
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker, licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s). The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the SFC take no responsibility for the contents of any of the Prospectus Documents.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the Risks of Dealings in the Shares and nil-paid Rights Shares” in the “Letter from the Board” in this prospectus.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of each of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of these documents.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

KINGBO STRIKE LIMITED

工蓋有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1421)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE

Placing Agent



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this prospectus.

The Rights Issue is on a non-underwritten basis. Pursuant to the Companies Act, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfilment of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on page 11 of this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:00 p.m. on Monday, 6 May 2024). The conditions include but are not limited to the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

If the conditions of the Rights Issue are not fulfilled on or prior to the latest time for the Rights Issue to become unconditional, the rights Issue will not proceed. Dealings in the Shares have been on an ex-rights basis from Thursday, 28 March 2024. Dealings in the nil-paid rights will take place from, Monday, 15 April 2024 to Monday, 22 April 2024 (both dates inclusive).

Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid rights up to the latest time when the conditions of the Rights Issue are fulfilled (which is expected to be 4:00 p.m. on Monday, 6 May 2024) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. on Thursday, 25 April 2024.

The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Procedures for acceptance and payment or transfer” in the “Letter from the Board” on pages 17 to 18 of this prospectus.

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DEFINITIONS

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

“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Announcement”	the announcement of the Company dated 22 March 2024 in relation to the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	Companies Act (2023 Revision) of the Cayman Islands
“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 (stock code: 1421)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant
“Last Trading Day”	21 March 2024, being the last trading day of the Shares on the Stock Exchange prior to the publication of the Announcement
“Latest Practicable Date”	Friday, 5 April 2024, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information referred to in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 25 April 2024 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Monday, 6 May 2024 or such later time or date as may be agreed between the Placing Agent and the Company, being the latest time to terminate the Placing Agreement
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Net Gain”	the aggregate of any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholder(s) (if any) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be despatched in printed form to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s) to the independent placees on the terms and subject to the conditions of the Placing Agreement

DEFINITIONS

“Placing Agent”	Quam Securities Limited, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 7.21(1)(b) of the Listing Rules
“Placing Agreement”	the placing agreement dated 22 March 2024 and entered into between the Company and the Placing Agent in relation to the Placing on a best effort basis
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	11 April 2024 (or such other date as may be determined by the Company), being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 10 April 2024, the record date for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, being Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents
“Rights Share(s)”	up to 41,708,400 new Share(s) to be allotted and issued pursuant to the Rights Issue, assuming no change in the number of Shares in issue on or before the Record Date

DEFINITIONS

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.40 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any such change will be announced in a separate announcement by the Company as and when appropriate.

Event	Date (Hong Kong time) 2024
Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue	Wednesday, 27 March
First day of dealings in Shares on an ex-rights basis relating to the Rights Issue	Thursday, 28 March
Latest time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue	4:00 p.m. on Tuesday, 2 April
Register of members of the Company closes to determine the entitlements to the Rights Issue (both days inclusive)	Wednesday, 3 April to Wednesday, 10 April
Record Date for determining entitlements to the Rights Issue	Wednesday, 10 April
Register of members of the Company re-opens	Thursday, 11 April
Despatch date of the Prospectus Documents (including the PAL and Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus only	Thursday, 11 April
First day of dealings in nil-paid Rights Shares	Monday, 15 April
Latest time for splitting the PAL	4:00 p.m. on Wednesday, 17 April
Last day of dealing in nil-paid Rights Shares	Monday, 22 April
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangement	4:00 p.m. on Thursday, 25 April
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Thursday, 25 April

EXPECTED TIMETABLE

Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Monday, 29 April
Commencement of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	Tuesday, 30 April
Latest time of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	4:00 p.m. on Friday, 3 May
Latest Time for Termination	4:00 p.m. on Monday, 6 May
Announcement of results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares and the amount of the Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Wednesday, 8 May
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, if the Rights Issue is terminated	Thursday, 9 May
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 10 May
Designated broker commences to provide matching services for odd lots of Shares	9:00 a.m. on Friday, 10 May
Payment of Net Gain to relevant No Action Shareholders (if any)	Friday, 24 May
Designated broker ceases to provide matching services for odd lots of Shares	4:00 p.m. on Friday, 31 May

Note: All references to time in this prospectus are references to Hong Kong time.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong; or
3. a “black” rainstorm warning
 - (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in paragraph headed “Expected Timetable” above may be affected. Announcement will be made by the Company in such event.

SUMMARY OF THE RIGHTS ISSUE

The terms of the Rights Issue are set out below and should be read in conjunction with the full text of this prospectus:

Basis of Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.40 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	83,416,800 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 41,708,400 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$8,341,680 (assuming no change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 125,125,200 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$16.7 million (assuming no change in the number of Shares in issue on or before the Record Date)

As at the Latest Practicable Date, other than 1,659,440 share options of the Company are outstanding (of which 695,140 share options are held by Mr. Liu Yancheng, an executive Director and the remaining 964,300 share options are held by two employees of the Group all with an exercise period from 20 December 2023 to 19 December 2032 and the Company does not expect them to exercise such share options before the Record Date as the exercise price of these outstanding share options is HK\$0.84 per option), the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Assuming no change in the number of Shares in issue on or before the Record Date, the 41,708,400 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50% of the total number of issued Shares as at the Latest Practicable Date and approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares in full.

SUMMARY OF THE RIGHTS ISSUE

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” in this prospectus. As the Rights Issue is subject to conditions, the Rights Issue may or may not proceed.

If any of the conditions of the Rights Issue is not fulfilled at or before 4:00 p.m. on Monday, 6 May 2024, the Rights Issue will not proceed.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

LETTER FROM THE BOARD

KINGBO STRIKE LIMITED

工蓋有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1421)

Executive Directors:

Mr. Liu Yancheng (*Chairman*)

Mr. Yao Runxiong

Independent non-executive Directors:

Dr. Luo Xiaodong

Mr. Chen Yeung Tak

Mr. Wang Haoyuan

Ms. Ye Jieting

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

***Principal Place of Business
in Hong Kong:***

Unit 1202, 12th Floor

Mirror Tower,

No. 61 Mody Road

Tsim Sha Tsui East

Hong Kong

11 April 2024

To the Qualifying Shareholders, and for information only, the Non-Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR
EVERY TWO (2) SHARES HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement in relation to, among other matters, the Rights Issue.

The Company proposed to raise up to approximately HK\$16.7 million before expenses (assuming full subscription under the Rights Issue) by way of a rights issue of up to 41,708,400 Rights Shares at the Subscription Price of HK\$0.40 each and on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date.

The purpose of this prospectus is to provide you with, amongst others, further details on the Rights Issue, certain financial information and other general information in respect of the Group.

* *For identification purpose only*

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.40 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	83,416,800 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 41,708,400 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$8,341,680 (assuming no change in the number of Shares in issue on or before the Record Date)
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 125,125,200 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$16.7 million (assuming no change in the number of Shares in issue on or before the Record Date)

As at the Latest Practicable Date, other than 1,659,440 share options of the Company are outstanding (of which 695,140 share options are held by Mr. Liu Yancheng, an executive Director and the remaining 964,300 share options are held by two employees of the Group all with an exercise period from 20 December 2023 to 19 December 2032 and the Company does not expect them to exercise such share options before the Record Date as the exercise price of these outstanding share options is HK\$0.84 per option), the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares.

Assuming no change in the number of Shares in issue on or before the Record Date, the 41,708,400 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50% of the total number of issued Shares as at the Latest Practicable Date and approximately 33.33% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares in full.

LETTER FROM THE BOARD

Irrevocable undertakings

As at the Latest Practicable Date, the Company does not have any substantial Shareholder (as defined under the Listing Rules) and the Board has not received any information or other undertakings from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the Rights Issue.

Due to the unsatisfactory economic performance globally in the recent years, it is difficult for the Company to secure an underwriter to underwrite the Rights Issue and the Company will bear additional costs for the underwriting commission of the underwriter. The Company did in fact negotiated with the Placing Agent for an underwriting arrangement originally, but the Placing Agent only agreed to the placing arrangement on best effort basis in accordance with the Compensatory Arrangements. Nevertheless, the Board while acknowledging that for the Company entering into the Rights Issue on a non-underwritten basis implies no guarantee for the minimum amount to be raised, is of the view that it would be beneficial for the Company to proceed with the Rights Issue to raise capital for future development (which has been explained in the section headed “REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS” below). Furthermore, the Board is of the view that since the Subscription Price is at a discount to the market price, it provides incentive for the Shareholders to subscribe for the Rights Shares. Taking into consideration the above factors, the Board is of the view that proceeding with the Rights Issue on a non-underwritten basis is fair and reasonable, on the normal commercial terms and in the interest of the Company and its Shareholders as a whole.

The Subscription Price

The Subscription Price of HK\$0.40 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 9.09% to the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of approximately 6.10% to the average closing price of HK\$0.426 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 3.61% to the average closing price of approximately HK\$0.415 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 6.32% to the theoretical ex-rights price of approximately HK\$0.427 per Share based on the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) an equivalent to the closing price of HK\$0.40 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 78.13% to the net asset value of the Company of approximately HK\$1.83 per Share based on the latest published audited net asset value attributable to owners of the Company of approximately HK\$152.58 million as at 30 June 2023 as set out in the annual report of the Company for the year ended 30 June 2023 and total number of issued Shares of 83,416,800 Shares as at the Latest Practicable Date; and

The theoretical diluted price, the benchmarked price and the theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) for the Rights Issue are approximately HK\$0.427 per Share, HK\$0.44 per Share and 2.95%, respectively. The Rights Issue will not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to the recent market price of the Shares under the prevailing market conditions, the financial conditions of the Company, current market conditions and the reasons and benefits of Rights Issue as discussed in the paragraph headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this Prospectus.

In view of the above, and having considered that each Qualifying Shareholder will be provisionally allotted the Rights Shares at the same Subscription Price in proportion to his/her/its shareholdings held on the Record Date and the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their provisional allotments so as to participate in the potential growth of the Company, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Prospectus Posting Date.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of the Shares (together with the relevant share certificates and/or the instrument(s) of transfer) with the Registrar in Hong Kong at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. (Hong Kong time) on Tuesday, 2 April 2024.

The last day for dealing in the Shares on a cum-rights basis was Wednesday, 27 March 2024, and the Shares have been dealt with on an ex-rights basis from Thursday, 28 March 2024.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

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Rights of Overseas Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

As at the Latest Practicable Date, there are twelve Overseas Shareholders with registered addresses situated in the PRC.

The Company has, in compliance with Rules 13.36(2)(a) of the Listing Rules, made necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. Based on legal advice provided by the legal advisers as to PRC law engaged by the Company respectively as at the Latest Practicable Date and having considered the circumstances, the Board is of the opinion that the relevant PRC legal restrictions and requirement of the relevant body respectively or the Stock Exchange do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses in the PRC from the Rights Issue respectively. Accordingly, the Rights Issue will be offered to the Overseas Shareholders in the PRC.

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to noncompliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully paid Rights Shares to them does not comply with the relevant laws of the PRC.

As at the Latest Practicable Date, there were no Non-Qualifying Shareholders. Should there be any Non-Qualifying Shareholders that appear on the register of members of the Company on the Record Date, the Company will send the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL to them. The Company will continue to ascertain whether there are any other Overseas Shareholders as at the Record Date and make further enquiries with legal advisers as to the relevant laws if necessary.

The Non-Qualifying Shareholders (which are excluded from the Rights Issue) will not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro-rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent at a

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price not less than the Subscription Price under the Placing Agreement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Procedures for acceptance and payment or transfer

A PAL (in printed form) is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by not later than 4:00 p.m. on Thursday, 25 April 2024 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed "Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares" in "Expected Timetable" on page 8 in this prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "KINGBO STRIKE LIMITED" and crossed "ACCOUNT PAYEE ONLY". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 25 April 2024, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them

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under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Wednesday, 17 April 2024 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as "splitting" of nil-paid rights. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under the PAL(s) (or a split PAL(s), as the case may be) to another person, he/she/it should complete and sign Form B in the PAL(s) and hand the PAL(s) to the person to or through whom he/she/it is transferring his/her/its nil-paid rights. The transferee must then complete and sign Form C in the PAL(s) and lodge the PAL(s) intact together with a remittance for the full amount payable on acceptance with the Registrar to effect the transfer by no later than 4:00 p.m. on Thursday, 25 April 2024. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares and the transferee(s) of such rights.

The Registrar will determine the eligibility for the cash compensation as derived from the lapsed PALs after the completion of the re-registration for all re-registration requests received by the Registrar on or before the latest time for acceptance of and payment for Rights Shares and by all means before the announcement of the number of Unsubscribed Rights Shares subject to the compensatory arrangement is posted on the Stock Exchange's website and the Company's website. The Registrar will notify the transferee(s) of any unsuccessful re-registration as soon as practicable.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" in this "Letter from the Board" on pages 25 to 26 of this prospectus is not fulfilled at or before 4:00 p.m. on Monday, 6 May 2024, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 9 May 2024. No receipt will be given for such remittance.

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Cheques and banker's cashier orders

All cheques and banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or banker's cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, the PAL (as the case may be) is liable to be rejected and/or deemed invalid by the Company in its absolute discretion, and in the case of an acceptance of a Qualifying Shareholder's assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

Beneficial owners' instructions to their Intermediary

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the "Expected Timetable" on pages 6 to 8 of this prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or "splitting" in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid 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 Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Stamp duty and other fees and charges payable

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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Closure of register of members

The register of members of the Company will be closed from Wednesday, 3 April 2024 to Wednesday, 10 April 2024 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

Fractional entitlement to the Rights Shares

On the basis of the entitlement to subscribe one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date, no fractional entitlements of the Shares to the Rights Shares will arise from the Rights Issue.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be sent on Thursday, 9 May 2024 by ordinary post to those entitled thereto, at their own risk, to their registered addresses. If the Rights Issue is terminated, refund cheques are expected to be sent on Thursday, 9 May 2024 by ordinary post to the applicants, at their own risk, to their registered addresses. One share certificate will be issued for all the Rights Shares allotted to an applicant.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing

The Company has applied to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 5,000 Shares in one board lot. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil- paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

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Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, the Company has appointed the Placing Agent as matching agent to provide matching service, on a best effort basis, to those Shareholders who wish to top-up their odd lots to a full board lot or sell their shareholdings of odd lots of the Shares during the period from 9:00 a.m. on Friday, 10 May 2024 to 4:00 p.m. on Friday, 31 May 2024 (both days inclusive).

Holders of the Shares in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot may directly or through their brokers contact Mr. Edward Chan of Quam Securities Limited at 5/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong (telephone: (852) 2217 2864) within such period.

Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above odd lot arrangement.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of the No Action Shareholders. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 7.21(1)(a) of the Listing Rules.

The Company has therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related expenses/fees), that is realised from the Placing will be paid to the No Action Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 3 May 2024, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

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Net Gain (if any) will be paid (without interest) on a pro-rata basis (on the basis of all Unsubscribed Rights Shares and NQS Unsold Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

On 22 March 2024 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by themselves or through their sub-placing agents) to procure independent placees, on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Principal terms of the Placing Agreement are as follow:

Date : 22 March 2024 (after trading hours)

Placing Agent : Quam Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, independent placees to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares.

To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent is an Independent Third Party and neither the Placing Agent nor any of its associates hold any Shares as at the Latest Practicable Date.

Placing fee and expenses : 1.5% of the aggregate placing price of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.

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- Placing price of the Unsubscribed Rights Shares and/or and the NQS Unsold Rights Shares (as the case may be) : The final price determination will be dependent on the demand for and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares.
- The placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall be not less than the Subscription Price.
- Places : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares are expected to be placed to the places who and whose ultimate beneficial owner(s) are Independent Third Parties.
- Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Conditions precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon:
- (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and the NQS Unsold Rights Shares;
 - (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
 - (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.
- Completion date : Subject to the fulfillment of the conditions set out above, the 3rd Business Day after the Latest Time for Termination or such other date as the Company and the Placing Agent may agree in writing.

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Termination : The Placing Agent may terminate the Placing Agreement without any liability to the Company, by giving notice in writing to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

- (a) there develops, occurs or comes into force:
- i. any material adverse event, development or change and including an event or change in relation to or a material adverse 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 material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong; or
 - ii. the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - iii. 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
 - iv. a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or

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- (b) any 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 Latest Time for Termination 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 of the Placing Agreement; or
- (c) the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any places as contemplated in the Placing Agreement.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company and are on normal commercial terms. Having discussed with other potential placing agent candidates, the Directors consider that the placing fee charged by the Placing Agent is no less favourable to the Company than the market rate in recent placing transactions and are therefore of the view that the terms of the Placing Agreement are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Shareholders. The Company will ensure that it will continue to comply with the public float requirement under Rule 8.08(1) of the Listing Rules after the Placing and the Rights Issue and the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Rights Issue.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional on the fulfillment of the following conditions:

- (i) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (ii) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly

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signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);

- (iii) the posting of the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date and the posting of the Prospectus and a letter to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue within two Business Days after the Prospectus Posting Date;
- (iv) the filing and registration of all relevant documents with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date; and
- (v) the Placing Agreement not being terminated on or before the Latest Time for Termination.

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions precedent set out above. As at the Latest Practicable Date, none of the above conditions have been satisfied. If any of the conditions precedent are not satisfied by the Latest Time for Termination (or such other date as may be agreed between the Company and the Placing Agent), the Rights Issue will not proceed.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company and the Group is principally engaged in supply of solar photovoltaic parts and equipment and electrical distribution system business in the PRC and the provision of electrical engineering services in Singapore.

The Company is seeking to conduct the Rights Issue for strengthening its resources for business development and replenishing the future working capital of the Company so as to reduce the finance costs of the Group and improve the Group's profitability and cash flow.

The gross proceeds from the Rights Issue will be approximately HK\$16.7 million. Assuming that there is no change in the total number of issued Shares on or before the Record Date, the net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$16 million (after deduction of estimated professional fees and other related expenses of approximately HK\$0.7 million).

The Company intends to use the net proceeds from the Rights Issue by 31 December 2024 as follows:

- (i) approximately 70% of the net proceeds (approximately HK\$11.2 million) will be used for developing solar power and electrical distribution system business; and
- (ii) approximately 30% of the net proceeds (approximately HK\$4.8 million) will be used as general working capital of the Group.

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In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

The estimated net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.38.

The Board is of the view that the Rights Issue will enable the Group to strengthen its competitiveness and capital base and improve its financial position.

Despite the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, it is the intention of the Company to set the Subscription Price at a discount to the current market price of the Shares in order to encourage the Shareholders to participate in the Rights Issue and reduce the possible dilution effect to the shareholding of the existing Shareholders in case they decide not to take up their entitlements under the Rights Issue. Furthermore, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding in the Company and participate in the growth and development of the Group. Accordingly, the Directors are of the view that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue.**

The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

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EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the number of Shares in issue from the Latest Practicable Date up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue:

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue		Assuming no Qualifying Shareholders take up their respective entitlements under the Rights Issue and the remaining unsubscribed Right Shares and the NQS Unsold Rights Shares are fully placed under the Compensatory Arrangements	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No. of Shares</i>	<i>Approximately %</i>
Mr. Liu Yancheng (<i>Note 1</i>)	380,000	0.46	570,000	0.46	380,000	0.30
Mr. Yao Runxiong (<i>Note 1</i>)	602,500	0.72	903,750	0.72	602,500	0.48
Public Shareholders	82,434,300	98.82	123,651,450	98.82	82,434,300	65.89
Independent Placees (<i>Note 2</i>)	–	–	–	–	41,708,400	33.33
Total	83,416,800	100.00	125,125,200	100.00	125,125,200	100.00

Notes:

- Each of Mr. Liu Yancheng and Mr. Yao Runxiong is an executive Director.
- The placees to be procured by the Placing Agent will be Independent Third Parties and they will be public Shareholders after completion of the Rights Issue.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below are the fund raising activities conducted by the Company in the past twelve months immediately preceding the Latest Practicable Date:

Date of initial announcement	Fund raising activity	Net proceeds raised <i>Approximate</i> <i>(HK\$)</i>	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
24 May 2023	Placing of shares under general mandate	2.86 million	General working capital of the Group	Fully utilised as intended

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As (i) the Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period; (ii) the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%; and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial Shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to Shareholders' approval under Chapter 7 of the Listing Rules.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

GENERAL

Subject to the fulfillment of the conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Non-Qualifying Shareholders (if any) for their information only, but the Company will not send the PAL to the Non-Qualifying Shareholders (if any).

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions set out in the section headed “Conditions of the Rights Issue” in this prospectus. As the Rights Issue is subject to conditions, the Rights Issue may or may not proceed. The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. In the event the Rights Issue is undersubscribed, any Unsubscribed Rights Shares will be placed to independent places under the Unsubscribed Arrangements. Any Unsubscribed Rights Shares not placed under the Unsubscribed Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares or the nil-paid rights.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

FURTHER INFORMATION

Your attention is drawn to the information set out in the appendices to this prospectus.

Yours faithfully,
For and on behalf of the Board
Kingbo Strike Limited
Liu Yancheng
Chairman

1. THREE-YEAR FINANCIAL SUMMARY

Financial information of the Group for (i) each of the three years ended 30 June 2021, 2022 and 2023; and (ii) the six months ended 31 December 2023 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (details of website addresses as set out below):

- (a) annual report of the Company for the year ended 30 June 2021 published on 23 September 2021 (pages 51-144)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1029/2021102900287.pdf>);
- (b) annual report of the Company for the year ended 30 June 2022 published on 30 September 2022 (pages 51-136)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1028/2022102800087.pdf>);
- (c) annual report of the Company for the year ended 30 June 2023 published on 29 September 2023 (pages 50-136)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1030/2023103000061.pdf>);
and
- (d) interim report of the Company for the six months ended 31 December 2023 published on 29 February 2024 (pages 13-40)
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0322/2024032200239.pdf>).

2. INDEBTEDNESS

As at the close of business on 29 February 2024, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this Prospectus, the Group had the following outstanding indebtedness:

Borrowings

	<i>HK\$'000</i>
Bank borrowings (<i>note a</i>)	3,806
Amount due to a director (<i>note b</i>)	11,304
Lease liabilities (<i>note c</i>)	1,863
	<hr/>
	16,973
	<hr/> <hr/>

Notes:

- (a) The bank borrowings bear interest at 0.75% over 1 year PRC Loan Price Rate per annum and are secured by interest of several properties located in the PRC of the senior management of the Group and personal guarantee provided by the senior management of the Group.
- (b) The amount due to a director is neither secured nor guaranteed and the balance bears no interest.
- (c) The Group had lease liabilities of approximately HK\$1,863,000 in respect of office premise and a motor vehicle.

Contingent liabilities

As at close of business of 29 February 2024, the Group had no contingent liabilities. Save as disclosed above, as at 29 February 2024, the Group did not have any debt securities issued and outstanding, or authorized or otherwise created but unissued, or term loans, or other borrowings or indebtedness in the name of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, or mortgages and charges, and there were no other contingent liabilities nor guarantees.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful considerations, are of the opinion that, after taking into account the financial resources presently available to the Group including internally generated funds and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of publication of this prospectus.

4. MATERIAL ADVERSE CHANGES

Save as disclosed and the information disclosed in the Company's annual report for the year ended 30 June 2023, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2023, being the date to which the latest published audited financial statements of the Company were made up.

5. BUSINESS REVIEW AND PROSPECTS

The Group is mainly engaged in the energy sector with primary focuses on solar power business and electrical distribution system business. For solar power business, the Group engages in supply and installation of solar photovoltaic parts and equipment, which has recorded a decrease in revenue for the six months ended 31 December 2023 as compared to the six months ended 31 December 2022. Such decrease was due to a lower volume of contracts secured and delivered during the period. On the other hand, the Group has performed well for the electrical distribution system business, having an increase of revenue for the six months ended 31 December 2023 as compared to the six months ended 31 December 2022 as there has been a gradual recovery of the business from the pandemic.

With progressive lifting of social distancing measures and re-opening of the border since January 2023, businesses are expected to return to a normal course of development in the PRC. However, demand from customers of the Group remain relatively weak during the early stage of full re-opening and the Company will continue to experience certain extent of slow-down in business during the first half of 2023. In addition, due to the policies of the PRC government in relation to solar power business which promoted grid parity, construction of large scale photovoltaic power generation bases, continued operation pressure was exerted on market participants that focused on smaller scales solar power projects. The Group is

currently balancing its resources allocation between its solar power business and electrical distribution system business in order to optimize its operation. Meanwhile, the Group is also making solid effort to explore new customers and new contracts of its electrical distribution system business and to maintain the existing business operation of its solar power business.

In line with the corporate strategy for further fostering the revenue and broadening its revenue base, as well as capturing future economic rebound and customer spending increase in the PRC, the Group had set up a new subsidiary in Guangzhou, principally on research and development of cosmetic and personal care and related products. Operation of this subsidiary is expected to commence between 2024 and 2025, and the Group also expected product to be commercialized in subsequent years. Looking forward, the Group will place efforts in seeking potential related businesses with stable return and higher potential, including but not limited to manufacturing and supply of electrical supply system and energy storage power system.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) to illustrate the effects of the proposed rights issues on the basis of one rights share for every two existing shares held on the record date at HK\$0.4 per rights share (the “**Rights Issue**”) on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue.

The following Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 as extracted from the published interim report of the Company for the six months ended 31 December 2023, after incorporating the adjustments described in the accompanying notes.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2023 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 December 2023 immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2023 immediately before completion of the Rights Issue <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share as at 31 December 2023 immediately after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on				
41,708,400				
Rights Shares to be issued at				
Subscription				
Price of HK\$0.4				
per Rights Share	128,984	16,000	144,984	1.55
	<u>128,984</u>	<u>16,000</u>	<u>144,984</u>	<u>1.55</u>

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

- (1) The unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2023 has been extracted from the published interim report of the Company for the six months ended 31 December 2023.
- (2) The estimated net proceeds from the Rights Issue is approximately HK\$16,000,000 are based on 41,708,400 Rights Shares to be issued at HK\$0.4 per rights share and after deducting estimated directly related expenses of approximately HK\$700,000.
- (3) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per share before the completion of the Rights Issue are calculated based on 83,416,800 existing shares which were the share in issue as at 31 December 2023.
- (4) The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Rights Issue per share are calculated based on 125,125,200 shares, comprising 83,416,800 existing shares and 41,708,400 rights shares to be issued as described in note 2 above.
- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 31 December 2023 immediately after the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2023, but does not take into account any shares which have been or may be issued upon the exercise of options granted under the share option scheme (if any) subsequent to 31 December 2023.
- (6) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2023.

(B) REPORTING ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Moore CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.



Moore CPA Limited

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Kowloon, Hong Kong

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**To the Directors of Kingbo Strike Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Kingbo Strike Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at 31 December 2023 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 11 April 2024 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one rights share for every two existing shares held on the record date at the subscription price of HK\$0.4 per rights share (the “**Rights Issue**”) on the Group’s financial position as at 31 December 2023 as if the Rights Issue had taken place at 31 December 2023. As part of this process, information about the Group’s financial position has been extracted by the Directors from the condensed consolidated financial statements of the Company for the six months ended 31 December 2023, of which no audit or review has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with

reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2023 would have been as presented.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Moore CPA Limited
Certified Public Accountants

Hong Kong
11 April 2024

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of the Shares from the Latest Practicable Date up to completion of the Rights Issue) were and will be as follows:

As at the Latest Practicable Date	<i>HK\$</i>
<i>Authorised:</i>	
<u>250,000,000</u> Shares	<u>50,000,000</u>
<i>Issued and fully paid-up share capital:</i>	
<u>83,416,800</u> Shares	<u>16,683,360</u>
Immediately after completion of the Rights Issue (assuming full subscription under the Rights Issue)	
<i>Authorised:</i>	
<u>250,000,000</u> Shares	<u>50,000,000</u>
<i>Issued and fully paid-up share capital:</i>	
83,416,800 Shares in issue as at the Latest Practicable Date	16,683,360
41,708,400 Shares to be allotted and issued under the Rights Issue	8,341,680
<u>125,125,200</u> Shares	<u>25,025,040</u>

All the Shares in issue are fully-paid and rank *pari passu* in all respects including as regards to dividends, voting rights and return of capital. All Rights Shares to be issued will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee for the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms). No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, other than 1,659,440 share options of the Company are outstanding (of which 695,140 share options are held by Mr. Liu Yancheng, an executive Director and the remaining 964,300 share options are held by two employees of the Group all with an exercise period from 20 December 2023 to 19 December 2032 and the Company does not expect them to exercise such share options before the Record Date as the exercise price of these outstanding share options is HK\$0.84 per option), the Company does not have any outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into the Shares, and there was no arrangement under which future dividends are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) **Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations**

(i) *Directors' interests in securities of the Company*

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executive of the Company or their respective close associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, were as follows:

Long position

Name	Nature of Interest	Number of Shares interested	Approximate percentage of the total issued share capital of the Company
Mr. Liu Yancheng	Beneficial owner	1,075,140 <i>(Note 3)</i>	1.29%
	Interest of spouse <i>(Note 1)</i>	250,000	0.29%
Mr. Yao Runxiong	Beneficial owner	602,500	0.72%
	Interest of spouse <i>(Note 2)</i>	931,500	1.12%

Notes:

- 250,000 shares of the Company are legally and beneficially owned by Ms. Zhang Juanying, the spouse of Mr. Liu Yancheng. Mr. Liu Yancheng is therefore deemed to be interested in the 250,000 shares of the Company for the purposes of the SFO.
- 931,500 shares of the Company are legally and beneficially owned by Ms. Zhuang Yanzhu, the spouse of Mr. Yao Runxiong. Mr. Yao Runxiong is therefore deemed to be interested in the 931,500 shares of the Company for the purposes of the SFO.
- Of the 1,075,140 Shares beneficially owned by Mr. Liu Yancheng, 695,140 Shares represent options granted to Mr. Liu Yancheng for his directorship of the Company as beneficial owner under the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company or their respective close associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules.

(iii) Substantial shareholders' interests

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, other than the interests disclosed above in respect of certain Directors and chief executive of the Company, the Directors and the senior

management of the Company are not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or arbitration of material importance known to the Directors to be pending or threatened by or against any members of the Group.

5. MATERIAL CONTRACTS

As at the Latest Practicable Date, no contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by the Company or any of its subsidiaries within two years preceding the date of this prospectus and ending on the Latest Practicable Date, which are or may be material in relation to the business of the Group as a whole.

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant to the business of the Group.

None of the Directors had any direct or indirect interest in any assets which had been, since 30 June 2023 (being the date to which the latest published annual results announcement for the audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

7. QUALIFICATION AND CONSENT OF THE EXPERT

The following is the qualification of the professional adviser who has given opinion or advice contained in this prospectus:

Name	Qualification
Moore CPA Limited	Certified Public Accountants, Hong Kong

As at the Latest Practicable Date, Moore CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or references to its name in the form and context in which they appear in this prospectus.

As at the Latest Practicable Date, Moore CPA Limited did not have any shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Moore CPA Limited did not have any direct or indirect interest in any assets which have been, since 30 June 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	:	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Principal Place of Business in Hong Kong	:	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Authorised Representatives	:	Mr. Yao Runxiong Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Company Secretary	:	Mr. Yiu Ngai Chiu, CPA Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Placing Agent	:	Quam Securities Limited <i>A licensed corporation under the SFO to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities</i> 5/F and 24/F (Rooms 2401 and 2412) Wing On Centre 111 Connaught Road Central Hong Kong

Independent Auditor	:	Moore CPA Limited 801-806 Silvercord Tower 1 30 Canton Road, Tsimshatsui, Kowloon Hong Kong
Legal Advisors as to Hong Kong Law	:	Michael Li & Co. 1901A, 1902 & 1902A, 19/F New World Tower I 16-18 Queen's Road Central Hong Kong
Principal Bankers	:	The Hongkong and Shanghai Banking Corporation Limited China Insurance Group Building 141 Des Voeux Road Central Sheung Wan Hong Kong
		Bank of China (Hong Kong) 1 Garden Road Hong Kong
		Bank of Communications 20 Pedder Street Central
Hong Kong Branch Share Registrar and Transfer Office	:	Union Registrars Limited Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King's Road North Point Hong Kong

9. PARTICULARS OF DIRECTORS

a. Name and address of the Directors

Name	Business Address
Mr. Liu Yancheng (劉炎城先生)	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong

Name	Business Address
Mr. Yao Runxiong (姚潤雄先生)	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Dr. Luo Xiaodong (羅曉東博士)	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Mr. Chen Yeung Tak (陳仰德先生)	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Mr. Wang Haoyuan (王浩原先生)	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong
Mr. Ye Jieting (葉婕婷女士)	Unit 1202, 12th Floor Mirror Tower No. 61 Mody Road Tsim Sha Tsui East Hong Kong

b. Profiles of the Directors*Executive Directors***Mr. Liu Yancheng (劉炎城先生) (“Mr. Liu”)**

Mr. Liu, aged 56, was appointed as an executive Director on 5 January 2017 and redesignated as the chairman of the Board on 1 March 2017. Mr. Liu is also a director of certain subsidiaries of the Company. Mr. Liu has over 25 years of diversified business experience in the PRC spanning property and hotel investments, electronic communications and digital electronics as well as financing and leasing. Mr. Liu founded the first micro-lending company in Guangzhou in 2010.

Mr. Yao Runxiong (姚潤雄先生) (“Mr. Yao”)

Mr. Yao, aged 61, was appointed as executive director on 25 October 2017. He is the founder and currently a director of 金大福珠寶有限公司 (for transliteration purpose only, King Tai Fook Company Limited), a company established in the PRC and principally engaged in jewellery business in the PRC. He has over 20 years of experience in management and development of jewellery business in the PRC.

Independent Non-Executive Directors**Dr. Luo Xiaodong (羅曉東博士) (“Dr. Luo”)**

Dr. Luo, aged 37, was appointed as an independent non-executive Director on 5 January 2017. He graduated from Shandong University with a bachelor’s degree in civil engineering in 2009. He further obtained a master’s degree in structure engineering from the University of Dundee in 2011 and a doctorate degree in civil engineering from the University of Hong Kong in 2016. Dr. Luo has been working in the construction industry since 2016.

Mr. Chen Yeung Tak (陳仰德先生) (“Mr. Chen”)

Mr. Chen, aged 39, graduated from The Hong Kong Polytechnic University with a Bachelor of Arts in Accountancy in December 2006. He has been a member and a fellow of the Hong Kong Institute of Certified Public Accountants (“CPA”) since January 2011 and September 2021 respectively. He is also a CPA (Practising) registered in the Accounting and Financial Reporting Council.

Mr. Chen has over 15 years of experience in auditing, accounting and financial management, treasury, internal control, corporate governance and company secretarial matters. Mr. Chen has worked in international accounting firms and Blue River Holdings Limited (formerly known as PYI Corporation limited, the shares of which are listed on the Stock Exchange (stock code: 498)). From December 2017 to December 2021, Mr. Chen served as an INED of AV Promotions Holdings limited, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8419). Mr. Chen is currently a company secretary of Kingland Group Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1751) and had an appointment of its executive director from May 2020 to June 2022.

Mr. Chen is an independent non-executive director of the following companies respectively: DT Capital Limited, the shares of which are listed on the Stock Exchange (stock code: 356); WEIli Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 2372); and Gain Plus Holdings, the shares of which are listed on the Stock Exchange (stock code: 9900). Mr. Chen also has an appointment of an independent director of Onion Global Limited, a company formerly listed on New York Stock Exchange (stock code: NYSE: OG) and currently listed on U.S. OTC Market (stock code: OGBLY:OG).

Mr. Wang Haoyuan (王浩原先生) (“Mr. Wang”)

Mr. Wang, aged 29, obtained a bachelor’s degree in commerce from the University of Western Australia and a master’s degree in investment management from the Hong Kong University of Science and Technology in 2018 and 2020 respectively. Between April 2020 and January 2023, he worked in various private companies as research analyst, including Country Garden Venture Capital (碧桂園創投) and Bear (小熊電器). Since March 2023, he has been working in an asset management firm which engages in private securities investment and asset management services in China.

Mr. Ye Jieting (葉婕婷女士) (“Ms. Ye”)

Ms. Ye, aged 50, has more than 20 years of experience in corporate management and strategic management. She has served as the legal representative of multiple companies including Guangzhou Mingying Material Technology Ltd.* (廣州名盈材料科技有限公司), Guangzhou Mingying Enterprise Management Consulting Co., Ltd* (廣州名盈企業管理諮詢有限公司), Guangdong Hejiang Smart Medical Technology Co., Ltd* (廣東和匠智慧醫療技術有限公司) and Guicheng Crystal Carved Jewelry Store, Nanhai District, Foshan City* (佛山市南海區桂城晶雕細琢飾品店). She served as an executive director in Guangzhou Mingying Material Technology Ltd.* (廣州名盈材料科技有限公司) and Guangzhou Mingying Enterprise Management Consulting Co., Ltd* (廣州名盈企業管理諮詢有限公司) until January 2008 and October 2018 respectively. She served as an executive director and the general manger in Guangdong Hejiang Smart Medical Technology Co., Ltd* (廣東和匠智慧醫療技術有限公司) until January 2019. She is currently a director of Guangzhou Hejiang Medical Investment Consulting Company Limited* (廣州市和匠醫療投資諮詢有限公司) and is responsible for the strategic planning and decision making of the company.

10. DIRECTOR’S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

11. EXPENSES

The expenses in connection with the Rights Issue, including the fees of legal and financial advisers and auditors, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$0.7 million, which are payable by the Company.

12. GENERAL

The English language text of this prospectus and the other Prospectus Documents shall prevail over its Chinese language text, in case of any inconsistency.

13. LEGAL EFFECT

This prospectus and the PAL, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

14. BINDING EFFECT

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this prospectus, the PAL and the written consent referred to in the paragraph headed “7. Qualification and Consent of the Expert” in this Appendix III, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.kingbostrike.com>) for a period of 14 days from the date of this Prospectus:

- (i) the accountant’s report on the unaudited pro forma financial information of the Group from Moore CPA Limited set out in Appendix II to this prospectus;
- (ii) the material contracts as referred to in the paragraph headed “5. Material Contracts” in this Appendix III;
- (iii) the written consent referred to in the paragraph headed “7. Qualification and Consent of the Expert” in this Appendix III;
- (iv) the letter from the Board, the text of which is set out on pages 11 to 30 of this Prospectus; and
- (v) the Prospectus Documents.