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KINGBO STRIKE LIMITED

工蓋有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1421)

SIGNIFICANT REDUCTION IN 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 and the preliminary review by the Board of the unaudited consolidated management accounts of the Company for the year ended 30 June 2018 (the “**FY 2018**”), the Group is expected to record a significant reduction in loss attributable to equity owners of the Company ranging from approximately S\$500,000 to S\$1.8 million, subject to the review and audit by the Company’s independent external auditors as compared to a loss attributable to equity owners of the Company of approximately S\$39.0 million for the corresponding period in 2017 (“**FY 2017**”).

The significant reduction in loss attributable to equity owners of the Company was primarily due to the combined effect of:

1. significant reduction in goodwill impairment of not more than S\$1.8 million in FY 2018, as compared to a goodwill impairment of approximately S\$41.2 million in FY 2017;
2. loss from decrease in fair value of profit guarantee receivable in the amount of approximately S\$9.0 million in FY 2017, which was non-recurring in FY 2018;
3. gain on disposal of subsidiaries in the amount of approximately S\$4.6 million in FY 2017, which was non-recurring in FY 2018; and
4. gain on settlement of prepayments for acquisition of subsidiaries in the amount of approximately S\$2.2 million in FY 2017, which was non-recurring in FY 2018.

* *For identification purposes only*

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 2018, which have not been confirmed nor finalised 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 2018, which is expected to be published by late September 2018.

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, 13 September 2018

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

Executive Directors

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

Independent non-executive Directors

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

Non-executive Director

Mr. Tam Tak Wah