

**SK TARGET GROUP LTD:  
IT IS EXTREMELY DIFFICULT TO THINK  
POSITIVELY ABOUT THIS COMPANY**

It appears, quite obviously, that the equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is attracting more and more Asian corporate entities to its shores in the manner of the worker bee, foraging for nectar in a field of wild flowers.

The latest company to have sought, and obtained, a listing in the secondary equity market of the HKSAR is SK Target Group Ltd () (Code: 8427, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd).

SK Target launched its Share Offer Prospectus on July 6, 2017, and its shares commenced trading on the GEM, last Wednesday, July 19, 2017.

The Company Offered a total of 180 million, one-cent Shares at the Indicative Offer Price Range, starting from a low of 25 cents to a high of 30 cents.

On July 18, 2017, Management announced that the Offer Price Per Share had been struck at 28 cents and that it was anticipated that the Company would net about \$HK29.60 million from the **I**nitial **P**ublic **O**ffering (**IPO**).

Of the total number of Shares on Offer, HKSAR Investors were Offered 18 million Shares, the remaining 162 million Shares, being reserved to be distributed as Share Placements, presumably to Institutional/Professional/and/or Wealthy Investors.

At Pages Six and Seven of the Allotment Results Announcements, Management stated the present, intended utilisations of the net proceeds of the IPO as follows:

1. About 57.20 percent, that is approximately \$HK16.93 million, *‘for expansion of production capacity through expanding Existing Selangor Plant, completing the establishment of New Kulaijaya Plant and recruiting new staff’*;
2. About 28.30 percent, that is approximately \$HK8.38 million, *‘for acquisition of a parcel of land in Southern Malaysia’*;
3. About 9.20 percent, that is approximately \$HK2.72 million, *‘for expansion of business vertically in the supply chain of the precast concrete junction box industry through mergers and acquisitions’*;
4. About 2.50 percent, that is approximately \$HK0.74 million, *‘for expansion of sales and marketing team’*; and,
5. About 2.80 percent, that is approximately \$HK0.83 million, *‘for working capital.’*

**The History And Business Of SK Target Group Ltd**

SK Target Group Ltd saw its birth, so to speak, with the incorporation of Target Precast Industries Sdn Bhd in Malaysia on March 1, 1993. This company, today, remains a wholly owned subsidiary of SK Target Group Ltd.

The Founders of the Company were Messrs Loh Swee Keong (the present Executive Chairman) and Yeoh Kwan Ho, the last-mentioned Founder, being an Independent Third Party.

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