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## **KINGBO STRIKE LIMITED**

**工蓋有限公司\***

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

**(Stock Code: 1421)**

### **INSIDE INFORMATION RELATING TO MEMORANDUM OF UNDERSTANDING FOR THE POSSIBLE ACQUISITION OF THE TARGET COMPANY**

#### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION**

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Vendor and the Guarantor in relation to the Possible Acquisition on 10 March 2016 (after trading hours of the Stock Exchange).

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the Possible Acquisition may or may not proceed and are advised to exercise caution when dealing in the Shares. If the Possible Acquisition materialises, it will constitute a notifiable transaction on the part of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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## **THE MOU**

**Date:** 10 March 2016 (after trading hours of the Stock Exchange)

**Parties:** Purchaser: Marvel Skill Holdings Limited

Vendor: Eternal Green Group Limited

Guarantor: Mr. Zhang Jie

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holdings. The Guarantor owns 60% equity interests in the Vendor. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners (including the Guarantor) are Independent Third Parties.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holdings.

### **Assets to be acquired**

Pursuant to the MOU, it is proposed that the Purchaser will acquire 60% of the entire issued share capital of the Target Company from the Vendor.

### **Consideration**

The consideration payable for the Sale Shares shall be settled by the Purchaser by way of (a) cash; (b) issue of consideration shares by the Company; (c) issue of promissory notes by the Company; and/or (d) any combination of the above. The consideration, including the consideration amount and the way of settlement of the consideration shall be subject to the terms and conditions of the Formal Agreement.

### **Conditions precedent**

The Purchaser shall and shall procure that its advisers and agents shall conduct a due diligence review on the Target Group. If the Possible Acquisition materialises, completion of the Possible Acquisition will be subject to the following terms:

- (1) The Formal Agreement is conditional upon the satisfaction of each of the following conditions:
  - (a) representations, warranties, undertakings and indemnities to be given by the Vendor which are usual for transactions similar to the sale and purchase of the Sale Shares as contemplated by the MOU;
  - (b) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of Target Group; and
  - (c) other conditions precedent to be agreed by the Purchaser and the Vendor.

- (2) The Vendor represents and warrants to the Purchaser that it will use all its best endeavours to assist the Target Group to complete the Reorganisation within six months after the date of completion of the Possible Acquisition or such later date as the parties to the MOU may mutually agree.

### **Formal Agreement**

The Purchaser and the Vendor will proceed with further negotiation for the entering into of the Formal Agreement on or before 31 May 2016 (or such later date to be agreed in writing by the parties to the MOU).

It is also agreed that the Vendor will not negotiate with any party (other than the Purchaser) on the Possible Acquisition during the Exclusive Period.

The MOU does not constitute a legally-binding commitment of the parties to the MOU in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

### **Earnest money**

Pursuant to the MOU, the Purchaser will pay a sum of HK\$20,000,000 to the Vendor as refundable earnest money within five days from the date of the MOU, which shall be applied towards the satisfaction of the consideration for the Possible Acquisition under the Formal Agreement upon its completion. Such refundable earnest money shall be fully refunded to the Purchaser without interest in the event that the Formal Agreement is not entered into by the Vendor and the Purchaser on or before 31 May 2016, or such later date as the parties may mutually agree in accordance with the MOU.

### **Guarantee**

Under the MOU, the Guarantor unconditionally and irrevocably undertakes to the Purchaser to procure the due and punctual performance by the Vendor of all the obligations expressed to be imposed on or assumed by it under the MOU (including but not limited to the refund of the earnest money) and undertakes to indemnify and keep effectively indemnified the Purchaser (if necessary by the payment of cash on first demand) against all liabilities, losses, damages, costs and expenses stipulated under the MOU or otherwise which the Purchaser may suffer or incur in connection with any default or delay on the part of the Vendor in the performance of such obligations.

### **Information of the Target Group**

As at the date of this announcement, the Target Company is wholly owned by the Vendor. The Target Company is an investment holding company. The Target Company owns 100% equity interest in Loydston International. Loydston International owns 100% equity interest in Zhenjiang Kaihe. Zhenjiang Kaihe owns 100% equity interest in Tianjin Kaihe. Tianjin Kaihe owns 100% equity interest in Xuyi Shengneng. The Target Group is principally engaged in (a) construction of solar power station; (b) sale of solar power station; and (c) provision of management and maintenance services to solar power station.

Upon completion of the Reorganisation, Tianjin Kaihe will directly hold the entire registered capital of Qingdao Qiguang and Chengle Zhongxing, which are companies established in the PRC with limited liability. Each of Qingdao Qiguang and Chengle Zhongxing is principally engaged in construction and management of solar photovoltaic power station.

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. Shareholders and potential investors of the Company should note that the Possible Acquisition may or may not proceed and are advised to exercise caution when dealing in the Shares. If the Possible Acquisition materialises, it will constitute a notifiable transaction on the part of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.**

## DEFINITIONS

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

“Board”	board of the Directors
“Chengle Zhongxing”	昌樂中興開合光伏發電有限公司 (Chengle Zhongxing Photovoltaic Energy Company Limited*), a company established in the PRC with limited liability
“Company”	Kingbo Strike Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Exclusive Period”	the period commencing on the date of the MOU and ending on 31 May 2016 (or such later date as the parties to the MOU may agree in writing) during which the Vendor shall not negotiate with any other party relating to the Possible Acquisition
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Purchaser and the Vendor in relation to the Possible Acquisition
“Guarantor”	Mr. Zhang Jie, an independent Third Party and the guarantor under the MOU
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the main board of the Stock Exchange
“Loydston International”	Loydston International Limited, a company incorporated in Hong Kong with limited liability
“MOU”	the non-legally binding memorandum of understanding dated 10 March 2016 entered into between the Purchaser, the Vendor and the Guarantor in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of the Sale Shares, representing 60% of the entire issued share capital in the Target Company by the Purchaser from the Vendor as contemplated under the MOU
“PRC”	the People’s Republic of China
“Purchaser”	Marvel Skill Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company, and the purchaser in relation to the Possible Acquisition
“Qingdao Qiguang”	青島啟光新能源發電有限公司 (Qingdao Qiguang New Energy Electricity Company Limited*), a company established in the PRC with limited liability
“Reorganisation”	the reorganisation of the Target Group to be conducted in accordance with the terms and conditions of the Formal Agreement and such reorganisation shall be conducted in such manner as the Purchaser may approve
“Sale Shares”	the 30,000 shares of the Target Company, representing 60% of the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Kahuer Holding Co., Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by the Vendor
“Target Group”	the Target Company and its subsidiaries
“Tianjin Kaihe”	天津開合光伏能源科技有限公司 (Tianjin Kaihe Photovoltaic Energy Technology Company Limited*), a company established in the PRC with limited liability
“Vendor”	Eternal Green Group Limited, a company incorporated in the British Virgin Islands with limited liability and the Vendor under the MOU
“Xuyi Shengneng”	盱眙盛能新能源有限公司 (Xuyi Shengneng New Energy Company Limited*), a company established in the PRC with limited liability
“Zhenjiang Kaihe”	開合新能源(鎮江)有限公司 (Kaihe New Energy (Zhenjiang) Company Limited*), a company established in the PRC with limited liability
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Kingbo Strike Limited**  
**Peng Rongwu**  
*Chairman and Executive Director*

Hong Kong, 10 March 2016

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

***Executive Directors***

*Mr. Peng Rongwu (Chairman)*  
*Mr. Yeo Jiew Yew (Managing Director)*

***Independent Non-executive Directors***

*Mr. Lam Kwan Yau Gilbert*  
*Mr. Leung Po Hon*  
*Mr. Ng Wai Hung*

***Non-executive Director***

*Mr. Tam Tak Wah*

\* *For identification purposes only*