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KINGBO STRIKE LIMITED

工 蓋 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code : 1421)

PROFIT WARNING – REDUCTION OF LOSS

This announcement is made by Kingbo Strike Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the Company and the preliminary review by the Board of the unaudited consolidated management accounts of the Company for the year ended 30 June 2021 (the “**FY 2021**”), the Group is expected to record a loss attributable to owners of the Company ranging from approximately HK\$25 million to HK\$33 million, subject to the review and audit by the Company’s independent external auditors, as compared to a loss attributable to owners of the Company of approximately HK\$74.9 million for the corresponding year in 2020 (the “**FY 2020**”).

The decrease in loss attributable to owners of the Company was primarily due to the combined effect of:

1. Impairment of goodwill of approximately HK\$10 million in FY 2021, as compared to approximately HK\$48.4 million in FY 2020;
2. Fair value loss on held for trading investments of approximately HK\$6.5 million in FY 2021, as compared to approximately HK\$11 million in FY 2020;
3. Improvement in solar power business segment results to approximately HK\$8.5 million (before the effect of impairment of goodwill) in FY 2021, as compared to approximately HK\$0.5 million (before the effect of impairment of goodwill) in FY 2020; and
4. A stable contribution from electrical distribution system segment results to approximately HK\$6 million in FY 2021, as compared to approximately HK\$6 million in FY 2020.

As at the date of this announcement, the Company is still in the process of finalising its unaudited consolidated management accounts of the Company for FY 2021. The Board wishes to emphasise that the information contained in this announcement is based on the preliminary review by the Board of the latest unaudited consolidated management accounts of the Company for FY 2021, which have not been confirmed nor reviewed by the Company's independent external auditors and the audit committee of the Board and may be subject to further adjustments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY 2021, which is expected to be published by September 2021.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Kingbo Strike Limited
Liu Yancheng
Chairman

Hong Kong, 5 August 2021

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

Executive Directors

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

Non-executive Director

Mr. Tam Tak Wah

Independent non-executive Directors

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

* *For identification purposes only*