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WS-SK TARGET GROUP LIMITED

萬順瑞強集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8427)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MAY 2025

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 and 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 announcement, for which the directors (the “Directors”) of WS-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 (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 May 2025 together with the comparative audited figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 May 2025

	<i>Notes</i>	2025 RM’000	2024 RM’000 (Restated)
Continuing operations			
Revenue	3	31,555	30,681
Cost of sales		(22,168)	(22,122)
Gross profit		9,387	8,559
Other income		1,036	963
Allowance for credit loss, net		(666)	(526)
Administrative expenses		(5,539)	(5,936)
Selling and distribution expenses		(1,857)	(1,356)
Finance costs	4	(143)	(133)
Share of results of an associate		(523)	61
Profit before taxation	5	1,695	1,632
Taxation	6	(1,214)	(1,139)
Profit for the period from continuing operations		481	493
Discontinued operations			
Loss from discontinued operations		(399)	(385)
Profit for the year		82	108
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(909)	410
Total comprehensive (expense)/income for the year		(827)	518

	<i>Notes</i>	2025 <i>RM'000</i>	2024 <i>RM'000</i> (Restated)
Profit/(loss) for the year attributable to owners of the Company:			
— from continuing operations		481	493
— from discontinued operations		(399)	(385)
		<u>82</u>	<u>108</u>
Total comprehensive (expense)/income for the year attributable to owners of the Company:			
— from continuing operations		(428)	903
— from discontinued operations		(399)	(385)
		<u>(827)</u>	<u>518</u>
Earnings/(loss) per share			
Basic (<i>RM cents</i>)	7		
— From continuing operations		3.00	3.63
— From discontinued operations		(2.49)	(2.83)
— From continuing and discontinued operations		<u>0.51</u>	<u>0.80</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 May 2025

	<i>Notes</i>	2025 RM'000	2024 <i>RM'000</i>
Non-Current Assets			
Property, plant and equipment		6,676	3,763
Right-of-use assets		9,838	428
Investment property		345	349
Investment in an associate		2,617	3,466
Intangible asset		2,915	–
Goodwill		4	–
Total Non-Current Assets		22,395	8,006
Current Assets			
Inventories	9	1,735	1,800
Receivables, deposits and prepayments	10	8,057	12,485
Amount due from ultimate holding company		45	40
Amount due from a shareholder		32	35
Tax recoverable		169	10
Short-term bank deposits	11	18,676	21,089
Cash and bank balances	11	4,054	7,142
Total Current Assets		32,768	42,601
Current Liabilities			
Payables and accrued charges	12	11,280	10,145
Lease liabilities		791	405
Tax payables		24	218
Promissory notes		–	3,446
Total Current Liabilities		12,095	14,214
Net Current Assets		20,673	28,387
Total Assets Less Current Liabilities		43,068	36,393

	<i>Notes</i>	2025 RM'000	2024 <i>RM'000</i>
Non-Current Liabilities			
Lease liabilities		691	—
Deferred tax liabilities		111	95
Promissory notes		5,558	—
Total Non-Current Liabilities		6,360	95
Net Assets		36,708	36,298
Capital and Reserves			
Share capital	13	7,265	6,028
Reserves		29,443	30,270
Total Equity		36,708	36,298

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2025

	Share capital <i>RM'000</i>	Share premium <i>RM'000</i>	Other reserve <i>RM'000</i>	Translation reserve <i>RM'000</i>	Accumulated losses <i>RM'000</i>	Total <i>RM'000</i>
At 1 June 2023	5,438	28,059	8,579	50	(6,951)	35,175
Profit for the year	–	–	–	–	108	108
Exchange differences arising on translation of foreign operations	–	–	–	410	–	410
Total comprehensive income for the year	–	–	–	410	108	518
Issue of subscription shares by newly allotted ordinary shares (note 13(a))	590	15	–	–	–	605
At 31 May 2024	<u>6,028</u>	<u>28,074</u>	<u>8,579</u>	<u>460</u>	<u>(6,843)</u>	<u>36,298</u>
At 1 June 2024	6,028	28,074	8,579	460	(6,843)	36,298
Profit for the year	–	–	–	–	82	82
Exchange differences arising on translation of foreign operations	–	–	–	(909)	–	(909)
Total comprehensive income for the year	–	–	–	(909)	82	(827)
Issue of subscription shares by newly allotted ordinary shares (note 13(b))	1,237	–	–	–	–	1,237
At 31 May 2025	<u><u>7,265</u></u>	<u><u>28,074</u></u>	<u><u>8,579</u></u>	<u><u>(449)</u></u>	<u><u>(6,761)</u></u>	<u><u>36,708</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

WS-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 (“**Stock Exchange**”) 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, sourcing service of materials in Hong Kong. The Group discontinued its sales of health supplement products in Hong Kong in 2024. Since January 2025, the Group started to engage in the e-commerce platform in the People’s Republic of China (the “**PRC**”).

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”) to these consolidated financial statements for the current accounting period:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENTAL INFORMATION

(a) Disaggregation of revenue from contracts with customers under IFRS 15:

	Year ended 31 May 2025 Total RM'000	Year ended 31 May 2024 Total RM'000
Continuing operations		
Manufacturing and trading:		
Sales of manufactured goods	29,468	29,287
Other building materials and services:		
Sales of building materials	1,760	1,394
E-Commerce platform	327	–
Total	31,555	30,681
Geographical market:		
Malaysia	31,228	30,681
China	327	–
Total	31,555	30,681
Timing of revenue recognition		
At point in time	31,555	30,681

Sales of manufactured goods and building materials

Revenue from sales of manufactured goods and building materials is recognised at a point in time when the manufactured goods and building materials are transferred to customers, being at the point that the customer obtains the control of the manufactured goods and building materials; and the Group has present right to payment and collection of the consideration is probable.

Sourcing services

The Group acts as an agent when its performance obligation is to arrange for provision of specified materials by another party to customer. The Group does not control the specified materials. Therefore, the Group recognises revenue in the amount of commission to which it expects to be entitled in exchange for arranging for the specified materials to be provided by the other party.

E-Commerce platform

The Group provides transaction services, and earns related fees for sales of the products completed on our platforms. The Group does not take control of the products provided by merchants at any point in time during the transactions. Revenues related to transaction services are recognized in consolidated statements of comprehensive income at a point in time when the Group's service obligation to the merchants is determined to have been completed under each sales transaction completed. Variable consideration is estimated and included in the transaction price to the extent that it is probable that a significant revenue reversal will not occur.

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has applied practical expedient in IFRS 15: paragraph 121 (a) and (b) to not disclose the transaction price allocated to the remaining performance obligations which are part of contracts that have original expected duration of one year or less.

(c) Operating Segment

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;
- (c) Sourcing services — provision of sourcing services;
- (d) Sales of health supplement products — sourcing and sales of health supplement products; and
- (e) E-Commerce platform — sourcing and sales of products online.

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

The operations of sourcing services and sales of health supplement products were discontinued in the current period. The following segment information does not include any amount for the discontinued operations.

The Group commenced the e-commerce platform during the year ended 31 May 2025 and thus one new segment is resulted and included in the segment reporting and no comparative information for this new segment for the year ended 31 May 2024 is presented.

Segment revenues and results

For the year ended 31 May 2025

Continuing operations

	Manufacturing and trading RM'000	Other building materials and services RM'000	E-Commerce platform RM'000	Total RM'000
Revenue				
External sales	<u>29,468</u>	<u>1,760</u>	<u>327</u>	<u>31,555</u>
Segment result	<u>8,764</u>	<u>320</u>	<u>303</u>	<u>9,387</u>
Allowance for credit loss				(666)
Administrative expenses				(5,539)
Selling and distribution expenses				(1,857)
Finance costs				(143)
Other income				1,036
Share of results of an associate				<u>(523)</u>
Profit before taxation				<u><u>1,695</u></u>

For the year ended 31 May 2024

	Manufacturing and trading <i>RM'000</i>	Other building materials and services <i>RM'000</i>	Total <i>RM'000</i> (Restated)
Revenue			
External sales	<u>29,287</u>	<u>1,394</u>	<u>30,681</u>
Segment result	<u>8,245</u>	<u>314</u>	<u>8,559</u>
Allowance for credit loss			(526)
Administrative expenses			(5,936)
Selling and distribution expenses			(1,356)
Finance costs			(133)
Other income			963
Share of results of an associate			<u>61</u>
Profit before taxation			<u><u>1,632</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 3. Segment results represents the profit from each segment without allocation of administrative expenses, selling and distribution expenses, finance costs, other income and taxation. This is the measure reported to CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

As at 31 May 2025

Continuing and discontinued operations

	Manufacturing and trading <i>RM'000</i>	Other building materials and services <i>RM'000</i>	E-Commerce platform <i>RM'000</i>	Segment assets (liabilities) <i>RM'000</i>	Unallocated <i>RM'000</i>	Discontinued operations <i>RM'000</i>	Consolidated assets (liabilities) <i>RM'000</i>
Non-current assets	6,647	19	151	6,817	15,578	-	22,395
Current assets	29,108	1,301	293	30,702	1,391	675	32,768
Non-current liabilities	(2,720)	-	(73)	(2,793)	(3,567)	-	(6,360)
Current liabilities	(7,956)	(1,107)	(456)	(9,519)	(1,069)	(1,507)	(12,095)

As at 31 May 2024

Continuing and discontinued operations

	Manufacturing and trading <i>RM'000</i>	Other building materials and services <i>RM'000</i>	E-Commerce platform <i>RM'000</i>	Segment assets (liabilities) <i>RM'000</i>	Unallocated <i>RM'000</i>	Sourcing services <i>RM'000</i>	Consolidated assets (liabilities) <i>RM'000</i>
Non-current assets	3,740	23	-	3,763	4,243	-	8,006
Current assets	31,640	7,044	-	38,684	2,715	1,202	42,601
Non-current liabilities	(95)	-	-	(95)	-	-	(95)
Current liabilities	(7,144)	(1,940)	-	(9,084)	(3,495)	(1,635)	(14,214)

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

Other segment information

For the year ended 31 May 2025

Continuing operations

	Manufacturing and trading <i>RM'000</i>	Other building materials and services <i>RM'000</i>	E-Commerce platform <i>RM'000</i>	Total <i>RM'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets	12,238	–	–	12,238

For the year ended 31 May 2024

Continuing operations

	Manufacturing and trading <i>RM'000</i>	Other building materials and services <i>RM'000</i>	E-Commerce platform <i>RM'000</i>	Total <i>RM'000</i>
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets	560	–	–	560

Geographical information

The Group earns revenue from external customers in two main geographical areas:

- (i) Malaysia — manufacturing and trading; and other building material and services
- (ii) China — e-commerce platform

Information about the Group's revenue from external customers is presented based on the location of the operations, as follows:

	2025 RM'000	2024 RM'000
Continuing operations		
Malaysia	31,228	30,681
China	327	—
	31,555	30,681

The following is an analysis of the carrying amount of segment assets, capital addition in respect of property, plant and equipment by the geographical areas in which the assets are located:

	Non-current assets 2025 RM'000	2024 RM'000
Malaysia	16,717	4,540
China	5,688	3,466
	22,405	8,006

Information about major customers

No customers contribute over 10% of total revenue of the Group for the year ended 31 May 2025 (2024: nil).

4. FINANCE COSTS

	2025 RM'000	2024 RM'000
Continuing operations		
Interest expense on lease liabilities	24	24
Commitment fees	9	10
Interest expense on promissory notes	110	99
	143	133

5. PROFIT BEFORE TAXATION

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

Continuing operations

	2025 RM'000	2024 RM'000 (Restated)
Auditors' remuneration		
— audit services	471	498
Cost of inventories recognised as an expense	14,130	15,995
Staff costs, excluding directors' remuneration:		
— Salaries, wages and other benefits	3,781	3,510
— Retirement benefit scheme contributions	297	281
	4,078	3,791
Short-term lease payments not included in the measurement of lease liabilities:		
Crane	377	42
Office equipment	7	8
Depreciation of:		
Property, plant and equipment	894	685
Investment property	4	4
Right-of-use assets	651	568
Intangible assets	265	—
(Reversal of allowance)/allowance for credit losses, net:		
Trade receivables	(98)	94
Deposits paid	764	432
	666	526
Rental income from investment property	—	(61)
Gain on disposal of property, plant and equipment	(35)	(136)
Interest income on:		
Deposits at bank	(910)	(764)

6. TAXATION

	2025 RM'000	2024 RM'000
Continuing operations		
Malaysia corporate income tax:		
Current year	1,242	1,099
(Over)/under-provision of income tax in prior year	(44)	76
	<u>1,198</u>	<u>1,175</u>
Deferred tax	<u>16</u>	<u>(36)</u>
	<u><u>1,214</u></u>	<u><u>1,139</u></u>

Malaysia corporate income tax is calculated at the statutory tax rate of 24% (2024: 24%) on the estimated assessable profits for each of the assessable year.

Hong Kong Profits Tax is calculated at a rate of 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK\$2,000,000 of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%. Such basis had been applied for the calculation of the provision for Hong Kong Profits Tax for this subsidiary for the year ended 31 May 2025.

Hong Kong Profits Tax has not been provided for the years ended 31 May 2025 as there is no assessable profits for both years.

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

	2025 RM'000	2024 RM'000 (Restated)
Profit before taxation		
— From continuing operations	1,695	1,632
Statutory tax rate	<u>24%</u>	<u>24%</u>
Taxation at applicable statutory tax rate	407	392
Tax effects of:		
Expenses not deductible for tax purpose	279	234
Income not taxable for tax purpose	(59)	(283)
Tax effect of share of profits of associates	86	(10)
Effect of different tax rate of entities operating in other jurisdictions	180	212
(Over)/under-provision of income tax in prior year	(44)	76
Tax effect of tax losses not recognised	<u>365</u>	<u>518</u>
Taxation for the year	<u><u>1,214</u></u>	<u><u>1,139</u></u>

7. EARNINGS (LOSS) PER SHARE

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

	2025	2024 (Restated)
Continuing operations		
Earnings		
Profit for the year attributable to the owners of the Company (RM'000)	<u>481</u>	<u>493</u>
Number of shares		
Weighted average number of ordinary shares in issue	<u>16,008,173</u>	<u>13,575,591</u>
Basic earnings per share (RM cent per share)	<u>3.00</u>	<u>3.63</u>
Discontinuing operation		
Loss		
Loss for the year attributable to the owners of the Company (RM'000)	<u>(399)</u>	<u>(385)</u>
Number of shares		
Weighted average number of ordinary shares in issue	<u>16,008,173</u>	<u>13,575,591</u>
Basic loss per share (RM cent per share)	<u>(2.49)</u>	<u>(2.83)</u>
Continuing and discontinued operations		
Earnings		
Profit for the year attributable to the owners of the Company (RM'000)	<u>82</u>	<u>108</u>
Number of shares		
Weighted average number of ordinary shares in issue	<u>16,008,173</u>	<u>13,575,591</u>
Basic earnings per share (RM cent per share)	<u><u>0.51</u></u>	<u><u>0.80</u></u>

Diluted earnings per share information equals basic earnings per share for the years ended 31 May 2024 and 2025 as there were no potential ordinary shares outstanding during both years.

8. DIVIDENDS

The directors of the Company do not recommend the payment of dividend for the years ended 31 May 2024 and 2025.

9. INVENTORIES

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
At cost:		
Raw materials and consumables	891	883
Finished goods	844	917
	<u>1,735</u>	<u>1,800</u>

10. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
Trade receivables	11,457	14,765
Less: Allowance for credit losses	(6,076)	(6,181)
	5,381	8,584
Other receivables and deposits	3,821	4,455
Less: Allowance for credit losses	(1,952)	(1,271)
	1,869	3,184
Prepayments	807	717
	<u>8,057</u>	<u>12,485</u>

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 aging analysis of trade receivables (net of allowance for credit losses) presented based on the invoice date:

	2025	2024
	<i>RM'000</i>	<i>RM'000</i>
1–30 days	2,434	3,694
31–60 days	1,090	1,051
61–90 days	682	492
91–120 days	195	414
More than 120 days	980	2,933
	<u>5,381</u>	<u>8,584</u>

11. SHORT-TERM BANK DEPOSITS, CASH AND BANK BALANCES

	2025	2024
	<i>RM'000</i>	<i>RM'000</i>
Current:		
Short-term bank deposits	18,676	21,089
Cash and bank balances	4,054	7,142
	<u>22,730</u>	<u>28,231</u>
Total	22,730	28,231
Less: Deposits pledged as security	<u>(1,176)</u>	<u>(212)</u>
	<u>21,554</u>	<u>28,019</u>

Short-term bank deposits of the Group have an average maturity ranging from 1 to 3 months. Bank balances are deposits held at with licensed banks.

The average interest rates of deposits of the Group are ranging from 3.65% to 3.8% (2024: 2.30% to 3.81%) per annum. Included in the short-term bank deposits are amounts totaling approximately RM1,176,000 (2024: RM212,000) that have been pledged to secure general banking facilities granted to the Group.

12. PAYABLES AND ACCRUED CHARGES

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
Trade payables	2,876	2,818
Accrued charges	4,051	4,698
Other payables	2,555	1,485
Contract liabilities	1,798	1,144
	<u>11,280</u>	<u>10,145</u>

The following is an aging analysis of trade payables presented based on the invoice date:

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
1–30 days	991	1,071
31–60 days	818	899
61–90 days	771	734
91–120 days	294	112
Over 120 days	2	2
	<u>2,876</u>	<u>2,818</u>

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.

Contract liabilities arise if a particular payment exceeds the revenue recognised to date.

The Group classifies contract liabilities as current because the Group expected to settle them in its normal operating cycle.

Revenue from manufacturing and trading recognised during the year ended 31 May 2025 that was included in the contract liabilities at the beginning of the year was amounted to RM1,126,000 (2024: RM791,000).

13. SHARE CAPITAL

	<i>Note</i>	Number of shares '000	Par value HK\$	Share capital HK\$'000	RM'000
Authorised:					
At 1 June 2022, 31 May 2023, 1 June 2023 and 31 May 2024		1,250,000	0.08	100,000	
Share consolidation	(c)	(1,125,000)	—	—	
At 31 May 2025		<u>125,000</u>	<u>0.80</u>	<u>100,000</u>	
Issued and fully paid:					
At 1 June 2023		123,876	0.08	9,910	5,438
Issue of subscription shares by newly allotted ordinary shares	(a)	<u>12,388</u>	<u>0.08</u>	<u>991</u>	<u>590</u>
At 31 May 2024 and 1 June 2024		136,264	0.08	10,901	6,028
Issue of subscription shares by newly allotted ordinary shares	(b)	<u>27,253</u>	<u>0.08</u>	<u>2,180</u>	<u>1,237</u>
Share consolidation	(c)	<u>(147,165)</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 May 2025		<u>16,352</u>	<u>0.80</u>	<u>13,081</u>	<u>7,265</u>

Notes:

- (a) On 7 June 2023 (after trading hours), the Company entered into the subscription agreement with the subscriber. The Company allotted and issued subscription shares comprising 12,387,600 ordinary shares of HK\$0.082 each on 16 June 2023. The gross proceeds were HK\$1,015,000 (equivalent to approximately RM605,000), of which a sum of HK\$991,000 (equivalent to approximately RM590,000) was credited to share capital and the balance of HK\$24,000 (equivalent to approximately RM15,000) was credited to share premium account.
- (b) On 27 June 2024 (after trading hours), the Company entered into a subscription agreement with the subscriber, pursuant to which the Company will allot and issue an aggregate of 27,252,720 subscription shares at the subscription price of HK\$0.08 per share. The net proceeds from the subscription after deducting related professional fees and related expenses are expected to be approximately HK\$2,100,000 (equivalent to approximately RM1,192,000). The subscription was completed on 17 July 2024.
- (c) On 2 August 2024, an ordinary resolution was passed on share consolidation (“**Share Consolidation**”). According to the resolution, every 10 issued and unissued existing shares of par value HK\$0.08 each in the share capital of the Company would be consolidated into 1 consolidated share of par value HK\$0.8 each (“**Consolidated Share**”) and authorised shares from 1,125,000 to 125,000. The Share Consolidation became effective on 6 August 2024.

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

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.

The share option scheme will be valid and effective for a period of ten years from the date of the adoption of the scheme by equity settlement. 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. 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 option was granted as at the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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

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

For the year ended 31 May 2025, the revenue of the Group slightly increased by approximately 2.85%, the increase is mainly due to the increase in the revenue of the other building materials and services business and the contribution from new business.

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

FINANCIAL REVIEW

Revenue

The revenue slightly increased from approximately RM30.7 million for the year ended 31 May 2024 to approximately RM31.6 million for the year ended 31 May 2025, representing a slightly increase of approximately 2.85%. Such increase was mainly due to the increase in the revenue generated from the other building materials and services business and the contribution from new business.

For the manufacturing and trading of precast concrete junctions boxes business, the revenue increased by approximately 0.62%, from approximately RM29.3 million for the year ended 31 May 2024 to approximately RM29.5 million for the year ended 31 May 2025. The revenue generated from this business segment was steady.

For the other building materials and services business, the revenue increased by approximately 26.26%, from approximately RM1.4 million for the year ended 31 May 2024 to approximately RM1.8 million for the year ended 31 May 2025. The increase was mainly due to the increase in transportation income in association with the increase in sales of larger precast junction boxes.

Following the acquisition on 深圳萬順福智慧生活服務有限公司 during the year, the Group has stepped into e-commerce platform business and contributed approximately RM327,000 in revenue.

The sales of health supplements business and the sourcing services of materials business were discontinued due to change in direction of business strategy. Management has dedicated more resources on developing manufacturing and trading of precast concrete junction boxes business and other business with potential.

Cost of sales and Gross Profit

Costs of sales mainly consists of (i) cost of raw materials and trading products; (ii) manufacturing overheads; (iii) direct labour; and (iv) crane hiring costs. The cost of sales slightly increased from approximately RM22.1 million for the year ended 31 May 2024 to approximately RM22.2 million for the year ended 31 May 2025, representing an increase of approximately 0.21%.

The total cost of sales from the manufacturing and sale of precast concrete junction boxes decreased from approximately RM21.0 million for the year ended 31 May 2024 to approximately RM20.7 million for the year ended 31 May 2025, representing a decrease of approximately 1.61%.

The Gross Profit increased from approximately RM8.6 million for the year ended 31 May 2024 to approximately RM9.4 million for the year ended 31 May 2025. The increase is mainly due to the management is focussing on precast junction boxes with higher profit margin and better control in expense.

Administrative expenses

Administrative expenses of the Group decreased by approximately RM0.4 million or 6.69% from approximately RM5.9 million for the year ended 31 May 2024 to approximately RM5.5 million for the year ended 31 May 2025.

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 decrease was mainly attributable to significant effort was put in controlling expenses.

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately RM0.5 million or 36.95% from approximately RM1.4 million for the year ended 31 May 2024 to approximately RM1.9 million for the year ended 31 May 2025. The increase is mainly attributable to the increase in bonus, commission, entertainment and travelling expenses and the expenses incurred by new business.

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.

Profit for the year

The Group recorded a net profit of approximately RM82,000 for the year ended 31 May 2025 (2024: RM108,000) due to the net effect of (i) the increase in revenue for the year ended 31 May 2025; (ii) the increase in selling and distribution expenses for the year ended 31 May 2025; (iii) the decrease in administrative expenses for the year ended 31 May 2025; and (iv) the share of results of an associate for the year ended 31 May 2025.

PRINCIPAL RISK AND UNCERTAINTIES

Operational risk

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

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

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

Financial risks

As a manufacturer of precast concrete junction boxes, the Group has to purchase raw materials from its suppliers from time to time based on its procurement policy. The Group relies on cash inflow from its customers to meet its payment obligations to our suppliers. The Group's cash inflow is dependent on the prompt settlement of its payments. As at 31 May 2025, the Group recorded trade receivables amounting to approximately RM5.4 million, the number of trade receivables turnover days was approximately 81 days which exceeded the credit period stipulated on the Group's service agreements with its customers with average trade payable turnover days of approximately 47 days. The Group is exposed to credit risk and liquidity risk.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 May 2025, the Group's cash and cash equivalents was approximately RM22.7 million (31 May 2024: approximately RM28.2 million).

As at 31 May 2025, the Group has no borrowings (31 May 2024: Nil).

As at 31 May 2025, the Group's current ratio was 2.71 (31 May 2024: 3.00), which is calculated based on the total current assets divided by the total current liabilities. The gearing ratio was Nil as at 31 May 2025 and 31 May 2024, which is calculated based on the total interest-bearing loans divided by the total equity.

As at 31 May 2024 and 31 May 2025, the Group had no bank borrowings. 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.

CAPITAL STRUCTURE

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

As at 31 May 2025, the share capital and equity attributable to owners of equity of the Company amounted to approximately RM7.3 million and approximately RM29.4 million respectively (31 May 2024: RM6.0 million and RM30.3 million respectively).

CAPITAL COMMITMENTS

As at 31 May 2025, the Group has capital commitments of approximately RM0.5 million in respect of the acquisition of property, plant and equipment (31 May 2024: approximately RM7.2 million).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

Since a substantial amount of income and profit of our Group is denominated in Malaysian Ringgit (“**RM**”), any fluctuations in the value of RM may adversely affect the amount of dividends, if any, payable in HKD 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 HKD, 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.

CHARGE OVER ASSETS OF THE GROUP

As at 31 May 2025, the Group had bank deposits pledged with banks totalling approximately RM1.2 million (31 May 2024: approximately RM0.2 million). These deposits were to secure general banking facilities granted to the Group.

SIGNIFICANT INVESTMENTS HELD

As at 31 May 2025, the Company did not have any significant investments held.

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

On 16 August 2024 (after trading hours), the Company entered into the sale and purchase agreement with the Vendor, pursuant to which the Wanshun Technology Industrial Group Limited (the “**Vendor**”) conditionally agreed to sell, and the Company conditionally agreed to acquire, the entire equity interest of the target company (a company to be incorporated in Hong Kong with limited liability which will hold the entire equity interest of a company incorporated in the PRC, which in turn holds the entire equity interest of Shenzhen Wanshunfu Smart Life Service Company Limited (“**Shenzhen Wanshunfu**”). The consideration is HK\$5.5 million and shall be satisfied by way of issue of the promissory note by the Company on the completion date. The consideration was determined by the parties after arm’s length negotiations with reference to the adjusted net asset value of Shenzhen Wanshunfu (assuming reorganisation has taken place), which is approximately HK\$5.53 million. Details of which, please refer to announcement dated 16 August 2024.

Save for disclosed above, there were no material acquisitions and disposals of subsidiaries and affiliated companies during the year ended 31 May 2025.

On 1 August 2025 (after trading hours), Wanshun Technology Industrial Group Limited, a company incorporate in Hong Kong with limited liability (the “**Vendor**”), Shenzhen Wanshun eCar Cloud Tech & Information Co., Ltd., a company incorporated in the PRC with limited liability (the “**Target Company**”), Gallant Empire Limited, a company incorporated in the British Virgin Islands and a directly wholly-owned by the Company (the “**Purchaser**”) entered into the Sale and Purchase Agreement pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the 1% of the registered capital of the Target Company, which is legally and beneficially owned by the Vendor (“**Sale Capital**”) for a total Consideration of HK\$34.874 million, which shall be settled issue of 1,215,630 new Shares to be allotted and issued by the Company to the Vendor credited as fully paid for the purpose of the settlement of the Consideration (the “**Consideration Shares**”). As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders’ approval requirement set out in the GEM Listing Rules. Details of which, please refer to announcement dated 1 August 2025.

Save for disclosed above, there is no specific future plan for material investments or capital assets as at the date of the report.

USE OF PROCEEDS FROM THE SHARE OFFER

The shares of the Company were listed on 19 July 2017 (the “**Listing Date**”) on the GEM by a way of a public offer and placing (collectively as the “**Share Offer**”) (the “**Listing**”). The net proceeds received by the Company from the Share Offer, after deducting underwriting fees and other expenses, were approximately HK\$29.6 million.

The net proceeds from the Listing have not been fully utilized up to the year ended 31 May 2025 in accordance with the expected timeline set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As disclosed in the Company’s announcement dated on 2 May 2024, having considered the latest business environment and development needs of the Group, the Board had resolved to change the use of unutilised proceeds from the Share Offer.

The following table sets out the net proceeds from the Share Offer, the reallocated unutilised proceeds and the utilised amount up to the year ended 31 May 2025.

	Planned use of net proceeds from the Share Offer <i>HK\$ million</i>	Actual use of net proceeds from the Listing Date to 2 May 2024 <i>HK\$ million</i>	Unutilised proceeds up to 2 May 2024 <i>HK\$ million</i>	Reallocated unutilised proceeds as at 2 May 2024 <i>HK\$ million</i>	Utilised amount after reallocation for the year ended 31 May 2024 <i>HK\$ million</i>	Unutilised proceeds up to 31 May 2024 <i>HK\$ million</i>	Actual use of net proceeds from the 1 June 2025 to 31 May 2025 <i>HK\$ million</i>	Reallocated unutilised proceeds as at 31 May 2025 <i>HK\$ million</i>	Expected timeframe for intended use
Expansion of production capacity through									
(i) expanding our Existing Selangor Plant	7.0	(6.0)	1.0	–	–	–	–	–	
(ii) completing the establishment of our New Kulaijaya Plant and	7.3	(2.4)	4.9	–	–	–	–	–	
(iii) recruiting new staffs <i>(note b)</i>	2.6	(2.2)	0.4	0.8	(0.2)	0.6	(0.6)	–	
Acquisition of a parcel of land in Southern Malaysia	8.4	–	8.4	–	–	–	–	–	
Expansion of our business vertically in the supply chain of the precast concrete junction box industry through mergers and acquisitions	2.7	–	2.7	–	–	–	–	–	
Expansion of our sales and marketing team	0.8	(0.8)	0.0	–	–	–	–	–	
General working capital	0.8	(0.8)	0.0	–	–	–	–	–	
Acquisition of land use right of the Land in Selangor, Malaysia	–	–	0.0	13.2	(1.3)	11.9	(11.9)	–	
Development cost of self-used factory on the Land and purchase of equipment and fixtures	–	–	0.0	3.4	–	3.4	–	3.4	Intended to use up the remaining fund by 31 May 2026
	<u>29.6</u>	<u>(12.2)</u>	<u>17.4</u>	<u>17.4</u>	<u>(1.5)</u>	<u>15.9</u>	<u>(12.5)</u>	<u>3.4</u>	

Notes:

- (a) The unused Listing proceeds have been deposited in licensed banks in Malaysia and Hong Kong.
- (b) The funds have been utilized on recruiting and salaries of staffs for the expansion and renovation works.

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

CONTINGENT LIABILITIES

As at 31 May 2024 and 31 May 2025, the Group had no material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 May 2025, we had 73 employees who are located in Malaysia, the Hong Kong Special Administrative Region and the PRC. 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, the Hong Kong Special Administrative Region and the PRC, 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 a Director's and an employee's salary based on the Director's and the employee's qualifications, experience and capability and the prevailing market remuneration rate. The Group has designed a review system to assess the performance of our employees once a year, which forms the basis of our decisions with respect to salary adjustments, bonuses and promotions. The long term incentive scheme of the Group include a share option scheme.

FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately)	Proposed use of net proceeds	Actual use of net proceeds
27 June 2024 (completed on 17 July 2024)	Subscription of new Shares under general mandate granted on 22 November 2023	HK\$2.10 million	For repayment of promissory note	Partially (HK\$1.5 million) used as intended and the remaining has not been utilized

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the year ended 31 May 2025.

DIRECTORS' 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 and the code of conduct regarding securities transactions by the Directors for the year ended 31 May 2025.

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year and at any time during the year ended 31 May 2025.

COMPETING BUSINESS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at 31 May 2025, none of the Directors, nor the controlling shareholders of the Company and any of their respective close associates has any interest in a business which competes or likely to compete, either directly or indirectly, with the business of the Group.

DEED OF NON-COMPETITION

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

The controlling shareholders have confirmed with the Company that they had complied with the non-competition undertakings during the year ended 31 May 2024. The Directors (including the Independent Non-executive Directors) have reviewed and confirmed the compliance with the non-competition undertaking by the controlling shareholders.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

Accordingly, Mr. Ma, She Shing Albert and Ms. Yau Ka Ying shall retire at the 2025 AGM and being eligible, offer themselves for re-election.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

CORPORATE GOVERNANCE PRACTICES

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

The Board has adopted and save as disclosed in the following paragraph complied with the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the GEM Listing Rules. The Directors will continue to review and monitor its corporate governance practices in order to enhance its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of shareholders and other stakeholders of the Group.

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

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

Save as disclosed above, during the year in the opinion of the Directors, the Group has complied with the code provision of the CG Code.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

RELATIONSHIPS WITH STAKEHOLDERS

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

SUBSEQUENT EVENTS AFTER REPORTING PERIOD

On 1 August 2025 (after trading hours), Wanshun Technology Industrial Group Limited, a company incorporate in Hong Kong with limited liability (the “**Vendor**”), Shenzhen Wanshun eCar Cloud Tech & Information Co., Ltd., a company incorporated in the PRC with limited liability (the “**Target Company**”), Gallant Empire Limited, a company incorporated in the British Virgin Islands and a directly wholly-owned by the Company (the “**Purchaser**”) entered into the Sale and Purchase Agreement pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the 1% of the registered capital of the Target Company, which is legally and beneficially owned by the Vendor (“**Sale Capital**”) for a total Consideration of HK\$34.874 million, which shall be settled issue of 1,215,630 new Shares to be allotted and issued by the Company to the Vendor credited as fully paid for the purpose of the settlement of the Consideration (the “**Consideration Shares**”). As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement set out in the GEM Listing Rules. Details of which, please refer to announcement dated 1 August 2025.

On 1 August 2025 (after trading hours), the board of directors of the Company announces that the board lot size of the ordinary shares in the Company (the “**Share(s)**”) for trading on The Stock Exchange of Hong Kong Limited will be changed from 1,200 Shares to 400 Shares with effect from 9:00 a.m. on Friday, 22 August 2025. Details of which, please refer to announcements dated 1 August 2025 and 2 August 2025.

RESULTS AND DIVIDENDS

The result of the Group for the year ended 31 May 2025 and the state of the affairs of the Group as at that date are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 2.

The Board does not recommend the payment of final dividend for the year ended 31 May 2025 (2024: Nil).

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

ANNUAL GENERAL MEETING

The forthcoming AGM (“**2025 AGM**”) will be held on Friday, 21 November 2025. A circular containing the details of 2025 AGM and the notice of 2025 AGM and form of proxy accompanying thereto will be despatched to the Shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM to be held on Friday, 21 November 2025, the register of members of the Company will be closed from Tuesday, 18 November 2025 to Friday, 21 November 2025, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the 2025 AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investors Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 17 November 2025.

AUDIT COMMITTEE

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

The Audit Committee currently consists of three Independent Non-executive Directors namely, Mr. Yau Ka Hei, Mr. Ma, She Shing Albert and Ms. Yau Ka Ying. The chairman of the Audit Committee is Mr. Yau Ka Hei.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.sktargetgroup.com. The 2025 annual report will also be published on the website of Stock Exchange at www.hkexnews.hk and the website of Company at www.sktargetgroup.com and will be despatched to the Shareholders in due course.

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

Hong Kong, 29 August 2025

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

This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.sktargetgroup.com.