

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

2019

INTERIM REPORT

中期報告

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small & medium sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given that the companies listed on the GEM are generally small & medium sized companies, there is a risk that securities traded on the 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 the 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」) GEM 的特色

GEM 的定位乃為相比起其他在聯交所上市的公司帶有較高投資風險的中小型公司提供一個上市的市場。有意投資的人士應了解投資該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。**GEM** 的較高風險及其他特色表明**GEM** 較適合專業及其他經驗豐富的投資者。

由於在**GEM** 上市之公司一般為中小型公司，在**GEM** 買賣的證券可能會較於聯交所主板買賣的證券承受較大的市場波動風險，同時亦無法保證在**GEM** 買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照香港聯合交易所有限公司**GEM** 證券上市規則(「**GEM 上市規則**」)的規定而提供有關瑞強集團有限公司(「**本公司**」)的資料。本公司各董事(「**董事**」)對此共同及個別地承擔全部責任。董事在作出一切合理查詢後確認，就彼等深知及確信，本報告所載資料在各重大方面均為準確及完整，且並無誤導或欺詐成分，亦無遺漏其他事項致使本報告或其所載任何陳述有所誤導。

Corporate Information

公司資料

REGISTERED OFFICE IN CAYMAN ISLANDS

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 101, 1/F,
Chung Nam Building,
1 Lockhart Road,
Wanchai, Hong Kong

EXECUTIVE DIRECTORS

Mr. Loh Swee Keong
(Chairman and Chief Executive Officer)
Mr. Deng Rongkai
*(appointed on 16 September 2019 and vacated
office on 25 November 2019)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yau Ka Hei
Mr. Chu Kin Ming
Mr. Ma She Shing Albert

COMPANY SECRETARY

Mr. Leung Tze Wai, CPA

開曼群島註冊辦事處

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

總部及馬來西亞主要營業地點

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

香港主要營業地點

香港灣仔
駱克道1號
中南大廈
1樓101室

執行董事

Loh Swee Keong 先生
(主席兼行政總裁)
鄧榮凱先生
*(於二零一九年九月十六日獲委任
及於二零一九年十一月二十五日
離任)*

獨立非執行董事

邱家禧先生
朱健明先生
馬希聖先生

公司秘書

梁子煒先生 · 註冊會計師

Corporate Information

公司資料

COMPLIANCE OFFICER

Mr. Loh Swee Keong

AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)

Mr. Yau Ka Hei

Mr. Ma She Shing Albert

REMUNERATION COMMITTEE

Mr. Yau Ka Hei (*Chairman*)

Mr. Chu Kin Ming

Mr. Loh Swee Keong

NOMINATION COMMITTEE

Mr. Loh Swee Keong (*Chairman*)

Mr. Yau Ka Hei

Mr. Ma She Shing Albert

AUTHORIZED REPRESENTATIVE

Mr. Loh Swee Keong

Mr. Leung Tze Wai, CPA

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited

P.O. Box 1350, Clifton House,

75 Fort Street,

Grand Cayman KY1-1108,

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

Level 54, Hopewell Centre,

183 Queen's Road East,

Hong Kong

PRINCIPAL BANKER

CIMB Bank Berhad

Public Bank Berhad

合規主任

Loh Swee Keong 先生

審核委員會

朱健明先生(*主席*)

邱家禧先生

馬希聖先生

薪酬委員會

邱家禧先生(*主席*)

朱健明先生

Loh Swee Keong 先生

提名委員會

Loh Swee Keong 先生(*主席*)

邱家禧先生

馬希聖先生

授權代表

Loh Swee Keong 先生

梁子煒先生，註冊會計師

開曼群島股份過戶登記總處

Estera Trust(Cayman)Limited

P.O. Box 1350, Clifton House,

75 Fort Street,

Grand Cayman KY1-1108,

Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司

香港

皇后大道東 183 號

合和中心 54 樓

主要往來銀行

CIMB Bank Berhad

Public Bank Berhad

Corporate Information

公司資料

COMPLIANCE ADVISER

Ever-Long Securities Company Limited

合規顧問

長雄證券有限公司

AUDITORS

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

核數師

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

LEGAL ADVISERS

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

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*)

COMPANY'S WEBSITE ADDRESS

www.targetprecast.com

公司網址

www.targetprecast.com

STOCK CODE

8427

股份代號

8427

Interim Results

中期業績

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 November 2019 (the “**Interim Financial Statements**”) together with the unaudited comparative figures for the corresponding period in 2018 as follows:

本公司董事會(「**董事會**」)欣然提呈以下本公司及其附屬公司(統稱「**本集團**」)截至二零一九年十一月三十日止六個月的未經審核簡明綜合業績(「**中期財務報表**」)連同二零一八年同期未經審核比較數字：

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the three months and six months ended 30 November 2019 截至二零一九年十一月三十日止三個月及六個月

		Three months ended 30 November		Six months ended 30 November		
		截至十一月三十日止三個月		截至十一月三十日止六個月		
		2019	2018	2019	2018	
		二零一九年	二零一八年	二零一九年	二零一八年	
		RM'000	RM'000	RM'000	RM'000	
		千令吉	千令吉	千令吉	千令吉	
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	
Note						
附註						
	Revenue 收入	5	6,782	6,620	13,654	14,939
	Cost of sales 銷售成本		(4,639)	(5,007)	(9,294)	(11,261)
	Gross profit 毛利		2,143	1,613	4,360	3,678
	Other income 其他收入		197	79	449	334
	Administrative expenses 行政開支		(2,715)	(1,706)	(5,072)	(4,025)
	Selling and distribution expenses 銷售及分銷開支		(275)	(237)	(533)	(547)
	Finance costs 融資成本	6	(58)	(3)	(113)	(8)
	Loss before taxation 除稅前虧損		(708)	(254)	(909)	(568)
	Taxation 稅項	8	(273)	(113)	(531)	(301)
	Loss for the period 期內虧損	7	(981)	(367)	(1,440)	(869)
	Other comprehensive loss items that may be reclassified subsequently to profit or loss: 其後將可能重新分類至損益的其他全面虧損項目：					
	Exchange differences arising on translation of foreign operations 境外業務換算產生的匯兌差額		(34)	8	(14)	234
	Total comprehensive loss for the period 期內全面虧損總額		(1,015)	(359)	(1,454)	(635)
	Loss per share 每股虧損					
	— Basic (RM cents) 一基本(仙令吉)	9	(0.16)	(0.06)	(0.23)	(0.14)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 November 2019 於二零一九年十一月三十日

		30 November 2019 二零一九年 十一月三十日 RM'000 千令吉 (unaudited) (未經審核)	31 May 2019 二零一九年 五月三十一日 RM'000 千令吉 (audited) (經審核)
Non-Current Assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	4,700	4,854
Investment property	投資物業	376	381
Right of use assets	使用權資產	32	—
Deferred Tax Assets	遞延稅項資產	1,960	74
Total Non-Current Assets	非流動資產總值	7,068	5,309
Current Assets	流動資產		
Inventories	存貨	1,565	1,780
Receivables, deposits and prepayment	應收款項、按金及預付款	11	13,501
Right of use assets	使用權資產	2,702	—
Amount owing from ultimate holding company	應收最終控股公司款項	12	9
Amount owing from a shareholder	應收股東款項	12	7
Tax recoverable	可收回稅項	209	527
Short-term bank deposits	短期銀行存款	13	6,034
Cash on hand and at bank	手頭及銀行現金	10,968	14,909
Total Current Assets	流動資產總值	38,826	36,767
Current Liabilities	流動負債		
Payables and accrued charges	應付款項及應計費用	14	6,361
Leased liabilities	租賃負債	2,686	—
Tax payable	應付稅項	51	—
		9,423	6,361
Net Current Assets	淨流動資產	29,403	30,406
Total Assets Less Current Liabilities	總資產減流動負債	36,471	35,715

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 November 2019 於二零一九年十一月三十日

		30 November 2019 二零一九年 十一月三十日 RM'000 千令吉 (unaudited) (未經審核)	31 May 2019 二零一九年 五月三十一日 RM'000 千令吉 (audited) (經審核)
Non-Current Liabilities	非流動負債		
Leased liabilities	租賃負債	2,210	281
Deferred tax liabilities	遞延稅項負債	281	—
Total Non-Current Liability	非流動負債總額	2,491	281
Net Assets	淨資產	33,980	35,434
Capital and Reserves	股本及儲備		
Share capital	股本	3,382	3,382
Share premium	股份溢價	19,891	19,891
Other reserve	其他儲備	8,579	8,579
Translation reserve	匯兌儲備	(597)	(583)
Retained profits	保留溢利	2,725	4,165
Total Equity	權益總額	33,980	35,434

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

		Share capital 股本 RM'000 千令吉	Share premium 股份溢價 RM'000 千令吉	Other reserve 其他儲備 RM'000 千令吉	Translation reserve 匯兌儲備 RM'000 千令吉	Retained profits 保留溢利 RM'000 千令吉	Total 總計 RM'000 千令吉
At 31 May 2018 (audited)	於二零一八年 五月三十一日 (經審核)	3,382	19,891	8,579	(974)	6,814	37,692
Loss for the period	期內虧損	-	-	-	-	(869)	(869)
Exchange differences arising on translation of foreign operations	境外業務換算產生的匯兌差額	-	-	-	234	-	234
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	234	(869)	(635)
At 30 November 2018 (unaudited)	於二零一八年 十一月三十日 (未經審核)	3,382	19,891	8,579	(740)	5,945	37,057

		Share capital 股本 RM'000 千令吉	Share premium 股份溢價 RM'000 千令吉	Other reserve 其他儲備 RM'000 千令吉	Translation reserve 匯兌儲備 RM'000 千令吉	Retained profits 保留溢利 RM'000 千令吉	Total 總計 RM'000 千令吉
At 31 May 2019 (audited)	於二零一九年 五月三十一日 (經審核)	3,382	19,891	8,579	(583)	4,165	35,434
Loss for the period	期內虧損	-	-	-	-	(1,440)	(1,440)
Exchange differences arising on translation of foreign operations	境外業務換算產生的匯兌差額	-	-	-	(14)	-	(14)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	(14)	(1,440)	(1,454)
At 30 November 2019 (unaudited)	於二零一九年 十一月三十日 (未經審核)	3,382	19,891	8,579	(597)	2,725	33,980

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

		Six months ended 30 November 截至十一月三十日止六個月	
		2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (audited) (經審核)
Net Cash Used In Operating Activities	經營活動所用現金淨額	665	(5,358)
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	209	19
Purchase of property, plant and equipment	購買物業、廠房及設備	(306)	(878)
Advanced to a shareholder	向股東墊款	—	(4)
Net Cash Used In Investing Activities	投資活動所用現金淨額	(97)	(863)
FINANCING ACTIVITIES	融資活動		
Finance costs paid	已付融資成本	(113)	(8)
Repayment of leased liabilities	償還租賃負債	(1,202)	—

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

		Six months ended 30 November 截至十一月三十日止六個月	
		2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (audited) (經審核)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(1,315)	(8)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(747)	(6,229)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初現金及現金等價物	20,943	21,476
Effects of exchange differences	匯兌差額的影響	(88)	908
CASH AND CASH EQUIVALENTS AT END OF PERIOD REPRESENTED BY	期末現金及現金等價物指	20,108	16,155
Short-term bank deposits	短期銀行存款	9,140	1,018
Cash on hand and at bank	手頭及銀行現金	10,968	15,137

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the GEM of The Stock Exchange since 19 July 2017. The Company was incorporated in the Cayman Islands as a private limited liability company on 28 October 2016. The addresses of the Company's registered office in the Cayman Islands and headquarters and principal place of business in Malaysia are P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and 18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia, respectively. The principal place of business in Hong Kong is Room 101, 1/F, Chung Nam Building, 1 Lockhart road, Wanchai, Hong Kong.

Merchant World Investments Limited ("**Merchant World**"), a limited company incorporated in the British Virgin Islands ("**BVI**"), is the immediate and ultimate holding company of the Company. Mr. Loh Swee Keong, is the ultimate controlling party of the Company who wholly owns Merchant World.

The Company is an investment holding company and the principal activities of the Group are manufacturing and trading of precast concrete junction boxes, trading of accessories and pipes and provision of mobile crane rental and ancillary services in Malaysia, Japanese catering service and sourcing service of materials in Hong Kong.

1. 一般資料

本公司為於開曼群島註冊成立的公眾有限公司，其股份已自二零一七年七月十九日起於聯交所GEM上市。本公司於二零一六年十月二十八日在開曼群島註冊成立為一家私人有限公司。本公司於開曼群島的註冊辦事處地址以及總部及馬來西亞主要營業地點分別為P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands 及 18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia。香港主要營業地點位於香港灣仔駱克道1號中南大廈1樓101室。

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先生為本公司之最終控股方，Merchant World由其全資擁有。

本公司是一家投資控股公司，而本集團的主要業務為於馬來西亞從事預製混凝土接線盒的製造和貿易、配件及管道貿易以及提供移動式起重機租賃及配套服務以及於香港從事日本餐廳及物料採購服務。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited consolidated financial statements of the Group for the six months ended 30 November 2019 have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those adopted in the annual report for the year ended 31 May 2019 (the “**2019 Annual Financial Statements**”), except for the adoption of the new and revised IFRSs which are effective for the financial year begin on or after 1 June 2019. The adoption of the new and revised IFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared or presented. Accordingly, no prior period adjustment has been required. The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2019 Annual Financial Statements.

The Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values. The Interim 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.

2. 編製及呈列基準

本集團截至二零一九年十一月三十日止六個月的未經審核綜合財務報表乃根據國際會計準則理事會(「國際會計準則理事會」)頒佈之國際財務報告準則(「國際財務報告準則」)及GEM上市規則的適用披露規定而編製。

除採納於二零一九年六月一日或之後開始的財政年度生效的新訂及經修訂國際財務報告準則外，編製中期財務報表所採納的會計政策及計算方法與截至二零一九年五月三十一日止年度的年報(「二零一九年年度財務報表」)中所採用者一致。採納新訂及經修訂國際財務報告準則對編製或呈列本期間或過往會計期間的業績及財務狀況並無重大影響。因此，無需就過往期間作出調整。中期財務報表不包括年度財務報表所規定的所有資料及披露，並應與二零一九年年度財務報表一併閱讀。

除若干金融工具按公平值計量外，中期財務報表乃按歷史成本基準編製。中期財務報表以馬來西亞令吉(「令吉」)呈列，其亦為本公司的功能貨幣。除另有說明外，所有數值均約整至最接近千位數(千令吉)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs

Application of new and amendments to IFRSs

In the current period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 June 2019 for the preparation of the Group's condensed consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015 — 2017 Cycle

Except as described below, the application of the new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

3. 應用新訂及經修訂國際財務報告準則

應用新訂及經修訂國際財務報告準則

於當前期間，本集團已首次應用下列由國際會計準則理事會頒佈並於二零一九年六月一日或之後開始的年度期間強制生效的新訂及經修訂國際財務報告準則，以編製本集團的簡明綜合財務報表：

國際財務報告準則第16號	租賃
國際財務報告詮釋委員會第23號詮釋	所得稅處理的不確定性
國際財務報告準則第9號(修訂本)	具備負補償的提前還款特徵
國際會計準則第19號(修訂本)	計劃修訂、縮減或清償
國際會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益
國際財務報告準則(修訂本)	國際財務報告準則二零一五年至二零一七年週期的年度改進

除下文說明者外，於當前期間應用新訂及經修訂國際財務報告準則對本集團於當前期間及過往期間的財務表現及狀況及／或該等未經審核簡明綜合財務報表所載的披露並無重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current period. IFRS 16 superseded IAS 17 Leases and the related interpretations.

3.1.1. Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動

本集團已首次於當前期間應用國際財務報告準則第16號。國際財務報告準則第16號取代國際會計準則第17號租賃及相關詮釋。

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動

本集團已根據國際財務報告準則第16號所載的過渡條文應用下列會計政策。

租賃的定義

倘合約獲給予權利在一段時間內控制已識別資產的使用以換取代價，則合約為一項租賃或包含一項租賃。

就於首次應用當日或之後簽訂或修訂的合約而言，本集團於開始或修訂日期根據於國際財務報告準則第16號項下的定義評估合約是否為一項租賃或包含一項租賃。該合約將不會被重新評估，除非該合約中的條款與條件隨後被改動。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人

分配代價至合約組成部分

就包含租賃組成部分及一項或多項額外租賃或非租賃組成部分的合約而言，本集團根據租賃組成部分的相對獨立價格及非租賃組成部分的獨立價格總額將合約代價分配至各租賃組成部分。

作為可行的權宜方法，當本集團合理預期對財務報表的影響與組合內單一租賃的區別不大時，具有類似特徵的租賃按組合基準入賬。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Allocation of consideration to components of a contract (Continued)

Applies practical expedient and includes non-lease components in right-of-use assets/lease liabilities

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Excludes non-lease components

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

分配代價至合約組成部分(續)

應用可行權宜方法並將非租賃組成部分計入使用權資產／租賃負債

本集團亦採用可行權宜方法，不會分開呈列非租賃組成部分與租賃組成部分，而將租賃組成部分及任何相關的非租賃組成部分入賬列作單一租賃組成部分。

剔除非租賃組成部分

非租賃組成部分根據其相對獨立價格與租賃組成部分分開。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of assets that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

短期租賃及低價值資產租賃

本集團就自起租日期起計的租期為12個月或以下並且不包括購買選擇權的資產的租賃應用短期租賃確認豁免。本集團亦就低價值資產的租賃應用確認豁免。短期租賃及低價值資產租賃的租賃付款乃於租期內以直線法確認為開支。

使用權資產

除短期租賃及低價值資產租賃外，本集團於租賃開始之日(即相關資產可供使用之日)確認使用權資產。使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

使用權資產(續)

使用權資產的成本包括：

- 首次計量租賃負債時的金額；
- 於開始日期或之前所作出的任何租賃付款減任何已收租賃優惠；
- 本集團所產生的任何初步直接成本；及
- 本集團估計就拆除及移除相關資產、還原相關資產所在地點或將相關資產恢復至租賃條款及條件所規定的狀況所產生的成本。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 Financial Instruments and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

使用權資產(續)

本集團合理確定於租期結束後會獲取相關租用資產所有權的使用權資產按開始日期至可使用年期結束計提折舊。否則，使用權資產使用直線法按估計可使用年期與租期之間之較短者計提折舊。

可退還租金按金

已付可退還租金按金乃根據國際財務報告準則第9號金融工具入賬並初步按公平值計量。於初步確認時對公平值之調整被視為額外租賃付款並計入使用權資產成本。

本集團將使用權資產作為單獨項目於綜合財務狀況表中呈列。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payment includes fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

租賃負債

於租賃開始日期，本集團按該日未付的租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘租賃隱含的利率難以釐定，則本集團使用租賃開始日期的增量借款利率計算。

租賃付款包括固定付款(包括實質性的固定付款)減任何應收租賃優惠。

於開始日期後，租賃負債就利息增長及租賃付款作出調整。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

租賃負債(續)

倘出現以下情況，本集團重新計量租賃負債(並就相關使用權資產作出相應調整)：

- 租賃期有變動或選擇權的評估在相關租賃使用日期的現行貼現率下重新計量。
- 租賃付款因進行市場租金調查後市場租金率／擔保剩餘價值下預期待出變動而出現變動，在此情況下，相關租賃負債使用初始貼現率重新計量。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.1. Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.1. 應用國際財務報告準則第16號引致之會計政策主要變動(續)

作為承租人(續)

稅項

為計量本集團於其確認使用權資產及相關租賃負債之租賃交易之遞延稅項，本集團會首先釐定稅項扣減是否歸屬於使用權資產或租賃負債。

就稅項扣減歸屬於租賃負債之租賃交易而言，本集團將國際會計準則第12號*所得稅*之規定分別應用於使用權資產及租賃負債。由於應用初步確認豁免，故與使用權資產及租賃負債相關之暫時差額不會於初步確認時及於租期內確認。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.2 Transition and summary of effects arising from initial application of IFRS 16

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 June 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.2 首次應用國際財務報告準則第16號的過渡及所產生的影響概要

租賃的定義

本集團已選擇可行權宜方法，就先前應用國際會計準則第17號及國際財務報告詮釋委員會第4號詮釋釐定安排是否包括租賃識別為租賃的合約應用國際財務報告準則第16號，而並無對先前並未識別為包括租賃的合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在的合約。

就於二零一九年六月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時根據國際財務報告準則第16號所載的規定應用租賃的定義。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.2 *Transition and summary of effects arising from initial application of IFRS 16 (Continued)*

Definition of a lease (Continued)

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 June 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.2 首次應用國際財務報告準則第16號的過渡及所產生的影響概要(續)
租賃的定義(續)

本集團已追溯應用國際財務報告準則第16號，累計影響於首次應用日期(二零一九年六月一日)確認。於首次應用日期的任何差額於期初保留溢利確認且比較資料不予重列。

於過渡期間應用國際財務報告準則第16號經修訂的追溯法時，倘下列實務中的簡易處理方法與過往根據國際會計準則第17號被分類為經營租賃的租賃相關，則本集團以租賃為基準對相關租賃合約應用有關方法：

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

Definition of a lease (Continued)

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised lease liabilities of RM2,522,000 and right-of-use assets of RM2,522,000 at 1 June 2019.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.2 首次應用國際財務報告準則第16號的過渡及所產生的影響概要(續)
租賃的定義(續)

- i. 選擇不就租期於首次應用之日起計12個月內結束的租賃確認使用權資產及租賃負債；及
- ii. 於計算首次應用之日的使用權資產時不計入初步直接成本。

於過渡時，本集團已於應用國際財務報告準則第16號後作出以下調整：

於二零一九年六月一日，本集團確認2,522,000令吉的租賃負債及2,522,000令吉的使用權資產。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

Definition of a lease (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.5%.

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.2 首次應用國際財務報告準則第16號的過渡及所產生的影響概要(續)
租賃的定義(續)

於確認先前分類為經營租賃的租賃的租賃負債時，本集團已應用於首次應用日期相關集團實體的增量借款利率。所應用的加權平均承租人增量借款利率為4.5%。

At 1 June
2019
於二零一九年
六月一日
RM'000
千令吉

Operating lease commitments disclosed as at 31 May 2019	於二零一九年五月三十一日披露的經營租賃承擔	2,541
Lease liabilities discounted at relevant incremental borrowing rates	按有關增量借款利率貼現的租賃負債	2,522
Lease liabilities as at 1 June 2019	於二零一九年六月一日的租賃負債	2,522
Analysed as Current	分析如下 即期	1,307
Non-current	非即期	1,215
		2,522

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

3. APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Application of new and amendments to IFRSs (Continued)

3.1 Impacts and changes in accounting policies of application on IFRS 16 Leases (Continued)

3.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

Definition of a lease (Continued)

The carrying amount of right-of-use assets as at 1 June 2019 comprises the following:

3. 應用新訂及經修訂國際財務報告準則(續)

應用新訂及經修訂國際財務報告準則(續)

3.1 應用國際財務報告準則第16號租賃的會計政策之影響與變動(續)

3.1.2 首次應用國際財務報告準則第16號的過渡及所產生的影響概要(續)
租賃的定義(續)

於二零一九年六月一日使用權資產的賬面值包括下列各項：

		Right-of-use assets 使用權資產 RM'000 千令吉
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	於應用國際財務報告準則第16號後確認的與經營租賃有關的使用權資產	2,522
		2,522
By class: Properties	按類別： 物業	2,522
		2,522

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

4. ESTIMATES

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2019 Annual Financial Statements.

5. 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;
- (b) Other building materials and services — trading of accessories and pipes and provision of mobile crane rental and ancillary services; and
- (c) Japanese catering services — provision of Japanese catering services.
- (d) Sourcing services — provision of sourcing services.

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

4. 估計

管理層在編製中期財務報表時需作出判斷、估計及假設，該等判斷、估計及假設會影響會計政策的應用以及所呈報的資產及負債、收入及開支的金額。實際結果可能與該等估計有所差異。

編製該等中期財務報表時，管理層在應用本集團的會計政策及估計不確定因素的主要來源時所作出的重大判斷與編製二零一九年年度財務報表所應用者相同。

5. 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；
- (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；及
- (c) 日本餐廳 — 提供日料服務。
- (d) 採購服務 — 提供採購服務。

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 Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

5. REVENUE AND SEGMENTAL INFORMATION (CONTINUED)

Segment revenues and results

Six months ended 30 November 2019
(unaudited)

5. 收入及分部資料(續)

分部收入及業績

截至二零一九年十一月三十日
止六個月(未經審核)

		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	Japanese catering services 日本餐廳 RM'000 千令吉	Sourcing services 採購服務 RM'000 千令吉	Total 總計 RM'000 千令吉
Revenue	收入					
External sales	外部銷售	10,082	1,961	1,527	84	13,654
Inter-segment sales	分部間銷售	3,403	358	—	—	3,761
Segment revenue	分部收入	13,485	2,319	1,527	84	17,415
Elimination	抵銷					(3,761)
Group revenue	集團收入					13,654
Segment result	分部業績	3,213	222	885	40	4,360
Administrative expenses	行政開支					(5,072)
Selling and distribution expenses	銷售及分銷開支					(533)
Finance costs	融資成本					(113)
Other income	其他收入					449
Loss before taxation	除稅前虧損					(909)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

5. REVENUE AND SEGMENTAL INFORMATION (CONTINUED) Segment revenues and results (Continued)

Six months ended 30 November 2018
(unaudited)

5. 收入及分部資料(續)

分部收入及業績(續)

截至二零一八年十一月三十日
止六個月(未經審核)

		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	Japanese catering services 日本餐廳 RM'000 千令吉	Total 總計 RM'000 千令吉
Revenue	收入				
External sales	外部銷售	9,580	3,834	1,525	14,939
Inter-segment sales	分部間銷售	3,120	575	—	3,695
Segment revenue	分部收入	12,700	4,409	1,525	18,634
Elimination	抵銷				(3,695)
Group revenue	集團收入				14,939
Segment result	分部業績	2,500	228	950	3,678
Administrative expenses	行政開支				(4,025)
Selling and distribution expenses	銷售及分銷開支				(547)
Finance costs	融資成本				(8)
Other income	其他收入				334
Loss before taxation	除稅前虧損				(568)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

5. REVENUE AND SEGMENTAL INFORMATION (CONTINUED) Segment revenues and results (Continued)

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.

6. FINANCE COSTS

5. 收入及分部資料(續)

分部收入及業績(續)

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。

6. 融資成本

		Three months ended 30 November 截至十一月三十日止三個月		Six months ended 30 November 截至十一月三十日止六個月	
		2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
Interest expense on:	下列各項的利息				
	開支:				
Other facilities	其他融資	1	1	1	4
Commitment fees	承諾費	2	2	5	4
Leased liabilities interest	租賃負債利息	55	—	107	—
		58	3	113	8

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

7. LOSS FOR THE PERIOD

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

7. 期內虧損

期內虧損於扣除/(計入)以下各項後達致：

		Three months ended 30 November 截至十一月三十日止三個月		Six months ended 30 November 截至十一月三十日止六個月	
		2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
Auditor remuneration	核數師薪酬	178	127	356	252
Cost of inventories recognised as an expense	確認為開支的存貨成本	3,412	3,683	6,925	7,701
Staff costs, excluding Directors' remuneration:	員工成本，不包括董事薪酬：				
— Salaries, wages and other benefits	— 薪金、工資及其他福利	1,226	1,214	2,532	2,661
— Contribution to EPF	— 僱員公積金供款	55	93	148	196
		1,281	1,307	2,680	2,857
Minimum lease payments on:	以下各項的最低租賃付款：				
Factory	工廠	—	120	—	240
Crane	起重機	4	4	4	8
Shop	店鋪	—	161	—	328
Staff accommodation	員工宿舍	5	5	10	10
Office equipment	辦公室設備	4	6	6	8
Depreciation on:	以下各項折舊：				
Property, plant and equipment	物業、廠房及設備	294	173	460	334
Investment property	投資物業	3	3	5	5
Amortisation of right of use assets	使用權資產攤銷	779	—	1,436	—
Unrealised loss/(gain) on foreign exchange	未變現匯兌虧損/(收益)	15	113	75	(673)
Interest income	利息收入	(138)	(10)	(209)	(19)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

8. TAXATION

8. 稅項

		Three months ended 30 November		Six months ended 30 November	
		截至十一月三十日止三個月		截至十一月三十日止六個月	
		2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		RM'000	RM'000	RM'000	RM'000
		千令吉	千令吉	千令吉	千令吉
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Malaysia corporate income tax:	馬來西亞企業所得稅：				
Current period	本期間	273	113	531	301
Deferred tax:	遞延稅項：				
		273	113	531	301

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

馬來西亞企業所得稅率就各應課稅期間的估計應課稅溢利按法定稅率計算。

Note:

附註：

Under the Income Tax Act, 1967 of Malaysia, small and medium sized enterprises in Malaysia with paid-up capital amounting to RM2,500,000 or less are subject to income tax at the rate of 18% and 17% for the periods ended 30 November 2018 and 30 November 2019, 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 periods ended 30 November 2018 and 30 November 2019 respectively.

根據馬來西亞一九六七年所得稅法，截至二零一八年十一月三十日及二零一九年十一月三十日止期間，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18%及17%就最高為500,000令吉或以下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，截至二零一八年十一月三十日及二零一九年十一月三十日止期間，企業所得稅稅率分別為24%。

Notes to the Condensed Consolidated Financial Statements

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For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

9. LOSS PER SHARE

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

9. 每股虧損

每股基本虧損乃根據下列數據計算：

		Three months ended 30 November 截至十一月三十日止三個月		Six months ended 30 November 截至十一月三十日止六個月	
		2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)	2019 二零一九年 RM'000 千令吉 (unaudited) (未經審核)	2018 二零一八年 RM'000 千令吉 (unaudited) (未經審核)
Loss for the purpose of calculating basic loss per share for the period attributable to the owners of the Company	用於計算本公司擁有人應佔期內每股基本虧損的虧損	(0.16)	(0.06)	(0.23)	(0.14)

		Number of shares 股份數目	Number of shares 股份數目	Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	用於計算每股基本虧損的普通股加權平均數	620,000,000	620,000,000	620,000,000	620,000,000

No diluted loss per share information has been presented for the six months ended 30 November 2018 and 2019 as the Company has no potential ordinary shares outstanding during both periods.

由於截至二零一八年及二零一九年十一月三十日止六個月期間本公司均無發行在外的潛在普通股，故並無就該兩個期間呈列每股攤薄虧損的資料。

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For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

10. DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended 30 November 2019 (30 November 2018: Nil).

10. 股息

截至二零一九年十一月三十日止六個月，董事會並無建議派付股息(二零一八年十一月三十日：無)。

11. RECEIVABLES, DEPOSITS AND PREPAYMENT

11. 應收款項、按金及預付款

		30 November 2019 二零一九年 十一月三十日 RM'000 千令吉 (unaudited) (未經審核)	31 May 2019 二零一九年 五月三十一日 RM'000 千令吉 (unaudited) (未經審核)
Trade receivables	貿易應收款項	16,063	10,060
Less: Allowance for doubtful debts	減：呆賬撥備	(256)	(129)
		15,807	9,931
Other receivables	其他應收款項	2,063	2,755
Deposits	按金	1,185	746
Prepayments	預付款	105	69
		19,160	13,501

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簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

11. RECEIVABLES, DEPOSITS AND PREPAYMENT (CONTINUED)

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

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

11. 應收款項、按金及預付款 (續)

應收貿易賬款為無抵押且不計息，而本集團所授予的信貸期介乎30至120日。

以下為按發票日期呈列的貿易應收款項(減信貸虧損撥備)的賬齡分析。

		30 November 2019 二零一九年 十一月三十日 RM'000 千令吉 (unaudited) (未經審核)	31 May 2019 二零一九年 五月三十一日 RM'000 千令吉 (unaudited) (未經審核)
1-30 days	1至30日	4,471	3,373
31-60 days	31至60日	2,323	1,264
61-90 days	61至90日	1,434	1,037
91-120 days	91至120日	1,111	296
More than 120 days	120日以上	6,468	3,961
		15,807	9,931

12. AMOUNTS OWING FROM ULTIMATE HOLDING COMPANY AND A SHAREHOLDER

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

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

12. 應收最終控股公司及股東款項

應收最終控股公司款項為非貿易性質、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。

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13. SHORT TERM BANK DEPOSITS

Short-term bank deposits of the Group have an average maturity ranging from 1 to 3 months. The average interest rates of deposits of the Group are ranging from 2.19% to 3.60% and ranging from 2.70% to 3.70% per annum as at 31 May 2019 and 30 November 2019 respectively. Included in the short-term bank deposits are amounts totaling RM1,034,000 and RM1,140,000 that have been pledged to secure general banking facilities granted to the Group as at 31 May 2019 and 30 November 2019 respectively.

13. 短期銀行存款

本集團短期銀行存款平均到期期限介乎1至3個月。於二零一九年五月三十一日及二零一九年十一月三十日，本集團存款之平均年利率分別介乎2.19%至3.60%及2.70%至3.70%。短期銀行存款包括分別於二零一九年五月三十一日及二零一九年十一月三十日質押以獲取授予本集團之一般銀行融資之總金額1,034,000令吉及1,140,000令吉。

14. PAYABLES AND ACCRUED CHARGES

14. 應付款項及應計費用

		30 November 2019 二零一九年 十一月三十日 RM'000 千令吉 (unaudited) (未經審核)	31 May 2019 二零一九年 五月三十一日 RM'000 千令吉 (unaudited) (未經審核)
Trade payables	貿易應付款項	3,674	4,087
Accrued charges	應計費用	1,383	1,645
Other payables	其他應付款項	1,157	616
Advance from customers	客戶墊款	472	13
		6,686	6,361

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14. PAYABLES AND ACCRUED CHARGES (CONTINUED)

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

14. 應付款項及應計費用(續)

以下為按發票日期呈列的貿易應付款項的賬齡分析。

		30 November 2019 二零一九年 十一月三十日 RM'000 千令吉 (unaudited) (未經審核)	31 May 2019 二零一九年 五月三十一日 RM'000 千令吉 (unaudited) (未經審核)
1-30 days	1至30日	1,223	1,628
31-60 days	31至60日	1,057	1,665
61-90 days	61至90日	807	698
91-120 days	91至120日	439	89
Over 120 days	120日以上	148	7
		3,674	4,087

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.

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。

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簡明綜合財務報表附註

For the six months ended 30 November 2019 截至二零一九年十一月三十日止六個月

15. SHARE CAPITAL

15. 股本

		Number of shares 股份數目	Share capital 股本	
		'000 千股	HK\$'000 千港元	RM'000 千令吉
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股			
Authorised:	法定：			
At 31 May 2019 and at 30 November 2019	於二零一九年五月三十一日及於二零一九年十一月三十日	10,000,000	100,000	
Issued and fully paid:	已發行及繳足：			
At 31 May 2019 and at 30 November 2019	於二零一九年五月三十一日及於二零一九年十一月三十日	620,000	6,200	3,382

All ordinary shares issued during the period rank pari passu with the then existing ordinary shares in all aspects.

本期間發行的所有普通股均與當時現有普通股在各方面享有同等地位。

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.

根據本公司股東於二零一七年六月二十七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。

16. EVENT AFTER REPORTING PERIOD

There are no significant events which have taken place subsequent to 30 November 2019.

16. 報告期後事項

於二零一九年十一月三十日後並無發生重大事項。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

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

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

For the six months ended 30 November 2019, the revenue of the Group decreased by approximately 8.6% due to the decrease in the revenue generated from the Manufacturing and Trading Business.

業務回顧及展望

本集團於馬來西亞製造及銷售「Target」品牌的預製混凝土電信接線盒及預製混凝土電力接線盒（「**製造及貿易業務**」）。本集團的預製混凝土接線盒用於馬來西亞的(i)電信及電力基建升級及擴建工程；及(ii)建築項目。該等接線盒埋藏於地下以防止損害，以及用作放置及保護與電信及電力設施連接的接線點以及分佈式接入點，免受天氣及地下標高轉變的影響，並提供通道方便維修。

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

截至二零一九年十一月三十日止六個月，本集團的收入減少約8.6%，此乃由於製造及貿易業務所產生的收入減少。

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管理層討論及分析

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

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately RM14.9 million for the six months ended 30 November 2018 to approximately RM13.7 million for the six months ended 30 November 2019, representing a decrease of approximately 8.6%. Such decrease was mainly due to the decrease of the revenue generated from the trading of accessories and pipes and the provision of mobile crane rental and ancillary services.

For the manufacturing and trading of precast concrete junctions boxes business, the revenue remained relatively stable and slightly increased by approximately 5.2%, from approximately RM9.6 million for the period ended 30 November 2018 to approximately RM10.1 million for the period ended 30 November 2019.

For the trading of accessories and pipes and the provision of mobile crane rental and ancillary services business, the revenue decreased by approximately 48.9%, from approximately RM3.8 million for the period ended 30 November 2018 to approximately RM2.0 million for the period ended 30 November 2019. The decrease was mainly caused by the decrease in sales of scrap iron and pipes.

此外，勞工短缺、倚賴外勞以及生產及運輸成本上升等其他因素可能對本集團的業務經營施加壓力。然而，本集團仍對整體業務前景持審慎樂觀態度。

財務回顧

收入

收入由截至二零一八年十一月三十日止六個月約14.9百萬令吉減少至截至二零一九年十一月三十日止六個月約13.7百萬令吉，跌幅約8.6%。有關減少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下降所致。

就預製混凝土接線盒的製造及貿易業務而言，收入維持相對穩定及由截至二零一八年十一月三十日止期間的約9.6百萬令吉輕微增加約5.2%至截至二零一九年十一月三十日止期間的約10.1百萬令吉。

就配件及管道貿易以及提供移動式起重機租賃及配套服務業務而言，收入由截至二零一八年十一月三十日止期間的約3.8百萬令吉減少約48.9%至截至二零一九年十一月三十日止期間的約2.0百萬令吉。有關減少乃主要由廢鐵及管道銷售下降所致。

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管理層討論及分析

For the Japanese catering services, the revenue remained relatively stable and slightly increased by approximately 0.1%, from approximately RM1,525,000 for the period ended 30 November 2018 to approximately RM1,527,000 for the period ended 30 November 2019.

The Group is exploring opportunities in diversification of business risk with a view to maximise returns to the Group and shareholders of the Company as a whole in the long run. The Group has expanded into sourcing services and generated approximately RM84,000 for the period ended 30 November 2019.

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; (iv) crane hiring costs and (v) food costs. The cost of sales decreased from approximately RM11.3 million for the six months ended 30 November 2018 to approximately RM9.3 million for the six months ended 30 November 2019, decrease of approximately 17.5%. Such change was mainly attributable to the decrease in sales of trading of other building materials for the six months ended 30 November 2019.

The Gross Profit increased from approximately RM3.7 million for the six months ended 30 November 2018 to approximately RM4.4 million for the six months ended 30 November 2019.

Administrative expenses

Administrative expenses of the Group increased by approximately RM1.0 million or 26.0% from approximately RM4.0 million for the six months ended 30 November 2018 to approximately RM5.0 million for the six months ended 30 November 2019.

就日本餐廳而言，收入保持相對穩定並由截至二零一八年十一月三十日止期間約1,525,000令吉略微增加約0.1%至截至二零一九年十一月三十日止期間約1,527,000令吉。

本集團正探索多元化業務風險之機會，以期長遠為本集團及本公司全體股東帶來最大程度回報。截至二零一九年十一月三十日止期間，本集團已擴展至採購服務，並產生收入約84,000令吉。

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；(iv)起重機租用成本及(v)食品成本。銷售成本由截至二零一八年十一月三十日止六個月約11.3百萬令吉減少至截至二零一九年十一月三十日止六個月約9.3百萬令吉，降幅約17.5%。有關變動乃主要由於截至二零一九年十一月三十日止六個月的交易其他建材銷售下降所致。

毛利由截至二零一八年十一月三十日止六個月約3.7百萬令吉增至截至二零一九年十一月三十日止六個月約4.4百萬令吉。

行政開支

本集團的行政開支由截至二零一八年十一月三十日止六個月約4.0百萬令吉增加約1.0百萬令吉或26.0%至截至二零一九年十一月三十日止六個月約5.0百萬令吉。

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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 and amortisation of right of use assets.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased slightly by approximately RM14,000 or 2.6% from approximately RM547,000 for the six months ended 30 November 2018 to approximately RM533,000 for the six months ended 30 November 2019.

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 selling and distribution expenses remained stable when compared to last year same period.

Loss for the period

The Group recorded a net loss of approximately RM1.45 million for the six months ended 30 November 2019 due to the net effect of (i) the increase in the administrative expenses incurred by the Group for the six months ended 30 November 2019; (ii) the decrease in revenue of the Group for the six months ended 30 November 2019; and (iii) the slight decrease in the cost of sales of the Group for the six months ended 30 November 2019.

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。該增加乃主要由於員工成本及使用權資產攤銷增加。

銷售及分銷開支

本集團的銷售及分銷開支由截至二零一八年十一月三十日止六個月約547,000令吉略微減少約14,000令吉或2.6%至截至二零一九年十一月三十日止六個月約533,000令吉。

本集團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。銷售及分銷開支較去年同期維持穩定。

期內虧損

本集團於截至二零一九年十一月三十日止六個月錄得淨虧損約1.45百萬令吉，乃由於以下各項的淨影響所致：(i)截至二零一九年十一月三十日止六個月本集團產生的行政開支增加；(ii)截至二零一九年十一月三十日止六個月本集團的收入減少；及(iii)截至二零一九年十一月三十日止六個月本集團的銷售成本輕微下降。

Management Discussion and Analysis

管理層討論及分析

SIGNIFICANT INVESTMENTS HELD

During the six months ended 30 November 2019, the Company did not have any significant investments held.

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

There were no material acquisitions and disposals of subsidiaries and affiliated companies during the six months ended 30 November 2019. There is no specific future plan for material investments or capital assets as at the date of this report.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 November 2019, the Group's cash and cash equivalents was approximately RM20.1million (31 May 2019: approximately RM20.9 million).

As at 30 November 2019, the Group's had no borrowings (31 May 2019: Nil).

As at 30 November 2019, the Group's current ratio was 4.12 (31 May 2019: 5.8), which is calculated based on the total current assets divided by the total current liabilities. The gearing ratio was nil as at 30 November 2019 (31 May 2019: Nil), which is calculated based on the total interest-bearing loans divided by the total equity.

The Directors consider that the Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

持有重大投資

截至二零一九年十一月三十日止六個月，本公司概無持有任何重大投資。

重大收購及出售、以及重大投資或資本資產計劃

截至二零一九年十一月三十日止六個月，概無發生任何附屬公司及聯營公司的重大收購及出售事項。於本報告日期，概無重大投資或資本資產的特定未來計劃。

流動資金及財務資源

於二零一九年十一月三十日，本集團的現金及現金等價物約為20.1百萬令吉(二零一九年五月三十一日：約20.9百萬令吉)。

於二零一九年十一月三十日，本集團並無借款(二零一九年五月三十一日：無)。

於二零一九年十一月三十日，本集團的流動比率為4.12倍(二零一九年五月三十一日：5.8倍)，乃按總流動資產除以總流動負債計算。於二零一九年十一月三十日，資本負債比率為零(二零一九年五月三十一日：零)，乃按總計息貸款除以權益總額計算。

董事認為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

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

As at 30 November 2019, the share capital and equity attributable to owners of equity of the Company amounted to approximately RM3.4 million and approximately RM30.6 million respectively (31 May 2019: RM3.4 million and RM32.1 million respectively).

CAPITAL COMMITMENTS

As at 30 November 2019, the Group had no capital commitments in respect of the acquisition of property, plant and equipment (31 May 2019: Nil).

資本架構

本集團的資本架構於期內概無變動。本集團的股本僅以普通股組成。

於二零一九年十一月三十日，本公司股權擁有人應佔股本及股權分別約為3.4百萬令吉及約30.6百萬令吉（二零一九年五月三十一日：分別為3.4百萬令吉及32.1百萬令吉）。

資本承擔

於二零一九年十一月三十日，就收購物業、廠房及設備而言，本集團並無資本承擔（二零一九年五月三十一日：無）。

Management Discussion and Analysis

管理層討論及分析

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

As at 30 November 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

董事及主要行政人員於本公司及相聯法團的股份、相關股份及債權證的權益及淡倉

於二零一九年十一月三十日，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GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須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 of Director/Chief Executive	Capacity/Nature of Interest	Number of shares interested	Percentage of the Company's issued share capital as at 30 November 2019 佔本公司於二零一九年十一月三十日已發行股本百分比
董事／主要行政人員姓名	身份／權益性質	權益股份數目	
Mr. Loh Swee Keong (Note 2)	Interest in controlled corporation	238,620,000 (L) (Note 1)	38.49%
Loh Swee Keong 先生 (附註2)	受控制法團權益	(附註1)	

Management Discussion and Analysis

管理層討論及分析

Notes:

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

Save for disclosed above, as at 30 November 2019, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provision of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

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。

除上文所披露者外，於二零一九年十一月三十日，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任何權益及／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GEM上市規則第5.46條所述本公司董事進行交易的規定標準須知會本公司及聯交所的任何權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

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

As at 30 November 2019, the following persons (other than the Directors or chief executive of the Company) had interests and/or short positions in the shares and underlying shares of the Company which would fall to be disclosed of the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零一九年十一月三十日，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益及／或淡倉，或須記錄於根據證券及期貨條例第336條須予存置的登記冊的權益及／或淡倉如下：

Ordinary Shares of the Company

本公司普通股

Name	Capacity/Nature of Interest	Number of shares interested	Percentage of the Company's issued share capital as at 30 November 2019 佔本公司於二零一九年十一月三十日已發行股本百分比
姓名／名稱	身份／權益性質	權益股份數目	
Merchant World Investments Limited Merchant World Investments Limited	Beneficial owner 實益擁有人	238,620,000 (L) (Note 1) (附註1)	38.49%
Ms. Woon Sow Sum (Note 2) Woon Sow Sum 女士(附註2)	Interest of spouse 配偶權益	238,620,000 (L)	38.49%
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%
Mr. Fung Tak, Andrew 馮達先生	Beneficial owner 實益擁有人	58,856,000 (L)	9.49%
Ms. Lo Pui Chu, Amy (Note 5) 盧佩珠女士(附註5)	Interest of spouse 配偶權益	58,856,000 (L)	9.49%
Mr. Fung Hong, Albert 馮康先生	Beneficial owner 實益擁有人	55,804,000(L)	9.00%
Ms. Cho Ka Lai (note 6) 左嘉麗女士(附註6)	Interest of spouse 配偶權益	55,804,000(L)	9.00%

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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.
- (5) Ms. Lo Pui Chu, Amy is the spouse of Mr. Fung Tak, Andrew and is deemed, or taken to be interested in all the Shares in which Mr. Fung Tak, Andrew has interest under the SFO.
- (6) Ms. Cho Ka Lai is the spouse of Mr. Fung Hong, Albert and is deemed, or taken to be interested in all the Shares in which Mr. Fung Hong, Albert has interest under the SFO.

Save for disclosed above, as at 30 November 2019, 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，彼被視為或當作於 Loh Swee Keong 先生擁有權益的所有股份中擁有權益。
- (3) Greater Elite Holdings Limited 為一家於英屬處女群島註冊成立的公司，並由羅鳳原先生全資擁有。根據證券及期貨條例，羅鳳原先生被視為於 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。
- (5) 盧佩珠女士為馮達先生的配偶，根據證券及期貨條例，彼被視為或當作於馮達先生擁有權益的所有股份中擁有權益。
- (6) 左嘉麗女士為馮康先生之配偶，根據證券及期貨條例，彼被視為或當作於馮康先生擁有權益的所有股份中擁有權益。

除上文所披露者外，於二零一九年十一月三十日，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，擁有或被視為擁有根據證券及期貨條例第 XV 部第 2 及 3 分部條文須向本公司及聯交所披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第 336 條須存置的登記冊的權益或淡倉。

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CHARGE ON GROUP'S ASSETS

As at 30 November 2019, the Group had bank deposits pledged with banks totalling approximately RM1.1 million (31 May 2019: approximately RM1.0 million). These deposits were pledged to secure general banking facilities granted to the Group.

FOREIGN CURRENCY RISK

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. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arises.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 November 2019 (six months ended 30 November 2018: Nil).

本集團資產之抵押

於二零一九年十一月三十日，本集團抵押予銀行的銀行存款合共約為1.1百萬令吉(二零一九年五月三十一日：約1.0百萬令吉)。該等存款乃抵押用作為授予本集團的一般銀行融資提供擔保。

外幣風險

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。本集團將密切監控其外幣風險，並於需要時考慮對沖重大外幣風險。

中期股息

截至二零一九年十一月三十日止六個月，董事會並無建議派付中期股息(截至二零一八年十一月三十日止六個月：無)。

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EMPLOYEES AND REMUNERATION POLICIES

As at 30 November 2019, we had 92 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 and implemented 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.

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;

僱員及薪酬政策

於二零一九年十一月三十日，我們有92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。本集團已設計及實施一個審核制度，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。

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；

Management Discussion and Analysis

管理層討論及分析

- (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 nonrecurrent in nature and there is no guarantee that the customers will place new business purchase orders; and
- (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建築項目的擴張工程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) 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.
- (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。

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**").

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二零一七年七月六日的招股章程（「招股章程」）「風險因素」一節。

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. The Group is exposed to credit risk and liquidity risk.

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。本集團面臨信貸風險及流動資金風險。

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 "**Listing**"). 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.

股份發售所得款項的用途

本公司股份於二零一七年七月十九日以股份發售方式在GEM上市（「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。

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The net proceeds from the Listing have not been fully utilised up to the date of this 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 applications of the net proceeds and usage up to the date of this report.

During the review period, the Group has applied the net proceeds as follow:

直至本報告日期，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悉數動用。下表載列直至本報告日期所得款項淨額的用途及使用情況。

於回顧期間，本集團已按下文動用所得款項淨額：

		Net proceeds from the share offer	Amount utilised up to 30 November 2019 直至二零一九年十一月三十日已動用金額	Unutilised balance up to 30 November 2019 直至二零一九年十一月三十日未動用結餘
		HKS million 百萬港元	HKS million 百萬港元	HKS million 百萬港元
Expansion of production capacity through	透過以下方式擴大產能			
(i) expanding our Selangor Plant;	(i) 擴充雪蘭莪廠房；	7.0	3.5	3.5 Note 附註 b&d
(ii) completing the establishment of our new Kulajaya Plant; and	(ii) 完成建立新古來再也廠房；及	7.3	1.3	6 Note 附註 c&d
(iii) recruiting new staff	(iii) 招聘新員工	2.6	0.5	2.1 Note 附註 e
Acquisition of a parcel of land in Southern Malaysia	收購馬來西亞南部的地塊	8.4	—	8.4 Note 附註 f
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 Note 附註 g
Expansion of our sales and marketing team	擴大銷售及市場推廣團隊	0.8	0.5	0.3 Note 附註 h
General working capital	一般營運資金	0.8	0.8	—
Total	總計	29.6	6.6	23.0

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Notes:

附註：

- | | |
|--|---|
| (a) The unused Listing proceeds have been deposited in licensed banks in Malaysia and Hong Kong. | (a) 未動用上市所得款項已存放於馬來西亞及香港持牌銀行。 |
| (b) A sum of approximately HK\$3.5 million has not been utilised as at 30 November 2019. The Group intends to use up this sum for expanding our Selangor Plant by 30 November 2020. | (b) 金額約3.5百萬港元於二零一九年十一月三十日尚未動用。本集團擬於二零二零年十一月三十日前將全部此項金額用作擴張我們的雪蘭莪廠房。 |
| (c) A sum of approximately HK\$6.0 million has not been utilised as at 30 November 2019. The Group will use up this sum for completing the establishment of the New Kulajaya Plant by 30 November 2020. | (c) 金額約6.0百萬港元於二零一九年十一月三十日尚未動用。本集團將於二零二零年十一月三十日前將全部此項金額用作完成建立新古來再也廠房。 |
| (d) In view of the dropping in revenue in the manufacturing and trading of precast concrete junction boxes segment, the management of the Group have a reservation view over the current timetable to expand the Group's production capacity. The Group will closely monitor both the internal and the external factors and will decide on the expansion of production capacity in due course. | (d) 鑒於製造及買賣預製混凝土接線盒分部收入下滑，本集團管理層已對擴大本集團產能的目前時間表持保留意見。本集團將密切監控內部及外部因素，並將決定適時擴大產能。 |
| (e) A sum of approximately HK\$2.1 million has not been utilised as at 30 November 2019. The Group intends to use up this sum by 30 November 2020. | (e) 金額約2.1百萬港元於二零一九年十一月三十日尚未動用。本集團擬於二零二零年十一月三十日前動用全部此項金額。 |
| (f) A sum of approximately HK\$8.4 million has not been utilised as at 30 November 2019. The Group intends to use up this sum by 30 November 2020. | (f) 金額約8.4百萬港元於二零一九年十一月三十日尚未動用。本集團擬於二零二零年十一月三十日前動用全部此項金額。 |
| (g) A sum of approximately HK\$2.7 million has not been utilised as at 30 November 2019. The Group intends to use up this sum by 30 November 2020. As at 30 November 2019, the Directors had not identified any acquisition target. | (g) 金額約2.7百萬港元於二零一九年十一月三十日尚未動用。本集團擬於二零二零年十一月三十日前動用全部此項金額。於二零一九年十一月三十日，董事尚未確定任何收購目標。 |
| (h) A sum of approximately HK\$0.3 million has not been utilised as at 30 November 2019. The Group intends to use up this sum by 30 November 2020. | (h) 金額約0.3百萬港元於二零一九年十一月三十日尚未動用。本集團擬於二零二零年十一月三十日前動用全部此項金額。 |

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The Directors will constantly evaluate the Group's business objectives and will change or modify plans against the changing market conditions to ascertain the business growth of the Group.

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

CONTINGENT LIABILITIES

The Group had no contingent liabilities at the balance sheet date.

CORPORATE GOVERNANCE PRACTICES

Under the code provision A.2.1 of the Corporate Governance Code (the "CG Code"), the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established.

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

Save as disclosed above, for the six months ended 30 November 2019, in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

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。

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。

或然負債

本集團於資產負債表結算日概無或然負債。

企業管治常規

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

除上文所披露者外，截至二零一九年十一月三十日止六個月，董事認為，本集團一直遵守企業管治守則的守則條文。

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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.

購股權計劃

購股權計劃旨在吸引及挽留最優秀的人員，以及向本集團全職及兼職僱員或任何成員(包括本集團任何執行董事、非執行董事、獨立非執行董事、顧問及諮詢人)提供額外獎勵。

於二零一七年六月二十七日，本公司有條件採納購股權計劃，據此，董事會獲授權按其絕對酌情權，依照購股權計劃的條款，向合資格參與人士授出可認購本公司股份的購股權。購股權計劃將由授出購股權當日起計十年期間有效及生效。

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

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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.

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

An offer for the grant must be accepted not less than five business days from the date on which the Option is granted. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an options is HK\$1.

Pursuant to the Share Option Scheme, the participants may subscribe for the shares of the Company on exercise of an option at the price determined by the Board provided that it shall be at least the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a trading day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the share.

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

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

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

授出購股權的要約必須於授出購股權當日起計不少於五個營業日獲接納。購股權承授人於接納授出購股權的要約時應向本公司支付1港元。

根據購股權計劃，參與人士可按董事會釐定的價格行使購股權認購本公司股份，惟該價格不得低於下列最高者：(i)於授出當日(該日須為交易日)的聯交所每日報價表所列股份的收市價；(ii)於緊接授出日期前五個交易日的聯交所每日報價表所列股份的平均收市價；及(iii)股份面值。

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During the six months ended 30 November 2019, other than the share option scheme is set out above, the Company did not enter into the other equity-linked agreement, nor did any other equity-linked agreement exist during the period under review.

As at 30 November 2019, no share option has been granted, exercised, lapsed or cancelled under the Share Option Scheme of the Company.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the six months ended 30 November 2019 and up to the date of this report, the Group has complied with the relevant laws and regulations that have a significant impact on the operations of the Group.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

截至二零一九年十一月三十日止六個月，除上述所載購股權計劃外，本公司並未訂立其他權益相關協議，於回顧期內，亦不存在任何其他權益相關協議。

於二零一九年十一月三十日，本公司根據購股權計劃並未授出、行使、失效或註銷任何購股權。

遵守相關法例及規例

於截至二零一九年十一月三十日止六個月及直至本報告日期，本集團一直遵守對其業務有重大影響的相關法例及規例。

董事收購股份或債權證的權利

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

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DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and all Directors confirmed that they have complied with the required standards of dealings regarding securities transactions by the Directors during the six months ended 30 November 2019 to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 November 2019.

DIRECTOR'S INTEREST OF COMPETING BUSINESS

During the six months ended 30 November 2019, the Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business or any other conflicts of interest which any such person has or may have with the Group.

AUDIT COMMITTEE

The Group has established an Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 to the GEM Listing Rules. The duties of the Audit Committee are to primarily review the financial statements of the Company and oversee the internal control and risk management procedures of the Company.

董事進行證券交易

本公司已採納有關董事進行證券交易的行為守則，其條款不遜於GEM上市規則第5.48至5.67條所載規定交易準則。本公司亦已向全體董事作出具體查詢，而全體董事確認彼等於截至二零一九年十一月三十日止六個月及截至本報告日期止一直遵守有關董事進行證券交易的規定交易準則。

購買、出售或贖回上市證券

截至二零一九年十一月三十日止六個月，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事於競爭業務的權益

截至二零一九年十一月三十日止六個月，董事確認，除本集團經營的業務外，概無控股股東或董事及彼等各自的緊密聯繫人(定義見GEM上市規則)在與本集團業務直接或間接構成或可能構成競爭或任何人士已或可能與本集團構成任何利益沖突的任何業務中擁有任何權益。

審核委員會

本集團已成立審核委員會，並遵照GEM上市規則第5.28至5.33條及GEM上市規則附錄15所載的企業管治守則及企業管治報告第C.3段，制定其書面職權範圍。審核委員會職責主要為審閱本公司的財務報表及監管本公司的內部監控及風險管理程序。

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The Audit Committee currently consists of three members namely, Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Ma She Shing Albert. The chairman of the Audit Committee is Mr. Chu Kin Ming.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months 30 November 2019 and is of the opinion that such statements complied with applicable standards, the GEM Listing Rules and that adequate disclosure had been made.

INTEREST OF THE COMPLIANCE ADVISER

As notified by Ever-Long Securities Company Limited ("**Ever-Long**"), the compliance adviser of the Company, except for the compliance adviser agreement entered into between the Company and Ever-Long dated 17 April 2019, neither Ever-Long nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of Ever-Long 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 30 November 2019.

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

Hong Kong, 10 January 2020

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

審核委員會目前由三名成員組成，即邱家禧先生、朱健明先生及馬希聖先生。審核委員會主席為朱健明先生。

審核委員會已審閱本集團採納的會計原則及政策以及本集團截至二零一九年十一月三十日止六個月的未經審核簡明綜合財務報表，並認為該等報表符合適用準則及GEM上市規則，且已作出足夠披露。

合規顧問的權益

誠如本公司合規顧問長雄證券有限公司(「**長雄**」)告知，截至二零一九年十一月三十日，除本公司與長雄訂立日期為二零一九年四月十七日的合規顧問協議外，長雄、其任何緊密聯繫人(定義見GEM上市規則)及長雄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GEM上市規則第6A.32條須知會本公司的任何權益，當中包括認購有關證券的購股權或權利(如有)。

承董事會命
瑞強集團有限公司
主席
Loh Swee Keong

香港，二零二零年一月十日

於本報告日期，董事會包括一名執行董事Loh Swee Keong先生；及三名獨立非執行董事邱家禧先生、朱健明先生及馬希聖先生。



SK TARGET GROUP LIMITED
瑞強集團有限公司