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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)

MAJOR TRANSACTION — ACQUISITION OF LAND

THE ACQUISITION

The Board is pleased to announce that on 12 June 2026 (after trading hours), the Vendor accepted the Offer made by the Purchaser (a wholly-owned subsidiary of the Company) pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Land at the Consideration of RM24,000,000.

GEM LISTING RULES IMPLICATION

As one or more of the applicable percentage ratio(s) (as defined in the GEM Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, it constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition. A circular containing, among other things, (i) further details of the Acquisition; (ii) valuation report on the Land; and (iii) notice of EGM, will be despatched to the Shareholders on or before 7 July 2026, to allow sufficient time for the preparation of the aforesaid information for inclusion in the circular.

BACKGROUND

On 12 June 2026 (after trading hours), the Vendor accepted the Offer made by the Purchaser (a wholly-owned subsidiary of the Company) pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Land at the Consideration of RM24,000,000.

THE OFFER

Major terms of the Offer are set out as follows:

- Subject matter** : The Purchaser agreed to purchase, and the Vendor agreed to sell the Land.
- Land** : No. 1894, Jalan Kpb 5, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor, Malaysia
- Consideration and payment terms** : The Consideration of RM24,000,000 shall be settled by the Purchaser to the Vendor in the following manner:
- (i) a sum of RM480,000 (“**Earnest Deposit**”) shall be paid to the Vendor’s solicitors as stakeholders upon the Vendor’s acceptance of the Offer
 - (ii) a sum of RM1,920,000 (“**Balance Deposit**”), of which RM720,000 shall be paid to the Purchaser’s solicitors as retention sum to the Director General of Inland Revenue of Malaysia pursuant to Section 21B of the Real Property Gains Tax Act 1976 and RM1,200,000 shall be paid to the Vendor’s solicitors as stakeholders upon the execution of the sale and purchase agreement (“**SPA**”)
 - (iii) the balance of the Consideration (i.e. RM21,600,000) shall be paid to the Vendor’s solicitors as stakeholders within 90 days from the date when the SPA become unconditional
- Completion** : Completion shall take place on the Completion Date, which the balance of the Consideration is fully paid to the Vendor.

The SPA shall be executed by the parties within 21 working days from the date of acceptance of the Offer (i.e. 12 June 2026).

Information of the Land

The Land is being leased by the Purchaser as at the date of this announcement. The address of the Land is No. 1894, Jalan Kpb 5, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor, Malaysia with a total area of approximately 8,093.7 sq. m. The Land is a piece of freehold land for industrial use.

Basis of determination of consideration

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to the followings:

- (i) the location of the Land;
- (ii) the prevailing market price of comparable properties in the vicinity of the Land; and

(iii) the preliminary valuation of the Land in the amount of RM24,000,000 carried out by an independent professional valuer as at 9 June 2026.

The Consideration shall be fully funded by the internal resources and/or banking facilities of the Group.

Condition precedents

The SPA shall be subject to and conditional upon the fulfilment of a number of conditions within 90 days from the date of the SPA (the “**CP Period**”) with an extension of 1 month (“**Extended CP Period**”) to be granted at Vendor’s discretion:

- (i) the Acquisition having been approved by the Shareholders at the EGM;
- (ii) the Purchaser having obtained the approval of the relevant state authority pursuant to the relevant laws and regulations; and
- (iii) the Purchaser having obtained financing of not less than 60% of the Consideration to finance the Land.

In the event the above conditions are not fulfilled within the CP Period or Extended CP Period, the SPA shall be rescinded and deemed mutually terminated and in such event the Earnest Deposit and the Balance Deposit shall be fully refunded to the Purchaser free of interest.

REASONS FOR AND BENEFITS OF ACCEPTING THE OFFER

The Purchaser is currently leasing the Land at an annual rental of approximately RM582,000 and has established a permanent production plant thereon, having invested substantial capital expenditure in plant, machinery, infrastructure and supporting facilities on the Land. The existing lease in respect of the Land is due to expire on 31 January 2027, with approximately eight months remaining as at the date of this announcement. The Vendor has indicated its intention to dispose of the Land in the open market. In the event that the Purchaser is unable to renew the lease with any prospective purchaser of the Land, the Purchaser would be required to relocate its production plant to an alternative site and carry out all necessary preparatory works, including, among others, land levelling and the application for and obtaining of all requisite approvals and licences. Such relocation process is expected to take not less than 12 months and would likely result in material disruption to the production operations of the Group, including potential loss of production capacity, delays in fulfilling customer orders and significant relocation costs.

As such, the Board is of the view that the Acquisition will enable the Group to secure a permanent production site by providing the Group with greater operational certainty and control over its manufacturing activities, thereby minimising potential disruption to its production operations arising from any termination or non-renewal of the existing lease. The Acquisition is also expected to reduce the Group’s long-term rental expenses and reduce exposure to future rental increases. In addition, it will strengthen the asset base of the Group through the ownership of a strategic industrial property utilised in its core operations. Ownership of the Land would further provide the Group with flexibility to undertake future

expansion of its production facilities and storage areas, subject to the relevant approvals, in line with its long-term business growth plans. The Group may also benefit from any potential capital appreciation of the Land.

As such, the Directors (including the independent non-executive Directors) consider that the Acquisition is carried out on normal commercial terms, and the terms of the Offer are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

The Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability, and the shares which are listed on GEM of the Stock Exchange. The Group is primarily 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 e-commerce platform in the People's Republic of China.

The Purchaser is a company limited by shares incorporated under the laws of Malaysia, and a wholly-owned subsidiary of the Company. The Purchaser is a major operating subsidiary of the Company which engages in manufacturing and trading of concrete junction boxes.

The Vendor

The Vendor is a company limited by shares incorporated in Malaysia and principally engages in wholesale and distribution of Chinese herbs and ginseng. As at the date of this announcement, the Vendor is owned by Mr. Chung Fah Kien, Mr. Chung Fah Woon, Mr. Chung Wah Hong and Mr. Chung Wah Tong and their shareholdings in the Vendor are 25% each respectively.

To the best of Director's knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined in the GEM Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, it constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the relevant resolutions in relation to the Acquisition. To the best of the Directors' knowledge, information and belief, as at the date of this announcement, no Shareholder has a material interest in the Acquisition which is different from the other Shareholders. Therefore, no Shareholder would be required to abstain from voting on the proposed resolutions in relation to the Acquisition at the EGM.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition. A circular containing, among other things, (i) further details of the Acquisition; (ii) valuation report on the Land; and (iii) notice of EGM, will be despatched to the Shareholders on or before 7 July 2026, to allow sufficient time for the preparation of the aforesaid information for inclusion in the circular.

Completion is conditional upon the satisfaction of the conditions set out in the section headed “Conditions Precedent” in this announcement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company and, if in any doubt, are recommended to consult their professional adviser(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	the acquisition of the Land by the Purchaser from the Vendor pursuant to the terms and conditions of the Offer
“Board”	the board of Directors
“Company”	WS-SK Target Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM of the Stock Exchange (Stock code: 8427)
“Completion”	completion of the Acquisition
“Completion Date”	the date of the Completion, which the balance of the Consideration is fully paid to the Vendor’s solicitors as stakeholders
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the total consideration of RM24,000,000 payable by the Purchaser in relation to the Acquisition
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the transactions as contemplated under the Offer
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) (and in case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Land”	the piece of freehold land located at No. 1894, Jalan Kpb 5, Kawasan Perindustrian Balakong, 43300 Seri Kembangan, Selangor, Malaysia with a total area of approximately 8,093.7 sq.m.
“Offer”	the legally binding offer dated 5 June 2026 made by the Purchaser to the Vendor in respect of the Acquisition
“percentage ratio(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Purchaser”	Target Precast Industries Sdn. Bhd., a company limited by shares incorporated in Malaysia and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) with nominal value of HK\$0.08 each in the capital of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Kien Heng Hong Ginseng Sdn. Bhd., a company limited by shares incorporated in the Malaysia and an Independent Third Party to the Company
“%”	per cent

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

Hong Kong, 12 June 2026

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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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.