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KINGBO STRIKE LIMITED

工蓋有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1421)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF THE DISPOSAL COMPANY

THE DISPOSAL AGREEMENT

On 12 May 2017 (after trading hours of the Stock Exchange), the Vendor, being a subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the entire registered capital of the Disposal Company at a total consideration of RMB30,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 12 May 2017 (after trading hours of the Stock Exchange), the Vendor, being a subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the entire registered capital of the Disposal Company at a total consideration of RMB30,000,000. Details of the Disposal Agreement are set out below:

THE DISPOSAL AGREEMENT

- Date: 12 May 2017 (after trading hours of the Stock Exchange)
- Parties: (1) Loydston International Limited, as vendor; and
- (2) 江蘇翰諾信息科技發展有限公司 (Jiangsu Hannuo Information Technology Development Company Limited*), as purchaser

As at the date of this announcement and to the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Purchaser is a company established in the PRC with limited liability and is principally engaged in provision of software and information technology services; and (ii) the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

The Vendor is an investment holding company incorporated in Hong Kong with limited liability and an indirect 60%-owned subsidiary of the Company.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the entire registered capital of the Disposal Company. Prior to the completion of the Disposal Agreement, the Vendor held 100% equity interest in the Disposal Company.

Each of the Vendor and the Purchaser will bear its own taxation liabilities in accordance with the PRC laws resulting from the transfer of the entire registered capital of the Disposal Company.

Consideration

The total consideration for the sale and purchase of the entire registered capital of the Disposal Company is RMB30,000,000, which is payable in the following manner:

- (a) as to RMB3,000,000 to be paid by the Purchaser to the Vendor within seven days after the signing of the Disposal Agreement; and
- (b) as to the remaining balance of RMB27,000,000 to be paid by the Purchaser to the Vendor within 30 days after Completion.

The Consideration was determined after arms' length negotiations between the parties to the Disposal Agreement and on a commercial basis taking into account the net liabilities of the Disposal Group of approximately RMB259,000 as at 31 March 2017 and the future prospects and business development of the Disposal Group.

In view of the above, the Directors consider that the terms and conditions of the Disposal, including the Consideration, are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Completion

The Disposal Agreement is unconditional and Completion will take place upon the receipt of RMB3,000,000 by the Vendor from the Purchaser and within seven days after the signing of the Disposal Agreement.

Upon Completion, each member of the Disposal Group ceases to be a subsidiary of the Company and the financial results of the Disposal Group will no longer be consolidated into the Company's consolidated financial statements.

INFORMATION ON THE DISPOSAL GROUP

The Disposal Company is an investment holding company. The Disposal Company owns the entire equity interest in each of Kaihe Nanjing, Shuyang Kaihe, Zhenjiang Kaipu, Zhenjiang Kaineng, Zhenjiang Kaihe and Tianjin Kaihe. Tianjin Kaihe in turn owns the entire equity interest in Xuyi Shengneng. Each member of the Disposal Group is a company established in the PRC with limited liability. The Disposal Group is principally engaged in (a) construction of solar power station; (b) sale of solar power station; and (c) provision of management and maintenance services to solar power station.

Set out below is the unaudited consolidated financial information of the Disposal Group for the two years ended 31 December 2016:

	For the year ended 31 December 2016 (unaudited) RMB	For the year ended 31 December 2015 (unaudited) RMB
Loss before taxation	711,936	29
Loss after taxation	711,936	67
Net liabilities	43,313	67

FINANCIAL EFFECT OF THE DISPOSAL

Upon completion of the Disposal, the Group is expected to record an unaudited gain before taxation on the Disposal of approximately RMB15,500,000. Such unaudited gain before taxation is estimated based on the gross proceeds from the Disposal of RMB30,000,000 less the amount of work in progress – construction of solar power station projects of approximately RMB14,800,000 and add back the net liabilities of approximately RMB259,000 attributable to the Disposal Group as at 31 March 2017. The Board intends to apply the net proceeds from the Disposal of approximately RMB29,800,000 as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in the provision of electrical engineering services in Singapore and the construction, operation and sale of solar power station projects in the PRC.

Taking into account that the sale of solar power station projects is in the ordinary course of business of the Group and the Group is expected to record an unaudited gain before taxation on the Disposal of approximately RMB15,500,000 upon completion of the Disposal, the Board considers that the entering into of the Disposal Agreement is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Kingbo Strike Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Consideration”	the total consideration for the Disposal
“Directors”	directors of the Company
“Disposal”	the sale of the entire registered capital of the Disposal Company by the Vendor to the Purchaser
“Disposal Agreement”	the agreement dated 12 May 2017 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the entire registered capital of the Disposal Company
“Disposal Company”	開合新能源(鎮江)有限公司 (Kaihe New Energy (Zhenjiang) Company Limited*), a company established in the PRC with limited liability
“Disposal Group”	Disposal Company, Kaihe Nanjing, Shuyang Kaihe, Zhenjiang Kaipu, Zhenjiang Kaineng, Zhenjiang Kaihe, Tianjin Kaihe and Xuyi Shengneng
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Kaihe Nanjing”	開合新能源(南京)有限公司 (Kaihe New Energy (Nanjing) Company Limited*), a company established in the PRC with limited liability

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	江蘇翰諾信息科技發展有限公司 (Jiangsu Hannuo Information Technology Development Company Limited*), a company established in the PRC with limited liability
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shuyang Kaihe”	沭陽開合光伏發電有限公司 (Shuyang Kaihe Photovoltaic Power Company Limited*), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Kaihe”	天津開合光伏能源科技有限公司 (Tianjin Kaihe Photovoltaic Energy Technology Company Limited*), a company established in the PRC with limited liability
“Vendor”	Loydston International Limited, a company incorporated in Hong Kong with limited liability and an indirect 60%-owned subsidiary of the Company
“Xuyi Shengneng”	盱眙盛能新能源有限公司 (Xuyi Shengneng New Energy Company Limited*), a company established in the PRC with limited liability
“Zhenjiang Kaihe”	鎮江開合光伏發電有限公司 (Zhenjiang Kaihe Photovoltaic Power Company Limited*), a company established in the PRC with limited liability
“Zhenjiang Kaineng”	鎮江開能光伏發電有限公司 (Zhenjiang Kaineng Photovoltaic Power Company Limited*), a company established in the PRC with limited liability
“Zhenjiang Kaipu”	鎮江開普光伏發電有限公司 (Zhenjiang Kaipu Photovoltaic Power, a company established in the PRC with limited liability

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By order of the Board
Kingbo Strike Limited
Liu Yancheng
Chairman

Hong Kong, 12 May 2017

As at the date of this announcement, the Directors are:

Executive Directors

Mr. Liu Yancheng (*Chairman*)
Mr. Peng Rongwu
Mr. Wong Kee Chung
Mr. Liu Xinsheng

Independent Non-executive Directors

Mr. Lam Kwan Yau Gilbert
Mr. Leung Po Hon
Dr. Luo Xiaodong
Mr. Ng Wai Hung

Non-executive Director

Mr. Tam Tak Wah

* *For identification purposes only*