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## **KINGBO STRIKE LIMITED**

**工蓋有限公司\***

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

**(Stock Code: 1421)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Kingbo Strike Limited (the “**Company**”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 June 2024, together with comparative figures for the year ended 30 June 2023, as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>REVENUE</b>	4	<b>160,732</b>	81,518
Cost of sales	6(b)	<u>(154,789)</u>	<u>(76,075)</u>
<b>Gross profit</b>		<b>5,943</b>	5,443
Other gains and (losses), net	5	<b>459</b>	919
Change in fair value of financial assets at fair value through profit or loss, net	6(d)	<b>(28)</b>	(1,854)
Allowance for expected credit loss (“ <b>ECL</b> ”) recognised in respect of financial assets at amortised cost, net		<b>(20,348)</b>	(26,747)
Administrative expenses		<b>(26,712)</b>	(27,275)
Other operating expenses		<b>(1,424)</b>	(493)
Finance costs		<u>(442)</u>	<u>(1,272)</u>
<b>LOSS BEFORE TAXATION</b>	6	<b>(42,552)</b>	(51,279)
Taxation	7	<u>(1,505)</u>	<u>(1,831)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(44,057)</b></u>	<u>(53,110)</u>

\* *For identification purposes only*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i>
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		(47,260)	(61,622)
Non-controlling interests		<u>3,203</u>	<u>8,512</u>
		<b><u>(44,057)</u></b>	<b><u>(53,110)</u></b>
<b>LOSS FOR THE YEAR</b>		<b><u>(44,057)</u></b>	<b><u>(53,110)</u></b>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(1,136)</u>	<u>(15,350)</u>
		<b><u>(1,136)</u></b>	<b><u>(15,350)</u></b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b><u>(45,193)</u></b>	<b><u>(68,460)</u></b>
<b>ATTRIBUTABLE TO:</b>			
Owners of the Company		(48,161)	(76,646)
Non-controlling interests		<u>2,968</u>	<u>8,186</u>
		<b><u>(45,193)</u></b>	<b><u>(68,460)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted (HK cents)	8	<b><u>(53.0)</u></b>	<b><u>(87.5)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	<b>2023</b> <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	<b>6,828</b>	274
Deposits for plant and equipment		–	1,622
Right-of-use asset		<b>947</b>	1,464
		<hr/>	<hr/>
Total non-current assets		<b>7,775</b>	3,360
<b>CURRENT ASSETS</b>			
Inventories		<b>31,662</b>	–
Trade receivables, deposits and other receivables	10	<b>135,553</b>	108,780
Contract assets	11	<b>4,733</b>	4,247
Prepayments	12	<b>23,238</b>	119,017
Financial assets at fair value through profit or loss		<b>5</b>	1,539
Cash and cash equivalents		<b>24,309</b>	13,707
		<hr/>	<hr/>
Total current assets		<b>219,500</b>	247,290
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	<b>41,039</b>	36,686
Amount due to a director		<b>11,899</b>	3,597
Lease liabilities		<b>704</b>	975
Bank borrowings	14	<b>3,762</b>	10,815
Income tax payable		<b>16,672</b>	15,451
		<hr/>	<hr/>
Total current liabilities		<b>74,076</b>	67,524
<b>NET CURRENT ASSETS</b>			
		<hr/>	<hr/>
		<b>145,424</b>	179,766
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/>	<hr/>
		<b>153,199</b>	183,126

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITY</b>			
Lease liabilities		<b>801</b>	1,505
Deferred tax liabilities		<b>654</b>	606
		<hr/>	<hr/>
Total non-current liability		<b>1,455</b>	2,111
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>151,744</b>	181,015
		<hr/>	<hr/>
<b>EQUITY</b>			
Share capital		<b>25,025</b>	16,683
Reserves		<b>95,319</b>	135,900
		<hr/>	<hr/>
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>120,344</b>	152,583
Non-controlling interests		<b>31,400</b>	28,432
		<hr/>	<hr/>
<b>Total equity</b>		<b>151,744</b>	181,015
		<hr/>	<hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

## 1. CORPORATE AND GROUP INFORMATION

Kingbo Strike Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 June 2013 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company’s registered office address is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company is registered with the Companies Registry in Hong Kong as a non-Hong Kong company under the Companies Ordinance (Chapter 622 of the laws of Hong Kong) on 5 September 2013 and the principal place of business in Hong Kong registered is at Unit 1202, 12th Floor, Mirror Tower, No. 61 Mody Road, Tsim Sha Tsui East, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in supply of solar photovoltaic parts and equipment and electrical distribution system business in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to nearest thousand (HK\$’000) except otherwise indicated.

### 2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with international financial reporting standards (“**IFRSs**”), which include all international financial reporting standards, international accounting standards (“**IASs**”) and interpretations issued by the international accounting standards board (the “**IASB**”) and the disclosure requirements of the Hong Kong companies ordinance.

They have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss which have been measured at fair value at the end of each reporting period.

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### **New and amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the new and amendments to IFRSs in the current year has 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.

## 2.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs

### Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>3</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services has two reportable operating segments as follows:

- (a) supply of solar photovoltaic parts and equipment (the “**Solar power business**”); and
- (b) provision of electrical distribution system (“**Electrical distribution system business**”).

Management considers the business from product type perspective. Management monitors the results of Solar power business and Electrical distribution system business separately for the purpose of making decisions about resource allocation and performance assessment. Management was of the view that these two segments were mutually exclusive and distinguished from each other.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group’s loss before tax from continuing operations except that unallocated gains, including change in fair value of financial assets of fair value through profit or loss, finance cost, as well as head office and corporate expenses are excluded from such measurement.

### 3. SEGMENT INFORMATION (CONTINUED)

There were no inter-segment sales in the two financial years ended 30 June 2024 and 30 June 2023.

Year ended 30 June 2024	Solar power business <i>HK\$'000</i>	Electrical distribution system business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>			
Sales to external customers	<u>61,866</u>	<u>98,866</u>	<u>160,732</u>
<b>Results:</b>			
Segment results before allowance for ECL	1,441	1,793	3,234
Allowance for ECL	<u>(269)</u>	<u>(20,079)</u>	<u>(20,348)</u>
<b>Segment results</b>	1,172	(18,286)	(17,114)
Unallocated losses			421
Corporate and other unallocated expenses			<u>(25,859)</u>
Loss before taxation			<u>(42,552)</u>
Year ended 30 June 2023	Solar power business <i>HK\$'000</i>	Electrical distribution system business <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment revenue:</b>			
Sales to external customers	<u>38,477</u>	<u>43,041</u>	<u>81,518</u>
<b>Results:</b>			
Segment results before allowance for ECL	2,408	1,640	4,048
Allowance for ECL	<u>(23,241)</u>	<u>(3,506)</u>	<u>(26,747)</u>
<b>Segment results</b>	(20,833)	(1,866)	(22,699)
Unallocated losses			(1,549)
Corporate and other unallocated expenses			<u>(27,031)</u>
Loss before taxation			<u>(51,279)</u>
<b>Geographical information</b>			
<i>Revenue from external customers</i>			
		<b>2024</b>	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
The PRC		<u>160,732</u>	<u>81,518</u>

The revenue information of continuing operations above is based on the locations of the customers.

#### 4. REVENUE

Revenue represents provision for solar power business and the value of goods sold during the year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
At a point in time:		
– Supply of solar photovoltaic parts and equipment	61,866	35,441
– Provision of electrical distribution system	98,866	43,041
Over time:		
– Installation of solar photovoltaic parts and equipment	–	3,036
	<u>160,732</u>	<u>81,518</u>

#### 5. OTHER GAINS AND (LOSSES), NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Lapse of share option	258	–
Foreign exchange gain/(loss)	91	(40)
Bank interest income	67	550
Incentives from the Singapore Government ( <i>Note (a)</i> )	15	17
Loss on written of property, plant and equipment	(6)	–
Gain on disposal of plant and equipment	–	238
Employment support scheme ( <i>Note (b)</i> )	–	104
Impairment loss recognised in respect of right-of-use asset	–	(181)
Impairment loss recognised in respect of property, plant and equipment	–	(54)
Others	34	285
	<u>459</u>	<u>919</u>

*Notes:*

- (a) Incentives from the Singapore Government comprise special employment credit, temporary employment credit and wages credit scheme. There are no unfulfilled conditions or contingencies relating to these incentives.
- (b) This represents COVID-19 related subsidies in respect of the Employment Support Scheme provided by the Hong Kong Government.



## 6. LOSS BEFORE TAXATION

The Group's loss before tax is arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
(a) Cost of sales (Refer to (b) below)	<b>154,789</b>	76,075
Auditors' remuneration		
– Audit service	<b>996</b>	920
– Non audit service	<b>306</b>	150
Depreciation of property, plant and equipment	<b>75</b>	217
Depreciation of right-of-use asset	<b>517</b>	809
Expenses relating on short-term leases	<b>2,137</b>	1,074
Legal and professional expenses	<b>715</b>	1,169
Employee benefits (Refer to (c) below)	<b>17,899</b>	17,095
Net fair value loss on financial assets at FVTPL (Refer to (d) below)	<b>28</b>	1,854
	<b>154,789</b>	76,075
(b) Cost of sales:		
– Contract cost from provision of solar power business	<b>59,423</b>	35,785
– Contract cost from provision of electrical distribution system	<b>95,366</b>	40,290
	<b>154,789</b>	76,075
(c) Employee benefits:		
– Directors' emoluments	<b>2,193</b>	3,053
– Other staff salaries, wages and bonuses	<b>14,711</b>	13,099
– Other staff equity-settled share-based expense	<b>158</b>	305
– Retirement benefits, excluding directors' emoluments	<b>837</b>	638
	<b>17,899</b>	17,095
(d) Net fair value loss on financial assets at FVTPL:		
– Unrealised (gain) loss on fair value of financial assets at FVTPL	<b>(1)</b>	1,868
– Realised loss (gain) on fair value of financial assets at FVTPL	<b>29</b>	(14)
	<b>28</b>	1,854

## 7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax – The PRC		
– Charge for the year	<b>1,453</b>	1,202
Deferred tax	<b>52</b>	629
Total tax charge for year	<b>1,505</b>	1,831

## 7. INCOME TAX EXPENSE (CONTINUED)

The tax rate for Singapore subsidiary is based on Singapore corporate income tax (“CIT”) rate at 17% for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. Withholding tax was provided for dividend distributed and undistributed profits of certain subsidiaries in the Mainland China at a rate of 10% (2023: 10%).

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rate regime, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

Accordingly, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

## 8. LOSS PER SHARE

The weighted average number of equity shares refers to weighted average number of shares in issue during the year. The basic loss per share are based on the weighted average number of ordinary shares outstanding during the year.

The calculation of basic loss per share is based on:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to equity holders of the parent, used in the basic loss per share calculation	<u>(47,260)</u>	<u>(61,622)</u>
	2024 <i>'000</i>	2023 <i>'000</i> (restated)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	89,167	70,412
<b>Basic loss per share (HK cents)</b>	<u>(53.0)</u>	<u>(87.5)</u>

The weighted average number of ordinary shares for the purpose of basic loss per share for both years have been adjusted for rights issue of shares on 8 May 2024.

Accordingly, the basic loss per share for the year ended 30 June 2023 is restated.

The computation of diluted earnings per share for both years does not assume the exercise of the Company’s outstanding share options as the relevant exercise price of those options were higher than the average market price for the current year.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2024, the Group has made approximately HK\$6,657,000 additions in property, plant and equipment (2023: HK\$250,000).

## 10. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Trade receivables:</i>		
Third parties		
– Gross amount	223,901	178,033
– Less: allowance for ECL	<u>(89,351)</u>	<u>(70,316)</u>
	<u>134,550</u>	<u>107,717</u>
<i>Deposits and other receivables:</i>		
Deposits	705	731
Others	<u>298</u>	<u>332</u>
	<u>1,003</u>	<u>1,063</u>
Total trade receivables, deposits and other receivables	<u>135,553</u>	<u>108,780</u>

### Trade receivables

Trade receivables are non-interest bearing and are generally on terms of 180 to 360 days.

An aging analysis of the trade receivables as at the end of the year, based on the invoice date/delivery date (net of allowance for ECL), is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Less than 30 days	25,168	18,204
30 to 60 days	–	–
61 to 90 days	15,258	–
91 to 180 days	33,301	–
181 to 365 days	26,409	35,575
Over 365 days	<u>34,414</u>	<u>53,938</u>
	<u>134,550</u>	<u>107,717</u>

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. The Group does not hold any collateral or other credit enhancements over these balances. Up to the date of results announcement, there are subsequent settlement received from the trade debtors of RMB30,226,000 (equivalent to approximately HK\$32,487,000) out of the balance of trade receivables as at 30 June 2024.

## 11. CONTRACT ASSETS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract assets ( <i>Note (a)</i> )	7,080	5,789
Less: allowance for ECL ( <i>Note (b)</i> )	<u>(2,347)</u>	<u>(1,542)</u>
	<u>4,733</u>	<u>4,247</u>

As at 1 July 2022, contract assets amounted to HK\$17,288,000.

*Notes:*

- (a) Contract assets primarily relate to the subsidiaries, i) Strike Singapore rights to consideration for work completed but not yet billed at reporting date of Nil (2023: HK\$1,359,000); ii) retention receivable of provision of electrical distribution system of HK\$6,225,000 (2023: HK\$2,339,000); and iii) retention receivable of installation of solar photovoltaic parts of HK\$855,000 (2023: HK\$2,091,000). Contract assets of HK\$5,789,000 (2023: HK\$17,879,000) are transferred to receivables when the rights become unconditional.
- (b) Net allowance for ECL of approximately HK\$818,000 (2023: reversal for ECL approximately HK\$270,000) was recognised in profit or loss during the year ended 30 June 2024.

## 12. PREPAYMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Prepayments		
– Advance payments made to suppliers ( <i>Note</i> )	22,773	118,438
– Other	<u>465</u>	<u>579</u>
	<u>23,238</u>	<u>119,017</u>

*Note:* For the Group's business operations, advance payments are required when suppliers request partial or full payment for products prior to the delivery or provision of the relevant goods or services.

As at 30 June 2024, these advance payments mainly comprised approximately HK\$25,000 as a prepayment to suppliers for photovoltaic parts and equipment, and approximately HK\$22,748,000 as a prepayment for electrical distribution systems. These prepayments were made in accordance with the terms specified in the purchase contracts, and the Group has also entered into corresponding sales contracts with customers. Subsequent to the end of the reporting period, all prepayments were fully utilised.

As at 30 June 2023, advance payments primarily consisted of approximately HK\$48,422,000 as a prepayment to suppliers for photovoltaic parts and equipment, and approximately HK\$70,016,000 as a prepayment for electrical distribution systems. These prepayments were made in accordance with the terms specified in the purchase contracts, and the Group had also entered into corresponding sales contracts with customers. All prepayments were fully utilised during the year ended 30 June 2024.

### 13. TRADE AND OTHER PAYABLES

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Trade payables:</i>		
Third parties	<u>8,747</u>	<u>3,077</u>
<i>Other payables:</i>		
Accrued liabilities ( <i>Note (a)</i> )	4,986	4,643
VAT and other tax payables	21,167	24,820
Warranty provision ( <i>Note (b)</i> )	4,006	1,960
Others	<u>2,133</u>	<u>2,186</u>
	<u>32,292</u>	<u>33,609</u>
Total	<u><b>41,039</b></u>	<u>36,686</u>

*Notes:*

- (a) Accrued liabilities refer mainly to accrual for professional fees and employee benefits.
- (b) The Group has adopted the estimation where the warranty obligation is the equivalent of 2.5% of revenues of provision of electrical distribution system and solar power business, which is consistent with the practice of the relevant industry. The accrual basis stays at 2.5% based on the best estimation, the Group derives its estimates from results from historical data and other assumptions that the Group believes to be reasonable under the circumstances.

#### **Trade payables**

These amounts are non-interest bearing. Trade payables are normally settled on terms of 30 to 90 days.

An aging analysis of the trade payables as at the end of the year, based on the invoice date, is as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Less than 90 days	4,330	541
91 to 180 days	104	–
181 to 365 days	<u>4,313</u>	<u>2,536</u>
	<u><b>8,747</b></u>	<u>3,077</u>

#### 14. BANK BORROWINGS

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank Borrowings		
Secured bank borrowings	<u>3,762</u>	<u>10,815</u>
Represented by:		
Carrying amount repayable within one year	<u>3,762</u>	<u>10,815</u>
	<u><b>3,762</b></u>	<u><b>10,815</b></u>

The bank borrowings bear interest of 0.75% over 1 year PRC Loan Prime Rate per annum as at 30 June 2024 (2023: ranged from 0.35% to 0.55%).

At 30 June 2024 and 2023, the Group's bank borrowings are secured by:

- (i) interest of properties located in the PRC of a senior management of the Group; and
- (ii) personal guarantee provided by a senior management of the Group.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the financial year ended 30 June 2024, the performance of the Group in different business segments were as follows:

#### **Solar Power Business**

The Group's solar power business mainly engaged in the supply and installation of solar PV parts and equipment. The Group has recognised a revenue of approximately HK\$61.9 million from the solar power business for the financial year ended 30 June 2024, which is at a higher revenue level compared to the financial year ended 30 June 2023 of approximately HK\$38.5 million.

#### **Electrical Distribution System**

The Group's electrical distribution system business refers to the supply and installation of electrical distribution system (including distribution board, junction box, cables and switches etc.) and energy storage power system. The Group had recognised a revenue of approximately HK\$98.9 million for the financial year ended 30 June 2024, this results in an increase compared to the revenue of approximately HK\$43.0 million for the financial year ended 30 June 2023.

### **BUSINESS PROSPECT**

With progressive lifting of social distancing measures and re-opening of the border since January 2023, businesses gradually return to a normal course of development in the PRC. Moreover, the rebound in electrical distribution system business was noted during the period. Nonetheless, the Company remains confident in the business recovery in the PRC after certain market consolidation.

Looking ahead, the Group will continue to sustain its principal businesses and make solid efforts in seeking for good business opportunities so as to enhance the value of the Company for the shareholders.

### **FINANCIAL REVIEW**

The Group's revenue has increased by 97.2% from approximately HK\$81.5 million for the financial year ended 30 June 2023 to approximately HK\$160.7 million for the financial year ended 30 June 2024. Loss attributable to owners of the Company and loss per share attributable to ordinary equity holders of the Company for the financial year ended 30 June 2024 amounted to approximately HK\$47.3 million and HK\$53.0 cents respectively, compared to approximately HK\$61.6 million and HK\$87.5 cents respectively for the financial year ended 30 June 2023.

## **Financial Results**

### ***Revenue***

For the financial year ended 30 June 2024, revenue of the Group mainly comprises of revenue generated from the following two business segments of the Group:

#### ***Solar Power Business***

The Group has recognised revenue of approximately HK\$61.9 million from the solar power business for the financial year ended 30 June 2024, which is an increase of 60.8% compared to approximately HK\$38.5 million from that of last year.

#### ***Electrical Distribution System***

The Group's has recognised revenue of approximately HK\$98.9 million for the financial year ended 30 June 2024, which is an increase of 129.7% compared to approximately HK\$43.0 million for the financial year ended 30 June 2023.

### ***Operating Results***

Gross profit margin of the Group has narrowed by 44.6% from 6.7% for the financial year ended 30 June 2023 to 3.7% for the financial year ended 30 June 2024. This is mainly attributable to the compressed gross profit margin in electrical distribution system businesses.

The operating results of the Group has recorded a decrease of loss from approximately HK\$61.6 million for the financial year ended 30 June 2023 to approximately HK\$47.3 million for the financial year ended 30 June 2024. The decrease in loss is primarily attributable to the combined effect of the slight increase in gross profit from approximately HK\$5.4 million to approximately HK\$5.9 million, and decrease in expected credit loss recognised in respect of financial assets at amortised cost from approximately HK\$26.7 million to approximately HK\$20.3 million.

#### ***Other Gains and Losses, Net***

Other gains and losses had decreased from a net gain of approximately HK\$0.9 million for the year ended 30 June 2023 to a net gain of approximately HK\$0.5 million for the financial year ended 30 June 2024. It was mainly due to the decrease in bank interest income of approximately HK\$0.5 million.

#### ***Change in Fair Value of Financial Assets at Fair Value through Profit or Loss, net***

The decrease in the loss in fair value of financial assets is attributable to the decrease in fair value loss on financial assets at fair value through profit or loss by 98.5% to approximately HK\$0.03 million for the year ended 30 June 2024 (2023: HK\$1.9 million).



### ***Administrative Expenses***

Administrative expenses for the financial year ended 30 June 2024 have decreased by 2.1% to approximately HK\$26.7 million (2023: HK\$27.3 million).

### ***Other Operating Expenses***

Other operating expenses of the Group have increased to approximately HK\$1.4 million for the year ended 30 June 2024 (2023: HK\$0.5 million).

### ***Income Tax Expense***

Income tax expense has decreased by 17.8% from approximately HK\$1.8 million for the financial year ended 30 June 2023 to approximately HK\$1.5 million for the financial year ended 30 June 2024. This is primarily attributable to a decrease in profit from businesses in the PRC.

### ***Employment and Remuneration Policy***

As at 30 June 2024, total number of employees of the Group was 35 (2023: 35). During the financial year ended 30 June 2024, employees costs (including Directors' emoluments) amounted to approximately HK\$17.9 million (2023: HK\$17.1 million). Remuneration of the employees which included salaries, discretionary bonuses and share-based incentives was based on the Group's results and individual performances. Medical and retirement benefits schemes were made available to qualified individuals.

The Group joined the Mandatory Provident Fund Scheme ("MPF") and Central Pension Scheme (the "CPS") in Hong Kong and the PRC, respectively.

Under the MPF scheme, the Group and its employees in Hong Kong make monthly contributions at 5% of the employee's earning capped at HK\$1,500 per month to the scheme. Contributions to the scheme vests immediately. No forfeited contributions are available to reduce the contribution payable in future years as at 30 June 2024 and 30 June 2023.

### ***Financial Position***

As at 30 June 2024, total assets of the Group were approximately HK\$227.3 million (30 June 2023: HK\$250.7 million), representing a decrease of 9.3% as compared with that of 2023, among which current assets decreased by 11.2% to approximately HK\$219.5 million (30 June 2023: HK\$247.3 million).

The decrease in current assets of the Group was mainly attributed to the combined effect of increase in inventories of approximately HK\$31.7 million, increase in trade receivables, deposits and other receivables of approximately HK\$26.8 million, decrease in prepayment of approximately HK\$95.8 million, decrease in financial assets at fair value through profit and loss of approximately HK\$1.5 million, and increase in cash and cash equivalent of approximately HK\$10.6 million.

As at 30 June 2024, total liabilities of the Group amounted to approximately HK\$75.5 million (30 June 2023: HK\$69.6 million), which is an increase of 8.5% as compared with that of 2023, among which current liabilities increased by 9.7% to HK\$74.1 million (30 June 2023: HK\$67.5 million), whereas non-current liabilities decrease by HK\$0.7 million compared with the financial year ended 30 June 2023. The increase in current liabilities is mainly due to the combined effect of increase in trade payable, decrease in bank borrowings and lease liabilities. The decrease in non-current liabilities was mainly attributable to the decrease in lease liabilities.

Total equity of the Company has decreased by 16.2% to approximately HK\$151.7 million as at 30 June 2024 (30 June 2023: HK\$181.0 million). This is mainly due to the loss of the financial year of approximately HK\$44.1 million and the proceeds from right issue of share of the Company of approximately HK\$16.0 million.

### **Liquidity, Financial Resources and Gearing**

As at 30 June 2024, the Group maintained net current assets of approximately HK\$145.4 million (30 June 2023: HK\$179.8 million). Besides, the Group maintained cash and cash equivalents of approximately HK\$24.3 million, of which 29.33% were denominated in Hong Kong dollars (30 June 2023: HK\$13.7 million, of which 16.3% and 59.2% were denominated in Hong Kong dollars and Singapore dollars respectively).

The Group's gearing ratio was 0.27 (30 June 2023: 0.25), which was calculated on the basis of net debt over equity attributable to owners of the Company. Net debt is calculated as total borrowings plus amount due to a director plus trade and other payables less cash and cash equivalents.

### **Charge on Assets**

As at 30 June 2024, the Group had no charge on its assets (30 June 2023: Nil).

### **Capital Structure**

#### ***2023 Placing***

On 24 May 2023, the Company entered into a placing agreement (the “**2023 Placing Agreement**”) with Gransing Securities Co., Limited, pursuant to which Gransing Securities Co., Limited agreed to place up to 13,902,800 new shares of the Company to not less than six placees on a best effort basis at a placing price of HK\$0.22 per placing share (the “**2023 Placing**”). The Placing was completed on 12 June 2023 and 13,902,800 new shares of the Company with an aggregate nominal value of HK\$2,780,560 were allotted and issued by the Company to not less than six placees who were independent individuals, corporations and/or institutional investors, who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons.

The placing price of HK\$0.22 represented (i) a discount of approximately 1.35% to the closing price of HK\$0.223 per share as quoted on the Stock Exchange on 24 May 2023, being the date of the 2023 Placing Agreement; and (ii) equivalent to the average closing price of HK\$0.22 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to date of the 2023 Placing Agreement. The net placing price for the 2023 Placing was approximately HK\$0.21 per placing share.

The 2023 Placing was conducted by the Company to raise additional funding for the business operations of the Group and strengthen the financial position of the Group for future development. The net proceeds amounting to approximately HK\$2.9 million arising from the 2023 Placing shall be fully applied as general working capital of the Group.

As at 30 June 2023, the Group had utilised the net proceeds of the 2023 Placing as follows:

<b>Intended use of net proceeds</b>	<b>Allocation of net proceeds HK\$ (million)</b>	<b>Utilisation up to the financial year ended 30 June 2023 HK\$ (million)</b>	<b>Utilisation up to the financial year ended 30 June 2024 HK\$ (million)</b>
General working capital of the Group	2.9	0.9	2.9

The following table sets out the breakdown of the use of proceeds of the 2023 Placing as general working capital of the Group:

	<b>Utilisation as at the financial year ended 30 June 2023 HK\$ (million)</b>	<b>Utilisation as at the financial year ended 30 June 2024 HK\$ (million)</b>
Human resources	0.8	2.3
Other general expenses	0.1	0.6
<b>Total</b>	<b>0.9</b>	<b>2.9</b>

The utilisation of net proceeds was in accordance to the original intention disclosed in the announcement of the Company dated 24 May 2023 in relation to the 2023 Placing.

### **2024 Right Issue**

On 22 March 2024, the Company announced that the Board proposed to implement the rights issue on the basis of one (1) rights share for every two (2) existing Shares in issue at the subscription price of HK\$0.4 per rights share, to raise up to approximately HK\$16.7 million before expenses by way of issuing up to 41,708,400 rights shares (the “**Right Issue**”).

On 8 May 2024, the Company completed the Rights Issue and issued 41,708,400 rights shares. The net proceeds from the Rights Issue was approximately HK\$16.0 million.

Further details of the Rights Issue were set out in the Company's announcements dated 22 March 2024, 29 April 2024 and 8 May 2024, together with the Company's prospectus dated 11 April 2024.

On 12 June 2024, The Company has published an announcement relating to the change in use of proceeds and the expected timeline of full utilisation by (a) reallocating approximately HK\$7.5 million which was originally allocated for developing solar power and electrical distribution system business to developing its sale of cosmetic products business; and (b) extending the expected timeline of full utilisation of the unutilised net proceeds from the end of December 2024 to the end of June 2025.

The table below sets forth the status of utilisation of the proceeds as at 30 June 2024, and the expected timeline of the use of the unutilised proceed from the Right Issue:

	<b>Allocation of net proceeds HK\$ (million)</b>	<b>Utilisation up to the financial year ended 30 June 2024 HK\$ (million)</b>	<b>Expected timeline of full utilisation of the net proceeds</b>
Developing its sale of cosmetic products business	7.5	–	End of June 2025
Developing solar power and electrical distribution system business	3.7	2.4	End of December 2024
General working capital of the Group	4.8	3.8	End of December 2024
Total	<u>16.0</u>	<u>6.2</u>	

### **Capital Expenditure and Commitments**

During the financial year ended 30 June 2024, the Group had capital expenditure of approximately HK\$6.7 million (2023: HK\$1.8 million).

As at 30 June 2024, the Group has capital commitments contracted for but not provided in the consolidated financial statements of approximately HK\$0.4 million (30 June 2023: HK\$1.1 million).

### **Contingent Liabilities**

The Group did not have any contingent liabilities as at 30 June 2024 (2023: Nil).

## Significant Investments

As at 30 June 2024, the Group held certain listed securities as financial assets at fair value through profit or loss. There were no other significant investments held. Nor were there any material acquisitions or disposals during the year.

## MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions or disposals of subsidiaries, joint ventures and associated companies during the financial year ended 30 June 2024.

## Cash Flow

The Group reported net cash flows used in operating activities of approximately HK\$1.2 million (2023: net cash flows used in HK\$39.1 million) for the financial year ended 30 June 2024. The decrease in net cash flow is primarily due to the combined effect of increase in the trade and other receivables, trade and other payables and the decrease in prepayments during the year.

Net cash used in investing activities is approximately HK\$3.5 million for the financial year ended 30 June 2024 (2023: HK\$1.1 million). This is mainly attributable to the purchase of property, plant and equipment.

Net cash flows from financing activities mainly attributed to approximately HK\$15.9 million for the financial year ended 30 June 2024 (2023: net cash flows from HK\$15.7 million). This is mainly attributable to the proceeds from issue of shares and net proceeds from bank borrowings.

## Financial Ratios

The following table shows the key financial ratios indicating the performance of the Group for the last five financial years:

Financial year ended 30 June	2024	2023	2022	2021	2020
Gross profit margin (%) <sup>1</sup>	3.7	6.7	10.6	9.9	8.3
Net profit margin (%) <sup>2</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>
Return on assets (%) <sup>3</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>	N/A <sup>8</sup>
<b>As at 30 June</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Gearing ratio <sup>4</sup>	0.27	0.25	0.03	0.0	0.0
Current ratio <sup>5</sup>	3.0	3.7	5.0	5.2	6.0
Average trade receivables collection period (days) <sup>6</sup>	275.1	684.5	431.6	254.8	269.1
Average trade payables repayment period (days) <sup>7</sup>	11.5	31.7	35.2	27.8	17.3

Notes:

- <sup>1</sup> Gross profit margin = Gross profit/Revenue x 100%
- <sup>2</sup> Net profit margin = Net profit/Revenue x 100%
- <sup>3</sup> Return on assets = Net profit before tax/Total assets
- <sup>4</sup> Gearing ratio = Net debt/Equity attributable to owners of the Company
- <sup>5</sup> Current ratio = Current assets/Current liabilities
- <sup>6</sup> Average trade receivables collection period = (Average trade receivables + Bill receivables/Revenue) x 365
- <sup>7</sup> Average trade payables repayment period = (Average trade payables/Purchases) x 365
- <sup>8</sup> The ratio is not applicable as the Group suffered a net loss for the financial year

The slight decrease in gross profit margin for the financial year ended 30 June 2024 was attributed to the compressed gross profit margin in electrical distribution system business.

The decrease in average trade receivables collection period of 409 days for the financial year ended 30 June 2024 is primarily attributable to the combined effect of increase in revenue during the year, together with the repayment from customers for the financial year ended 30 June 2023.

The Group always maintains good and prompt payment relationships with the suppliers to achieve overall benefit for the on-going and future purchase pricing. Slight decrease in repayment period was mainly due to the decrease in average purchase for the financial year ended 30 June 2024.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

Throughout the year ended 30 June 2024, the Company has applied and complied with the principles in the Corporate Governance Code (the “**Code**”) set out in Appendix C1 to the Listing Rules, except for the following deviation.

### **Chairman and Chief Executive Officer**

The Company does not have any officer with the title of “chief executive officer”.

For the financial year ended 30 June 2024, the Chairman was responsible for the general operations of the Board and the overall strategy of the Group. The Board considers that this structure would not impair the balance of power and authority between the directors and the management of Company.

The Board understands the importance of complying with the code provision C.2.1 of the CG Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate persons will be nominated to take up the different roles of the Chairman and the Managing Director.

## **Code provision C.1.8**

According to Code C.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Board believes that with the current risk management and internal control systems and the close supervision of the management, the Directors' risk of being sued or getting involved in litigation in their capacity as Directors is relatively low. Benefits to be derived from taking out insurance may not outweigh the cost. As such, the Company currently does not have insurance cover for legal action against its directors.

## **COMPLIANCE WITH RULES 3.10(1), 3.10(2), 3.21 AND 3.25 OF THE LISTING RULES**

Reference is made to the announcement of the Company dated 19 January 2024 in relation to, among other things, the non-compliance with Rules 3.10(1), 3.10(2), 3.21 and 3.25 of the Listing Rules. Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. Pursuant to Rule 3.10(2) of the Listing Rules, every board of directors of a listed issuer must include at least one of the independent non-executive directors who must have appropriate professional qualifications or accounting or related financial management expertise. In addition, Pursuant to Rule 3.21 of the Listing Rules, every listed issuer must establish an audit committee comprising non-executive directors only and the audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. The audit committee must be chaired by an independent non-executive director. Pursuant to Rule 3.25 of the Listing Rules, an issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

Immediately following the appointment of Mr. Chen Yeung Tak as an Independent non-executive director of the Company, a member of the Nomination Committee and the chairman of each of the Audit Committee and the Remuneration Committee:

- (i) the number of independent non-executive directors of the Company has been increased to three (3), such that the Company re-complies with Rule 3.10(1) of the Listing Rules, which requires every listed issuer to have at least three (3) INEDs;
- (ii) the Company has one (1) independent non-executive director possessing professional accounting qualifications and/or accounting and related financial management expertise, such that the Company re-complies with Rule 3.10(2) of the Listing Rules;
- (iii) the Audit Committee comprises three (3) members, all of whom are independent non-executive directors, and is chaired by an Independent non-executive director possessing professional accounting qualification and accounting and related financial management expertise, such that the Company re-complies with Rule 3.21 of the Listing Rules; and
- (iv) the Remuneration Committee is chaired by a non-executive director, such that the Company re-complies with Rule 3.25 of the Listing Rules.



## **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 during the year.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the financial year ended 30 June 2024.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with the code provisions of the Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group.

As at 30 June 2024, the Audit Committee consists of four non-executive Directors, of whom three are independent, namely, Mr. Chen Yeung Tak (appointed on 26 January 2024), Dr. Luo Xiaodong, Mr. Wang Haoyuan (appointed on 1 March 2024) and Ms. Ye Jieting (appointed on 1 March 2024 and resigned on 19 July 2024).

The Group's final results for the financial year ended 30 June 2024 and this announcement have been reviewed with no disagreement by the Audit Committee before submission to the Board for approval.

## **SCOPE OF WORK OF MOORE CPA LIMITED**

The figures in respect of the preliminary announcement of the Group's results for the financial year ended 30 June 2023 have been agreed by the Company's auditor, Moore CPA Limited ("**Moore**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore on the preliminary announcement.

## **PROPOSED FINAL DIVIDEND**

The Board did not recommend the payment of a final dividend for the financial year ended 30 June 2024.



## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This preliminary final results announcement is published on the websites of the Company (www.kingbostrike.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the financial year ended 30 June 2024 will be despatched to the Company's shareholders and available on the abovementioned websites in due course.

By Order of the Board  
**Liu Yancheng**  
*Chairman and Executive Director*

Hong Kong, 30 September 2024

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

### **Executive Directors**

Mr. Liu Yancheng (*Chairman*)  
Mr. Yao Runxiong  
Mr. Wu Yifeng

### **Independent non-executive Directors**

Mr. Chen Yeung Tak  
Dr. Luo Xiaodong  
Mr. Wang Haoyuan