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## **KINGBO STRIKE LIMITED**

**工蓋有限公司\***

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

**(Stock code : 1421)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

#### **Placing Agent**

RIFA Securities Limited

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 14 February 2018 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties, to subscribe for up to 197,600,000 Placing Shares at the Placing Price of HK\$0.195 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 197,600,000 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.195 per Placing Share represents: (i) a discount of approximately 4.88% to the closing price of HK\$0.205 per Share as quoted on the Stock Exchange on 14 February 2018, being the date of the Placing Agreement; and (ii) a discount of approximately 4.41% to the average closing price of approximately HK\$0.204 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

\* For identification purposes only

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be HK\$38,532,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$550,000, are estimated to be HK\$37,982,000. The Company intends to apply the net proceeds from the Placing as general working capital for development of the existing solar power business of the Group.

**Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 14 February 2018 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis not less than six Placers, who and whose ultimate beneficial owners shall be Independent Third Parties, to subscribe for up to 197,600,000 Placing Shares at the Placing Price of HK\$0.195 per Placing Share. Details of the Placing Agreement are set out below:

### **The Placing Agreement**

**Date:** 14 February 2018

**Parties:** (i) the Company (as issuer); and  
(ii) Rifa Securities Limited (as placing agent).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent.

The Directors consider that the placing commission in respect of the Placing was determined with reference to the prevailing market rates and is fair and reasonable.

## **Placees**

The Placing Shares will be placed to not less than six Placees who shall be professional, institutional or other investors independent of and not connected with the Company, the connected persons of the Company and their respective associates, and who and whose ultimate beneficial owners are Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

## **Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum of 197,600,000 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 197,600,000 Placing Shares is HK\$1,976,000.

## **Ranking of the Placing Shares**

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.195 per Placing Share represents: (i) a discount of approximately 4.88% to the closing price of HK\$0.205 per Share as quoted on the Stock Exchange on 14 February 2018, being the date of the Placing Agreement; and (ii) a discount of approximately 4.41% to the average closing price of approximately HK\$0.204 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Placing**

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares.

In the event that any of the above condition is not fulfilled on or before 7 March 2018 (or such later date as may be agreed between the parties to the Placing Agreement), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

### **Completion of the Placing**

Completion of the Placing shall take place on a date falling within three Business Days after the day on which the condition set out in the Placing Agreement has been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing).

### **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

### **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 197,600,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be fully utilised upon the allotment and issue of all the Placing Shares.

### **Termination**

The Placing Agent may, after consultation with the Company, terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 8:00 a.m. on the date of completion of the Placing upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:–

- (a) if there develops, occurs or comes into force:
  - (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or

- (ii) the imposition of any moratorium, suspension or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (iii) any change in conditions of local, national or international securities markets occurs; or
  - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
  - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision in the Placing Agreement.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in the design, supply and installation of solar photovoltaic parts and equipment, provision of electrical engineering services in Singapore and trading of consumer products and accessories.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be HK\$38,532,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing of approximately HK\$550,000, are estimated to be HK\$37,982,000, representing a net issue price of approximately HK\$0.192 per Placing Share. The Company intends to apply the net proceeds from the Placing as general working capital for development of the existing solar power business of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group without any interest burden, within a relatively shorter time frame and at lower costs when compared with other means of fundraising.

The Board has considered other alternative fundraising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer may also involve relatively substantial time and cost to complete as compared to the equity financing through issue of the new Shares under General Mandate.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after Completion) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Liu Yancheng (Note 1)	7,600,000	0.77	7,600,000	0.64
Yao Runxiong (Note 2)	3,980,000	0.40	3,980,000	0.34
Liu Xinsheng (Note 3)	7,600,000	0.77	7,600,000	0.64
Peng Rongwu (Note 4)	17,480,000	1.77	17,480,000	1.47
Zhang Juanying (Note 5)	5,000,000	0.51	5,000,000	0.42
Zhuang Yanzhu (Note 6)	18,630,000	1.89	18,630,000	1.57
<b>Public Shareholders</b>				
The Placees	–	–	197,600,000	16.67
Other public Shareholders	927,710,000	93.89	927,710,000	78.25
<b>Total</b>	<b>988,000,000</b>	<b>100.00</b>	<b>1,185,600,000</b>	<b>100.00</b>

Notes:

1. Liu Yancheng is an executive Director and the chairman of the Board.
2. Yao Runxiong is an executive Director.
3. Liu Xinsheng is an executive Director.
4. Peng Rongwu is an executive Director.
5. Zhang Juanying is the spouse of Liu Yancheng.
6. Zhuang Yanzhu is the spouse of Yao Runxiong.

## FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds raised	Intend use of proceeds	Actual use of proceeds
20 June 2017	Placing of new Shares under general mandate	HK\$39,682,000	(i) HK\$20,000,000 to finance the acquisition of the Properties; and  (ii) HK\$19,682,000 as general working capital of the Group	HK\$39,682,000 as general working capital of the Group ( <i>Note</i> )

*Note:* As disclosed in the announcement of the Company dated 12 January 2018, a deed of termination was entered into to terminate the provisional agreement in relation to the Acquisition (as supplemented by the extension letter dated 27 September 2017). As the Acquisition had lapsed, the Company would apply the sum of HK\$39,682,000 as general working capital of the Group.

Save as disclosed above, the Company had not conducted any fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

**Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the conditions set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.**

## DEFINITIONS

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

“Acquisition”	acquisition of the Properties, further details of which are disclosed in the announcement of the Company dated 16 June 2017
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Kingbo Strike Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 20 October 2017 to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of such resolution, pursuant to which a maximum of 197,600,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 197,600,000 Placing Shares on and subject to the terms and condition set out in the Placing Agreement
“Placing Agent”	RIFA Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 14 February 2018 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.195 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)



“Placing Shares”	a total of up to 197,600,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate
“Properties”	two five-storey buildings situated at Taiwan, further details of which are disclosed in the announcement of the Company dated 16 June 2017
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Kingbo Strike Limited**  
**Liu Yancheng**  
*Chairman and Executive Director*

Hong Kong, 14 February 2018

*As at the date of this announcement, the directors of the Company are:*

**Executive Directors**

Mr. Liu Yancheng (*Chairman*)  
Mr. Yao Runxiong  
Mr. Liu Xinsheng  
Mr. Peng Rongwu

**Independent Non-executive Directors**

Mr. Leung Po Hon  
Mr. Li Jin  
Dr. Luo Xiaodong

**Non-executive Director**

Mr. Tam Tak Wah