionally adopted a share option scheme. No option was granted as at the date of this report.

#### (c) Agreement with Telekom Malaysia Berhad

On 1 August 2017, Telekom Malaysia Berhad has signed and returned the formal agreement between the Company's wholly-owned subsidiary company, namely Target Precast Industries Sdn Bhd, in respect of the supply and delivery of concrete junction boxes and junction box cover for a term of three years from 1 January 2017 to 31 December 2019.

### 35. 期後事項(續)

#### (a) 於香港聯合交易所有限公司創業板上市(續)

同日，根據本公司股東通過的書面決議案，待本公司的股份溢價賬因就建議本公司股份首次於香港聯合交易所有限公司創業板上市發行公開發售股份及配售股份而錄得進賬後，授權本公司董事將本公司股份溢價賬的進賬金額4,399,000港元撥充資本，方法為利用有關金額按面值全數繳足439,990,000股配發及發行予截至2017年6月27日的股東的股份。

於2017年7月19日，本公司已成功於香港聯合交易所有限公司創業板上市，並以配售形式提呈發售162,000,000股新股份，及以公開發售形式提呈發售18,000,000股新股份，價格為每股0.28港元。同日，本公司於成功在香港聯合交易所有限公司創業板上市後完成向股東進行資本化發行。

此舉導致已發行及繳足股本由100港元(包括10,000股每股面值0.01港元的股份)增至6,200,000港元(包括620,000,000股每股面值0.01港元的股份)。

#### (b) 購股權計劃

根據本公司股東於2017年6月27日通過的書面決議案，本公司已有條件採納一項購股權計劃。於本報告日期，概無授出任何購股權。

#### (c) 與Telekom Malaysia Berhad簽訂協議

於2017年8月1日，Telekom Malaysia Berhad已簽署並交回與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簽署的正式協議，年期自2017年1月1日至2019年12月31日為期三年。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of Financial position of the Company at the end of the reporting period includes:

### 36. 本公司的財務狀況表

本公司於報告期末的財務狀況表的資料包括：

		2017 2017年 RM'000 千令吉
<b>Non-Current Assets</b>	<b>非流動資產</b>	
Investment in a subsidiary company	於附屬公司的投資	4
<b>Current Asset</b>	<b>流動資產</b>	
Receivables, deposits and prepayment	應收款項、按金及預付款	2,353
Amount owing from subsidiary companies (Note a)	應收附屬公司款項(附註a)	57
Cash on hand and at bank	手頭及銀行現金	48
<b>Total Current Assets</b>	<b>流動資產總值</b>	<b>2,458</b>
<b>Current Liabilities</b>	<b>流動負債</b>	
Payable and accrued charges	應付款項及應計費用	2,153
Amount owing to subsidiary companies (Note a)	應付附屬公司款項(附註a)	6,224
<b>Total Current Liabilities</b>	<b>流動負債總額</b>	<b>8,377</b>
<b>Net Current Liabilities</b>	<b>淨流動負債</b>	<b>(5,919)</b>
<b>Net Liabilities</b>	<b>淨負債</b>	<b>(5,915)</b>
<b>Capital and Reserves</b>	<b>資本及儲備</b>	
Share capital	股本	—
Accumulated loss (Note b)	累計虧損(附註b)	(5,915)
<b>Total Equity</b>	<b>權益總額</b>	<b>(5,915)</b>

#### Notes

- a The amount owing from/(to) subsidiary companies are unsecured, interest-free and repayable on demand.
- b The loss for the period from 28 October 2016 (date of incorporation) to 31 May 2017 mainly comprise the listing fee of RM6,048,000 incurred during the period.

#### 附註

- a 應收／(應付)附屬公司款項為無抵押、免息及須按要求償還。
- b 於2016年10月28日(註冊成立日期)至2017年5月31日期間內的虧損主要包括於期內產生的上市費用6,048,000令吉。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

The financial position of the Company was approved and authorised for issue by the board of directors on 28 August 2017 and are signed on its behalf by:

### 36. 本公司的財務狀況表(續)

本公司的財務狀況已於2017年8月28日獲董事會批准及授權發行，並經由下列人士代表簽署：

**Loh Swee Keong**

*Director*  
董事

**Tan Cheng Siong**

*Director*  
董事



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued) RESERVES OF THE COMPANY

Note:

### 36. 本公司的財務狀況表(續)

本公司儲備

附註：

		Accumulated loss 累計虧損 RM'000 千令吉
<b>At 28 October 2016 (Date of incorporation)</b> Loss and total comprehensive loss for the period	於 2016 年 10 月 28 日 (註冊成立日期) 期內虧損及全面虧損總額	– (5,915)
<b>At 31 May 2017</b>	於 2017 年 5 月 31 日	(5,915)

# THREE YEARS FINANCIAL SUMMARY

## 三年財務概要

		Year ended 31 May		
		截至5月31日止年度		
<b>RESULTS</b>		2017	2016	2015
業績		2017年	2016年	2015年
		RM'000	RM'000	RM'000
		千令吉	千令吉	千令吉
Revenue	收入	33,595	33,281	23,165
Gross profit	毛利	10,423	9,929	7,478
Profit before taxation	除稅前溢利	606	6,566	5,107
(Loss)/Profit for the year	年內(虧損)/溢利	(1,109)	4,895	3,846

  

		As at 31 May		
		於5月31日		
<b>ASSETS AND LIABILITIES</b>		2017	2016	2015
資產及負債		2017年	2016年	2015年
		RM'000	RM'000	RM'000
		千令吉	千令吉	千令吉
Total assets	資產總值	28,632	20,862	16,235
Total liabilities	負債總額	10,149	9,279	7,547
Net assets	淨資產	18,483	11,583	8,688
<b>CAPITAL AND RESERVES</b>				
Total equity	資本及儲備 權益總額	18,483	11,583	8,688

**SK TARGET GROUP LIMITED**  
**瑞強集團有限公司**

