

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

2021 | First Quarterly Report
第一季度業績報告

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

GEM has been positioned as a market designed to accommodate small & mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small & mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “**Directors**”) of SK Target Group Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司（「聯交所」）GEM的特色

GEM的定位乃為相比起其他在聯交所上市的公司帶有較高投資風險的中小型公司提供一個上市的市場。有意投資的人士應瞭解投資該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。

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

香港交易及結算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

Windward 3,
Regatta Office Park,
P.O. Box 1350,
Grand Cayman KY1-1108,
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1406-08, 14/F,
Austin Tower,
22-26 Austin Avenue,
Tsimshatsui, Kowloon, Hong Kong

EXECUTIVE DIRECTORS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

COMPANY SECRETARY

Mr. Leung Tze Wai, CPA

COMPLIANCE OFFICER

Mr. Loh Swee Keong

開曼群島註冊辦事處

Windward 3,
Regatta Office Park,
P.O. Box 1350,
Grand Cayman KY1-1108,
Cayman Islands

總部及馬來西亞主要營業地點

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

香港主要營業地點

香港九龍尖沙咀
柯士甸路22-26號
好兆年行
14樓1406-08室

執行董事

Loh Swee Keong先生
(主席兼行政總裁)

獨立非執行董事

邱家禧先生
朱健明先生
馬希聖先生

公司秘書

梁子煒先生，註冊會計師

合規主任

Loh Swee Keong先生

Corporate Information

公司資料

AUDIT COMMITTEE

Mr. Chu Kin Ming (*Chairman*)
Mr. Yau Ka Hei
Mr. Ma, She Shing Albert

REMUNERATION COMMITTEE

Mr. Yau Ka Hei (*Chairman*)
Mr. Chu Kin Ming
Mr. Loh Swee Keong

NOMINATION COMMITTEE

Mr. Loh Swee Keong (*Chairman*)
Mr. Yau Ka Hei
Mr. Ma, She Shing Albert

AUTHORIZED REPRESENTATIVE

Mr. Loh Swee Keong
Mr. Leung Tze Wai, CPA

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre,
183 Queen's Road East,
Hong Kong

PRINCIPAL BANKER

CIMB Bank Berhad
Public Bank Berhad

AUDITORS

Crowe (HK) CPA Limited

審核委員會

朱健明先生 (*主席*)
邱家禧先生
馬希聖先生

薪酬委員會

邱家禧先生 (*主席*)
朱健明先生
Loh Swee Keong 先生

提名委員會

Loh Swee Keong 先生 (*主席*)
邱家禧先生
馬希聖先生

授權代表

Loh Swee Keong 先生
梁子煒先生，註冊會計師

開曼群島股份過戶登記總處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
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

核數師

國富浩華 (香港) 會計師事務所有限公司

Corporate Information

公司資料

COMPANY'S WEBSITE ADDRESS

www.targetprecast.com

公司網址

www.targetprecast.com

STOCK CODE

8427

股份代號

8427

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

簡明綜合損益及其他全面收益表（未經審核）

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months ended 31 August 2021 together with the unaudited comparative figures for the corresponding period in 2020 as follows:

本公司董事會（「**董事會**」）欣然提呈以下本公司及其附屬公司（統稱「**本集團**」）截至二零二一年八月三十一日止三個月的未經審核簡明綜合業績以及二零二零年同期未經審核比較數字：

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

		Three months ended 31 August 截至八月三十一日止三個月	
		2021 二零二一年 RM'000 千令吉 (unaudited) (未經審核)	2020 二零二零年 RM'000 千令吉 (unaudited) (未經審核)
	Note 附註		
Continuing operations	持續經營		
Revenue	收入	3	2,628
Cost of sales	銷售成本		(2,701)
			4,766 (3,843)
Gross (loss) profit	(毛損) 毛利		(73)
Other income	其他收入		80
Administrative expenses	行政開支		(989)
Selling and distribution expenses	銷售及分銷開支		(207)
Finance costs	融資成本	4	(20)
			(216) (39)
Loss before taxation	除稅前虧損		(1,209)
Taxation	稅項	5	(1)
			(145) (125)
Loss for the period from continuing operations	持續經營期內虧損	6	(1,210)
Discontinued operation	已終止經營		
Profit for the period from discontinued operation	已終止經營期內溢利		40
			15
Loss for the period	期內虧損		(1,170)
			(255)

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

簡明綜合損益及其他全面收益表（未經審核）

		Three months ended 31 August	
		截至八月三十一日止三個月	
		2021	2020
		二零二一年	二零二零年
Note		RM'000	RM'000
附註		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Other comprehensive profit (loss) items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的其他全面溢利（虧損）項目：		
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	10	(279)
Total comprehensive loss for the period	期內全面虧損總額	(1,160)	(534)
(Loss) earnings per share Basic (RM cents)	每股（虧損）盈利基本（仙令吉）		(Restated) (經重列)
From continuing operations	來自持續經營	(1.23)	(0.31)
From discontinued operation	來自已終止經營	0.04	0.02

Condensed Consolidated Statement of Changes in Equity (Unaudited)

簡明綜合權益變動表（未經審核）

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

		Share capital	Share premium	Other reserve	Translation reserve	Retained profits/ (Accumulated loss)	Total
		股本 RM'000 千令吉	股份溢價 RM'000 千令吉	其他儲備 RM'000 千令吉	匯兌儲備 RM'000 千令吉	保留溢利/ (累計虧損) RM'000 千令吉	總計 RM'000 千令吉
At 31 May 2020 (audited)	於二零二零年 五月三十一日 (經審核)	3,765	24,290	8,579	(263)	(263)	36,108
Loss for the period	期內虧損	-	-	-	-	(255)	(255)
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	(279)	-	(279)
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	(279)	(255)	(534)
At 31 August 2020 (unaudited)	於二零二零年 八月三十一日 (未經審核)	3,765	24,290	8,579	(542)	(518)	35,574
At 31 May 2021 (audited)	於二零二一年 五月三十一日 (經審核)	4,277	26,444	8,579	(596)	(5,116)	33,558
Loss for the period	期內虧損	-	-	-	-	(1,170)	(1,170)
Exchange differences arising on translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	10	-	10
Total comprehensive loss for the period	期內全面虧損總額	-	-	-	10	(1,170)	(1,160)
At 31 August 2021 (unaudited)	於二零二一年 八月三十一日 (未經審核)	4,277	26,444	8,579	(586)	(6,286)	32,428

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

1. GENERAL INFORMATION

SK Target Group Limited (the “Company”) was incorporated in the Cayman Islands with limited liability on 28 October 2016 and its ordinary shares are listed on the GEM of The Stock Exchange of Hong Kong Limited since 19 July 2017. The addresses of the registered office and principal place of business are Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and 18, Jalan LP 2A/2, Taman Lestari Perdana, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia, respectively.

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

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

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

1. 一般資料

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

Merchant World Investments Limited(「Merchant World」，一家在英屬處女群島(「英屬處女群島」)註冊成立的有限公司)是本公司的直接及最終控股公司。Loh Swee Keong先生為本公司的最終控制方，並全資擁有Merchant World。

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

未經審核簡明綜合財務報表乃以馬來西亞令吉(「令吉」)呈列，其亦為本公司的功能貨幣。除另有說明外，所有數值均約整至最接近千位數(千令吉)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited condensed consolidated financial statements of the Group for the three months ended 31 August 2021 have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The basis of preparation and accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual report for the year ended 31 May 2021, except for the new and revised IFRSs, which are effective for the financial year beginning on or after 1 June 2021. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

2. 編製及呈列基準

本集團截至二零二一年八月三十一日止三個月的未經審核簡明綜合財務報表已根據國際會計準則理事會（「國際會計準則理事會」）頒佈的國際財務報告準則（「國際財務報告準則」）以及GEM上市規則的適用披露規定編製。

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

編製未經審核簡明綜合財務報表所應用的編製基準及會計政策與截至二零二一年五月三十一日止年度的年報所採納者一致，惟於二零二一年六月一日或之後開始的財政年度生效的新訂及經修訂國際財務報告準則除外。簡明綜合財務報表乃未經審核，但已由本公司審核委員會審閱。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

Application of new and revised IFRSs

During the period, the Group has adopted all the new and revised IFRSs issued by the IASB that are relevant to its operations and effective for its accounting period beginning on 1 June 2021. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's unaudited condensed consolidated financial statements and amounts reported for the current and prior accounting periods.

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial period beginning 1 June 2021. The Directors anticipate that the new and revised IFRSs will be adopted in the Group's unaudited condensed consolidated financial statements when they become effective. The Group is in the process of assessing, where applicable, the potential effect of all new and revised IFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

應用新訂及經修訂國際財務報告準則

於本期間，本集團已採納由國際會計準則理事會頒佈的所有新訂及經修訂國際財務報告準則，此等新訂及經修訂國際財務報告準則與其經營業務有關並於二零二一年六月一日開始的會計期間生效。採納此等新訂及經修訂國際財務報告準則並未導致本集團的會計政策、本集團未經審核簡明綜合財務報表的呈報以及當前會計期間及過往會計期間所呈報的金額產生重大變動。

本集團並未提前應用已於二零二一年六月一日開始的財政期間頒佈但尚未生效的新訂及經修訂國際財務報告準則。董事預期當新訂及經修訂國際財務報告準則生效時會於本集團未經審核簡明綜合財務報表採納。本集團正評估（倘適用）此等將在未來期間生效的所有新訂及經修訂國際財務報告準則的潛在影響，惟現階段未能評定此等新訂及經修訂的國際財務報告準則是否對其經營業績及財務狀況造成重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

3. REVENUE

Revenue represents the invoiced values of goods sold during the report periods.

3. 收入

收入指報告期間已售貨品的發票價值。

		Three months ended 31 August 截至八月三十一日止三個月	
		2021 二零二一年 RM'000 千令吉 (unaudited) (未經審核)	2020 二零二零年 RM'000 千令吉 (unaudited) (未經審核)
Continuing operations	持續經營		
Manufacturing and trading	製造及貿易	2,010	3,677
Other building materials and services	其他建築材料及服務	614	1,067
Sourcing services	採購服務	4	22
		2,628	4,766

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

4. FINANCE COSTS

4. 融資成本

		Three months ended 31 August 截至八月三十一日止三個月	
		2021 二零二一年 RM'000 千令吉 (unaudited) (未經審核)	2020 二零二零年 RM'000 千令吉 (unaudited) (未經審核)
Continuing operations	持續經營		
Interest expense on:	以下各項的利息開支：		
Commitment fees	承諾費	2	2
Leased liabilities interest	租賃負債利息	18	37
		20	39

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

5. TAXATION

5. 稅項

		Three months ended 31 August 截至八月三十一日止三個月	
		2021	2020
		二零二一年	二零二零年
		RM'000	RM'000
		千令吉	千令吉
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Continuing operations	持續經營		
Malaysia corporate income tax:	馬來西亞企業所得稅：		
Current period	當前期間	1	125
Deferred tax	遞延稅項	-	-
		1	125

Malaysia corporate income tax is calculated at the statutory tax rate of 24% (2020: 24%) on the estimated assessable profits for each of the assessable period.

馬來西亞企業所得稅就各應課稅期間的估計應課稅溢利按法定稅率24% (二零二零年：24%) 計算。

Hong Kong Profits Tax is calculated at a rate of 16.5% (2020: 16.5%) of the estimated assessable profits for the period. Hong Kong Profits Tax has not been provided for the periods ended 31 August 2021 and 2020 as there is no assessable profits for both periods.

香港利得稅乃根據期內之估計應課稅溢利按16.5% (二零二零年：16.5%) 之稅率計算。截至二零二一年及二零二零年八月三十一日止期間，由於均未產生應課稅溢利，故並無就香港利得稅計提撥備。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

6. LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS

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

6. 持續經營期內虧損

期內虧損於扣除／(計入)以下各項後達致：

		Three months ended 31 August 截至八月三十一日止三個月	
		2021 二零二一年 RM'000 千令吉 (unaudited) (未經審核)	2020 二零二零年 RM'000 千令吉 (unaudited) (未經審核)
Auditor remuneration	核數師薪酬	84	84
Cost of inventories recognised as an expense	確認為開支的存貨成本	1,938	2,812
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	601	659
– Contribution to EPF	– 僱員公積金供款	51	55
		652	714
Lease payments not included in the measurement of lease liabilities:	未計入計量租賃負債的租賃付款：		
Crane	起重機	4	5
Office equipment	辦公室設備	–	4
Depreciation on:	以下各項折舊：		
Property, plant and equipment	物業、廠房及設備	190	171
Investment property	投資物業	1	3
Right-of-use assets	使用權資產	166	159
Unrealised loss/(gain) on foreign exchange	未變現匯兌虧損／(收益)	35	(220)
Interest income	利息收入	(81)	(94)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

7. DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 August 2021 (2020: Nil).

8. (LOSS) EARNINGS PER SHARE

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

7. 股息

截至二零二一年八月三十一日止三個月，董事會並無建議派付股息（二零二零年：無）。

8. 每股（虧損）盈利

每股基本虧損（盈利）乃根據下列數據計算：

		Three months ended 31 August 截至八月三十一日止三個月	
		2021 二零二一年 RM'000 千令吉 (unaudited) (未經審核)	2020 二零二零年 RM'000 千令吉 (unaudited) (未經審核)
Loss (earnings) for the purpose of calculating basic loss per share: Loss for the period attributable to the owners of the Company	用於計算每股基本虧損的虧損（盈利）：本公司擁有人應佔期內虧損		
– From continuing operations	– 來自持續經營	(1,210)	(270)
– From discontinued operation	– 來自已終止經營	40	15

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the three months ended 31 August 2021 截至二零二一年八月三十一日止三個月

		Number of shares 股份數目	Number of shares 股份數目
Weighted average number of ordinary shares for the purpose of calculating basic loss (earnings) per share (note)	用於計算每股基本虧損（盈利）的普通股加權平均數（附註）	98,025,000	86,025,000

Note:

The Weighted average number of shares used in the calculation of basic (loss) earnings per share for the periods ended 31 August 2020 and 2021 has been adjusted for the effect of share consolidation which became effective on 18 August 2021.

No diluted (loss) earnings per share information has been presented for the periods ended 31 August 2020 and 31 August 2021 as the Company has no potential ordinary shares outstanding during both periods ended.

附註：

計算截至二零二零年及二零二一年八月三十一日止期間之每股基本（虧損）盈利所使用之股份加權平均數已就於二零二一年八月十八日生效之股份合併之影響作出調整。

由於本公司於截至二零二零年八月三十一日及二零二一年八月三十一日止期間並無發行在外的潛在普通股，故並無呈列該兩個期間的每股攤薄（虧損）盈利資料。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND OUTLOOK

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

The Group 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.

業務回顧及展望

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

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

Management Discussion and Analysis

管理層討論及分析

The COVID-19 pandemic continues to affect the global market. Due to the rising number of COVID-19 diagnosed cases, the Malaysian Government has implemented series of anti-epidemic measures from time to time to control the spread of COVID-19. On 1 June 2021, the Malaysian Government enforced the third movement control order (the “**MCO 3.0**”) where the country was placed under a full lockdown for two weeks. It was subsequently extended to 28 June 2021. During this period, only essential economic and social services sectors listed by the National Security Council would be allowed to operate. It caused substantial and adverse impact on our manufacturing and trading of precast concrete junctions boxes business as our customers’ projects were suspended or delayed.

Strict compliance of COVID-19 standard operating procedures (the “**SOP**”) caused temporary labour shortage not just to us but also to our customers and suppliers, hence the construction or production speed was slow across the sector. The continuous increase in the price of raw materials, including steel bar and concrete has also caused negative impact on our profitability.

In light of the unpredictability on how the COVID-19 will evolve, the management of the Group considered that it is no longer commercial attractive to engage in the Japanese catering business in Hong Kong and therefore considered to cease Japanese catering business early in the first quarter in order to consolidate resources for continuing operations or other business opportunities.

COVID-19疫情繼續影響全球市場。由於COVID-19確診病例數量不斷增加，馬來西亞政府不時採取一系列防疫措施以控制COVID-19的傳播。於二零二一年六月一日，馬來西亞政府執行第三次行動管制令（「**第三次行動管制令**」），全面封鎖國家兩週。隨後延長至二零二一年六月二十八日。在此期間，只允許國家安全委員會所列的基本經濟及社會服務部門運營。由於客戶的項目被暫停或推遲，我們的預製混凝土接線盒的製造及貿易業務受到重大不利影響。

嚴格遵守COVID-19標準作業程序（「**標準作業程序**」）造成我們以及我們客戶及供應商的臨時勞動力短缺，因此整個行業的建設或生產速度緩慢。原材料（包括鋼筋及混凝土）價格的持續上漲亦對我們的盈利能力造成負面影響。

鑒於COVID-19發展的不可預測性，本集團管理層認為在香港從事日本餐廳業務不再具有商業吸引力，因此考慮於第一季度初停止日本餐廳業務以鞏固資源來進行持續經營或探索其他業務機會。

Management Discussion and Analysis

管理層討論及分析

For the three months ended 31 August 2021, the revenue of the Group decreased by approximately 44.86% due to decrease in the revenue generated from the manufacturing and trading of precast concrete junction boxes business affected by the outbreak of the COVID-19, MCO 3.0 and SOP.

The management of the Group will closely monitor on factors including labour shortage, dependency on foreign workers, and the rising production and transportation cost that may exert pressure on the Group's business operations.

With the introduction of the national COVID-19 immunisation programme, the Malaysian Government is putting significant effort to ensure as many Malaysia resident to receive vaccine as possible in the shortest time, the management is of the view that Malaysia's economy will slowly recover and remains cautiously optimistic about the overall business prospects.

截至二零二一年八月三十一日止三個月，本集團的收入減少約44.86%，此乃由於受COVID-19的爆發、第三次行動管制令及標準作業程序的影響，預製混凝土接線盒的製造及貿易業務所產生的收入減少。

本集團管理層將密切監視或會對本集團業務營運造成壓力的因素，包括勞動力短缺、對外國工人的依賴以及生產及運輸成本的上升。

隨着國家COVID-19免疫計劃的推出，馬來西亞政府正努力確保盡可能多的馬來西亞居民在最短的時間內接種疫苗，管理層認為馬來西亞的經濟將緩慢復甦，並對整體業務前景持謹慎樂觀態度。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

The revenue decreased from approximately RM4.8 million for the three months ended 31 August 2020 to approximately RM2.6 million for the three months ended 31 August 2021, representing a decrease of approximately 44.86%. Such decrease was mainly due to the decrease of the manufacturing and trading of precast concrete junction boxes business.

For the manufacturing and trading of precast concrete junctions boxes business, the revenue decreased by approximately 45.34%, from approximately RM3.7 million for the period ended 31 August 2020 to approximately RM2.0 million for the period ended 31 August 2021.

For the trading of accessories and pipes and the provision of mobile crane rental and ancillary services business, the revenue decreased by approximately 42.46%, from approximately RM1.1 million for the period ended 31 August 2020 to approximately RM0.6 million for the period ended 31 August 2021. The decrease was mainly caused by the decrease in sales of steels.

The sourcing services of materials has contributed a small portion to the Group's revenue.

財務回顧

收入

收入由截至二零二零年八月三十一日止三個月的約4.8百萬令吉減少至截至二零二一年八月三十一日止三個月的約2.6百萬令吉，減少約44.86%。有關減少乃主要由於預製混凝土接線盒的製造及貿易業務減少。

就業務預製混凝土接線盒的製造及貿易而言，收入由截至二零二零年八月三十一日止期間的約3.7百萬令吉減少約45.34%至截至二零二一年八月三十一日止期間的約2.0百萬令吉。

就配件及管道貿易及提供移動式起重機租賃及配套服務業務而言，收入由截至二零二零年八月三十一日止期間的約1.1百萬令吉減少約42.46%至截至二零二一年八月三十一日止期間的約0.6百萬令吉。該減少主要由鋼的銷售額減少導致。

物料採購服務已構成本集團收入的一小部分。

Management Discussion and Analysis

管理層討論及分析

Cost of sales and Gross (Loss) Profit

Costs of sales mainly consists of (i) cost of raw materials and trading products; (ii) manufacturing overheads; (iii) direct labour; and crane hiring costs. The cost of sales decrease from approximately RM3.8 million for the three months ended 31 August 2020 to approximately RM2.7 million for the three months ended 31 August 2021, representing a decrease of approximately 29.72%. Such change was due to the decrease in revenue of manufacturing and trading of precast concrete junction boxes business during the period ended 31 August 2021.

The gross profit decreased from approximately RM0.9 million for the three months ended 31 August 2020 to approximately a gross loss of RM73,000 for the three months ended 31 August 2021.

Administrative expenses

Administrative expenses of the Group slightly increased by approximately RM23,000 or 2.38% from approximately RM966,000 for the three months ended 31 August 2020 to approximately RM989,000 for the three months ended 31 August 2021.

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

銷售成本及(毛損)毛利

銷售成本主要包括(i)原材料及貿易產品成本；(ii)製造費用；(iii)直接勞工；及起重機租用成本。銷售成本由截至二零二零年八月三十一日止三個月約3.8百萬令吉減少至截至二零二一年八月三十一日止三個月約2.7百萬令吉，減少約29.72%。有關變動乃由於截至二零二一年八月三十一日止期間預製混凝土接線盒的製造及貿易業務的收入減少。

毛利由截至二零二零年八月三十一日止三個月約0.9百萬令吉減少至截至二零二一年八月三十一日止三個月約毛損73,000令吉。

行政開支

本集團的行政開支由截至二零二零年八月三十一日止三個月約966,000令吉略微增加約23,000令吉或2.38%至截至二零二一年八月三十一日止三個月約989,000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。

Management Discussion and Analysis

管理層討論及分析

Selling and distribution expenses

Selling and distribution expenses of the Group decreased by approximately RM9,000 or 4.17% from approximately RM216,000 for the three months ended 31 August 2020 to approximately RM207,000 for the three months ended 31 August 2021.

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 decrease of selling and distribution expenses was mainly due to the decrease in commission.

Loss for the period from continuing operations

The Group recorded a net loss of approximately RM1.2 million for the three months ended 31 August 2021 mainly due to the decrease in revenue of the Group caused by COVID-19, MCO 3.0 and SOP for the three months ended 31 August 2021.

SUBSEQUENT EVENTS AFTER REPORTING PERIOD

Reference is made to the announcements of the Company dated on 18 August 2021 and 19 August 2021, the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company will allot and issue, and the Subscriber will subscribe for, an aggregate of 5,205,000 Subscription Shares at the Subscription Price at HK\$0.36. The total subscription amount payable by the Subscriber to the Company pursuant to the Subscription Agreement amounts to HK\$1,873,800. The Subscription was completed on 1 September 2021.

銷售及分銷開支

本集團的銷售及分銷開支由截至二零二零年八月三十一日止三個月約216,000令吉減少約9,000令吉或4.17%至截至二零二一年八月三十一日止三個月約207,000令吉。

本集團的銷售及分銷開支主要包括銷售及市場推廣員工的薪金、福利及其他福利以及差旅及招待開支。銷售及分銷開支減少乃主要由於佣金減少。

持續經營期內虧損

本集團於截至二零二一年八月三十一日止三個月錄得淨虧損約1.2百萬令吉，乃主要由於截至二零二一年八月三十一日止三個月因COVID-19、第三次行動管制令及標準作業程序造成本集團的收入減少。

報告期後事項

茲提述本公司日期為二零二一年八月十八日及二零二一年八月十九日之公佈，本公司與認購人訂立認購協議，據此，本公司將按認購價0.36港元配發及發行，而認購人將按認購價0.36港元認購合共5,205,000股認購股份。認購人根據認購協議應付本公司之認購總金額為1,873,800港元。認購事項於二零二一年九月一日完成。

Management Discussion and Analysis

管理層討論及分析

SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

On 16 August 2021, an ordinary resolution was passed on share consolidation (“**Share Consolidation**”), pursuant to it, every 8 issued and unissued existing shares of par value HK\$0.01 each in the share capital of the Company would be consolidated into 1 consolidated share of par value HK\$0.08 each (“**Consolidated Share**”) in the share capital of the Company. Immediately after the Share Consolidation becoming effective on 18 August 2021, the authorised share capital of the Company would become HK\$100,000,000 divided into 1,250,000,000 Consolidated Shares of HK\$0.08 each, of which 98,025,000 Consolidated Shares (which are fully paid or credited as fully paid) would be in issue. The board lot size for trading on the Stock Exchange has changed from 8,000 Consolidated Shares to 6,000 Consolidation Shares upon to the effective date of Share Consolidation.

SIGNIFICANT INVESTMENTS HELD

During the three months ended 31 August 2021, 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 three months ended 31 August 2021. There is no specific future plan for material investments or capital assets as at the date of this report.

股份合併及變更每手買賣單位

於二零二一年八月十六日，有關股份合併（「**股份合併**」）的普通決議案獲通過。根據該決議案，本公司股本中每八股面值0.01港元的已發行及未發行現有股份將合併為本公司股本中一股每股面值0.08港元的合併股份（「**合併股份**」）。緊隨股份合併於二零二一年八月十八日生效後，本公司之法定股本將為100,000,000港元，分為1,250,000,000股每股面值0.08港元之合併股份，其中98,025,000股合併股份（為繳足或入賬列作繳足）將為已發行。於股份合併生效日期，聯交所交易的每手買賣單位已由8,000股合併股份變更為6,000股合併股份。

所持有的重大投資

截至二零二一年八月三十一日止三個月，本公司並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

截至二零二一年八月三十一日止三個月，概無附屬公司及聯屬公司的重大收購及出售事項。於本報告日期，概無涉及重大投資或資本資產的特定未來計劃。

Management Discussion and Analysis

管理層討論及分析

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

As at 31 August 2021, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

董事及主要行政人員於本公司及相聯法團的股份、相關股份及債權證的權益及淡倉

於二零二一年八月三十一日，本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及／或淡倉），或(ii)須記錄於本公司根據證券及期貨條例第352條須予存置的登記冊的權益及淡倉，或(iii)根據GEM上市規則第5.46條所述上市發行人董事進行交易的規定標準須另行知會本公司及聯交所的權益及淡倉如下：

Management Discussion and Analysis

管理層討論及分析

Name of Director/ Chief Executive	Capacity/Nature of Interest	Number of issued ordinary shares held/ interested	Approximate percentage of issued share capital of the Company
董事／主要行政人員姓名	身份／權益性質	所持／擁有權益之 已發行普通股數量	佔本公司 已發行股本 概約百分比
Mr. Loh Swee Keong (Note 2)	Interest in controlled corporation	29,827,500 (L) (Note 1)	30.43%
Loh Swee Keong先生 (附註2)	受控制法團權益	(附註1)	

Notes:

附註：

- | | |
|--|--|
| <p>(1) The letter (L) denotes the person's long interest in the Shares.</p> | <p>(1) 英文字母(L)表示該人士於股份的好倉。</p> |
| <p>(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.</p> | <p>(2) Merchant World Investments Limited為一家於英屬處女群島註冊成立的公司，並由Loh Swee Keong先生全資擁有。根據證券及期貨條例，Loh Swee Keong先生被視為於由Merchant World Investments Limited持有的所有股份中擁有權益。</p> |

Management Discussion and Analysis

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Save for disclosed above, as at 31 August 2021, 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.

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

As at 31 August 2021, 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:

除上文所披露者外，於二零二一年八月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及／或淡倉），或(ii)須記錄於本公司根據證券及期貨條例第352條須予存置的登記冊的任何權益或淡倉，或(iii)根據GEM上市規則第5.46條所述本公司董事進行交易的規定標準須另行知會本公司及聯交所的任何權益或淡倉。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零二一年八月三十一日，以下人士（本公司董事或主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益及／或淡倉，或須記錄於根據證券及期貨條例第336條須予存置的登記冊的權益及／或淡倉如下：

Management Discussion and Analysis

管理層討論及分析

Ordinary Shares of the Company

本公司普通股

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Number of shares held/ interested 所持／擁有權益 之股份數量	Approximate percentage of share holding 概約股權 百分比
董事／主要行政人員姓名	身份／權益性質		
Merchant World Investments Limited	Beneficial owner	29,827,500 (L) (Note 1)	30.43%
Merchant World Investments Limited	實益擁有人	(附註1)	
Ms. Woon Sow Sum (Note 2) Woon Sow Sum女士 (附註2)	Interest of spouse 配偶權益	29,827,500 (L)	30.43%
Greater Elite Holdings Limited Greater Elite Holdings Limited	Beneficial owner 實益擁有人	13,622,500 (L)	13.90%
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	13,622,500 (L)	13.90%
Ms. Cheng Lai Wah Christina (Note 4) 鄭麗華女士 (附註4)	Interest of spouse 配偶權益	13,622,500 (L)	13.90%

Management Discussion and Analysis

管理層討論及分析

Notes:

- (1) The letter (L) denotes the person's long interest in the Shares.
- (2) Ms. Woon Sow Sum is the spouse of Mr. Loh Swee Keong and is deemed, or taken to be interested in all Shares in which Mr. Loh Swee Keong has interest under the SFO.
- (3) Greater Elite Holdings Limited is a company incorporated in the BVI and is wholly-owned by Mr. Law Fung Yuen Paul. Mr. Law Fung Yuen Paul is deemed to be interested in all the Shares held by Greater Elite Holdings Limited for the purpose of the SFO.
- (4) Ms. Cheng Lai Wah Christina is the spouse of Mr. Law Fung Yuen Paul and is deemed, or taken to be interested in all Shares in which Mr. Law Fung Yuen Paul has interest under the SFO.

附註：

- (1) 英文字母(L)表示該人士於股份的好倉。
- (2) Woon Sow Sum女士為Loh Swee Keong先生的配偶，且根據證券及期貨條例，彼被視為或當作於Loh Swee Keong先生擁有權益的所有股份中擁有權益。
- (3) Greater Elite Holdings Limited為一家於英屬處女群島註冊成立的公司，並由羅鳳原先生全資擁有。根據證券及期貨條例，羅鳳原先生被視為於由Greater Elite Holdings Limited持有的所有股份中擁有權益。
- (4) 鄭麗華女士為羅鳳原先生的配偶，且根據證券及期貨條例，彼被視為或當作於羅鳳原先生擁有權益的所有股份中擁有權益。

Management Discussion and Analysis

管理層討論及分析

Save for disclosed above, as at 31 August 2021, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under provisions of Division 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHARGE ON GROUP'S ASSETS

As at 31 August 2021, the Group had bank deposits pledged with banks totalling approximately RM1.1 million (31 August 2020: approximately RM1.1 million). These deposits were pledged to secure general banking facilities granted to the Group.

FOREIGN CURRENCY RISK

As most of the Group's transactions are denominated in Malaysian Ringgit and Hong Kong dollars, the Directors believe that the Group's exposure to exchange fluctuation was immaterial and the Group has not implemented any formal hedging or other alternative policies to deal with such exposure.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 August 2021.

除上文所披露者外，於二零二一年八月三十一日，本公司並無得悉任何人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司及聯交所披露的權益或淡倉，或須記錄於本公司根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉。

本集團資產之抵押

於二零二一年八月三十一日，本集團抵押予銀行的銀行存款合共約為1.1百萬令吉（二零二零年八月三十一日：約1.1百萬令吉）。該等存款乃抵押用作為授予本集團的一般銀行信貸提供擔保。

外幣風險

由於本集團大部分交易以馬來西亞令吉及港元計值，董事認為本集團之匯兌波動風險並不重大，且本集團亦無實施任何正式對沖或其他處理有關風險的替代政策。

或然負債

本集團於二零二一年八月三十一日概無或然負債。

Management Discussion and Analysis

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FUNDRAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately) 集資所得款項淨額 (約整)	Proposed use of net proceeds	Actual use of net proceeds
公佈日期	集資活動		所得款項淨額擬定用途	所得款項淨額實際用途
4 March 2021 and 7 March 2021 (completed on 11 March 2021)	Subscription of new Shares under general mandate granted on 25 November 2020	HK\$4.96 million	For general working capital of the Group	Used as intended
二零二一年三月四日及二零二一年三月七日 (於二零二一年三月十一日完成)	根據於二零二零年十一月二十五日授出的一般授權認購新股份	4.96百萬港元	用作本集團一般營運資金	用作擬定用途
18 August 2021 and 19 August 2021 (completed on 1 September 2021)	Subscription of new Shares under general mandate granted on 25 November 2020	HK\$1.85 million	For general working capital of the Group	Used as intended (up to report date)
二零二一年八月十八日及二零二一年八月十九日 (於二零二一年九月一日完成)	根據於二零二零年十一月二十五日授出的一般授權認購新股份	1.85百萬港元	用作本集團一般營運資金	用作擬定用途 (直至報告日期)

本公司於過往十二個月內進行的集資活動

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.

企業管治常規

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

Management Discussion and Analysis

管理層討論及分析

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

Save as disclosed above, for the three months ended 31 August 2021, in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

SHARE OPTION SCHEME

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

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

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

除上文所披露者外，截至二零二一年八月三十一日止三個月，董事認為，本集團一直遵守企業管治守則的守則條文。

購股權計劃

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

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

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

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

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

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

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

於任何十二個月期間，根據購股權計劃及本公司任何其他購股權計劃向各參與人士授出的購股權獲行使而可予發行的股份總數不得超過已發行股份的1%。任何額外授出購股權須於股東大會上獲股東批准，而有關合資格參與人士及其聯繫人須放棄投票。

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

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

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

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

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

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

Management Discussion and Analysis

管理層討論及分析

During the three months ended 31 August 2021, other than the share option scheme is set out above, the Company did not enter into the other equity-linked agreement, nor did any other equity-linked agreement exist during the period under review.

As at 31 August 2021, no share option was granted, exercised, lapsed or cancelled under the Share Option Scheme of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

截至二零二一年八月三十一日止三個月，除上文所述購股權計劃外，本公司概無訂立其他股本掛鈎協議，回顧期間亦不存在任何其他股本掛鈎協議。

於二零二一年八月三十一日，概無購股權根據本公司的購股權計劃獲授出、行使、失效或註銷。

董事收購股份或債權證的權利

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

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管理層討論及分析

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and all Directors confirmed that they have complied with the required standards of dealings regarding securities transactions by the Directors during the three months ended 31 August 2021 and up to the date of this report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the three months ended 31 August 2021.

DIRECTOR'S INTEREST OF COMPETING BUSINESS

During the three months ended 31 August 2021, the Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business or any other conflicts of interest which any such person has or may have with the Group.

董事進行證券交易

本公司已採納有關董事進行證券交易的行為守則，其條款不遜於GEM上市規則第5.48至5.67條所載規定交易準則。本公司亦已向全體董事作出具體查詢，而全體董事確認彼等於截至二零二一年八月三十一日止三個月及直至本報告日期一直遵守有關董事進行證券交易的規定交易準則。

購買、出售或贖回上市證券

截至二零二一年八月三十一日止三個月，本公司及其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事於競爭業務的權益

截至二零二一年八月三十一日止三個月，董事確認，概無控股股東或董事及彼等各自的緊密聯繫人（定義見GEM上市規則）於除本集團經營的業務外，與本集團業務直接或間接構成或可能構成競爭的任何業務中擁有權益或任何該等人士與本集團存在或可能存在于任何其他利益衝突。

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AUDIT COMMITTEE

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

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

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the three months ended 31 August 2021 and is of the opinion that such statements complied with applicable standards, the GEM Listing Rules and that adequate disclosure had been made.

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

Hong Kong, 13 October 2021

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

審核委員會

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

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

審核委員會已審閱本集團採納的會計原則及政策以及本集團截至二零二一年八月三十一日止三個月的未經審核簡明綜合財務報表，並認為該等報表符合適用準則及GEM上市規則，且已作出足夠披露。

承董事會命
瑞強集團有限公司
主席
Loh Swee Keong

香港，二零二一年十月十三日

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

SK TARGET GROUP LIMITED
瑞強集團有限公司

2021