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## **SK TARGET GROUP LIMITED**

**瑞強集團有限公司**

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

**(Stock Code: 8427)**

### **VOLUNTARY ANNOUNCEMENT LITIGATION INVOLVING THE SUBSIDIARIES OF THE COMPANY**

This announcement is made by SK Target Group Ltd. (the “**Company**” together with its subsidiaries, the “**Group**”) on a voluntary basis.

#### **I. BASIC INFORMATION OF THE LITIGATION**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that its subsidiaries in Malaysia were recently served with a writ of summons and a statement of claim filed by one Lum Tseng Engineering Sdn. Bhd. (the “**Plaintiff**”) in the High Court of Malaya in Penang (the “**Legal Proceedings**”).

#### **II. DESCRIPTION OF THE LEGAL PROCEEDINGS**

The Plaintiff alleged that the Group’s products had infringed a registered patent of precast concrete junction box cover purportedly held by the Plaintiff as a licensee (the “**Impugned Patent**”) and the Plaintiff is claiming against the Group for: (i) an injunction restraining the Group from infringing the Impugned Patent; (ii) an order for the Group to surrender or destroy all the products which infringed the Impugned Patent; (iii) general damages; (iv) exemplary damages of Malaysian Ringgit 1,000,000; (v) interest of 5% on damages from the filing date of the suit till the date of full payment; and (vi) costs of the action.

#### **III. IMPACT OF THE CASE**

Upon receipt of the writ of summons of the Legal Proceedings, the Company has sought legal advice from its legal advisers in Malaysia in relation to the Legal Proceedings. The Company’s Malaysian legal advisers are of the preliminary view that there is a high likelihood that the Impugned Patent can be invalidated and in such event, pending review of other evidence, the Malaysian legal advisers take the view that the Group has a meritorious defence in the Legal Proceedings. The Group will contest the Legal Proceedings vigorously and formulate solutions to mitigate any possible effects of the suit, including the filing of counterclaim against the Plaintiff and/or resolution by way of mediation.

The Board considered that the Legal Proceedings would not have any material impact to the Company and its subsidiaries. The Company is closely monitoring the progress of the Legal Proceedings and will make further announcement(s) as and when appropriate to inform its shareholders and potential investors if there is any significant development in respect of the Legal Proceedings.

By order of the Board  
**SK Target Group Limited**  
**LOH SWEE KEONG**  
*Chairman and Executive Director*

Hong Kong, 16 October 2017

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Loh Swee Keong and Mr. Tan Cheng Siong and three independent non-executive Directors, namely, Mr. Yau Ka Hei, Mr. Chu Kin Ming and Mr. Lee, Alexander Patrick.*

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

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