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KINGBO STRIKE LIMITED
工蓋有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1421)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The board (the "**Board**") of directors (the "**Directors**") of Kingbo Strike Limited (the "**Company**") presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 31 December 2022 together with comparative figures for the six months ended 31 December 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 31 December	
		2022	2021
	Notes	***HK$'000***	*HK$'000*
		Unaudited	Unaudited
REVENUE	*6*	**64,452**	162,302
Cost of sales		**(58,484)**	(149,874)
Gross profit		**5,968**	12,428
Other gains and losses, net	*7*	**3,535**	(4,780)
Administrative expenses		**(10,827)**	(11,257)
Other expenses		**(381)**	(357)
Finance costs	*8*	**(254)**	(80)
LOSS BEFORE TAX	*9*	**(1,959)**	(4,046)
Income tax expense	*10*	**(1,254)**	(2,407)
LOSS FOR THE PERIOD		**(3,213)**	(6,453)

* *For identification purposes only*

	Notes	Six months ended 31 December 2022 HK$'000 Unaudited	2021 HK$'000 Unaudited
ATTRIBUTABLE TO			
Owners of the Company		**(9,633)**	(13,503)
Non-controlling interests		**6,420**	7,050
		(3,213)	(6,453)
LOSS FOR THE PERIOD		**(3,213)**	(6,453)
OTHER COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(8,111)**	4,256
Other comprehensive (expense) income for the period, net of income tax		**(8,111)**	4,256
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD		**(11,324)**	(2,197)
ATTRIBUTABLE TO			
Owners of the Company		**(17,622)**	(9,313)
Non-controlling interests		**6,298**	7,116
		(11,324)	(2,197)
Loss per share attributable to ordinary equity holders of the Company			
Basic and diluted (HK cent)	*11*	**(0.69)**	(0.97)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2022 HK$'000 Unaudited	30 June 2022 HK$'000 Audited
NON-CURRENT ASSETS			
Plant and equipment		**193**	309
Right-of-use asset		**543**	904
Total non-current assets		**736**	1,213
CURRENT ASSETS			
Trade receivables, deposits and other receivables	*13*	**158,274**	199,933
Contract assets	*14*	**13,068**	17,288
Prepayments		**144,064**	48,600
Financial assets at fair value through profit or loss	*15*	**1,618**	3,407
Restricted deposits		**32,676**	–
Cash and cash equivalents		**15,866**	38,810
Total current assets		**365,566**	308,038
CURRENT LIABILITIES			
Trade and other payables	*16*	**37,214**	45,730
Bills payables		**32,676**	–
Lease liability		**672**	717
Bank borrowings	*17*	**43,943**	–
Income tax payable		**16,234**	15,608
Total current liabilities		**130,739**	62,055
NET CURRENT ASSETS		**234,827**	245,983
TOTAL ASSETS LESS CURRENT LIABILITIES		**235,563**	247,196
NON-CURRENT LIABILITY			
Lease liability		**801**	1,110
Total non-current liability		**801**	1,110
NET ASSETS		**234,762**	246,086
EQUITY			
Share capital		**13,903**	13,903
Reserves		**194,315**	211,937
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**208,218**	225,840
Non-controlling interests		**26,544**	20,246
TOTAL EQUITY		**234,762**	246,086

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

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

The Company is an investment holding company. The Group is principally engaged in supply and installation of solar photovoltaic parts and equipment and electrical distribution system business in the People's Republic of China (the "**PRC**") and the provision of electrical engineering services in Singapore.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2022 (the "**Interim Financial Statements**") have been prepared in accordance with International Accounting Standards ("**IASs**") 34 Interim Financial Reporting issued by the International Accounting Standard Board ("**IASB**").

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended 30 June 2022.

Basis of consolidation

The Interim Financial Statements comprise the financial statements of the Company and its subsidiaries for the six months ended 31 December 2022. The financial statements of the subsidiaries used in the preparation of the Interim Financial Statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

All intra-group balances, income and expenses resulting from intra-group transactions are eliminated in full.

The Group's investments in an associate and joint ventures are stated in the unaudited condensed consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss (Note 15) which have been measured at fair value. These financial statements are presented in HK$. All values are rounded to nearest thousands ("**HK$'000**") unless otherwise stated.

Other than change in accounting policies resulting from application of new and amendments and interpretation to IFRSs, the accounting policies and methods of computation used in the preparation of condensed consolidated financial statements for the six months ended 31 December 2022 are the same as those applied in the preparation of the Group's annual financial statements for the year ended 30 June 2022.

Application of new and amendments and interpretation of IFRSs

In the current period, the Group has applied, for the first time, the following new and amendments and interpretations to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 July 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRSs 2018–2020

Impact of issued not yet effective IFRSs

The Group has not applied the following IFRSs that have been issued but are not yet effective in the six months ended 31 December 2022:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 17	Insurance Contracts[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.

2 Effective for annual periods beginning on or after 1 January 2024.

3 Effective for annual periods beginning on or after a date to be determined.

4 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amend to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023.

The Group's Interim Financial Statements have been reviewed by the audit committee of the Company (the "**Audit Committee**").

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future accounting periods.

5. SEGMENT INFORMATION

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

(a) provision of electrical engineering services ("**Engineering services**");

(b) supply and installation of solar photovoltaic parts and equipment ("**Solar power business**"); and

(c) provision of electrical distribution system ("**Electrical distribution system business**").

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

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that unallocated gains as well as head office and corporate expenses are excluded from such measurement.

There were no inter-segment sales for the six months ended 31 December 2022 and six months ended 31 December 2021.

Segment assets exclude unallocated head office and corporate assets such as certain of plant and equipment, financial assets at fair value through profit or loss, certain prepayments, deposits and other receivables, loan receivables and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities such as certain of income tax payable, other payables and lease liabilities as these liabilities are managed on a group basis.

Six months ended 31 December 2022

	Solar power business *HK$'000* **Unaudited**	**Electrical distribution system business** *HK$'000* **Unaudited**	**Engineering services** *HK$'000* **Unaudited**	**Total** *HK$'000* **Unaudited**
Segment revenue:				
Sales to external customers	**39,298**	**25,154**	**–**	**64,452**
Segment results:	**(1,924)**	**12,587**	**(2,831)**	**7,832**
Unallocated losses				**(1,588)**
Corporate and other unallocated expenses				**(8,203)**
Loss before tax				**(1,959)**

At 31 December 2022

	Solar power business	Electrical distribution system business	Engineering services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
Segment assets:	**91,502**	**252,277**	**17,255**	**361,034**
Corporate and other unallocated assets				**5,268**
Total assets				**366,302**
Segment liabilities:	**14,607**	**100,455**	**100**	**115,162**
Corporate and other unallocated liabilities				**16,378**
Total liabilities				**131,540**

Six months ended 31 December 2021

	Solar power business	Electrical distribution system business	Engineering services	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Unaudited	Unaudited	Unaudited	Unaudited
Segment revenue:				
Sales to external customers	55,534	106,150	618	162,302
Segment results:	9,522	1,633	(6,640)	4,515
Unallocated losses				(23)
Corporate and other unallocated expenses				(8,538)
Loss before tax				(4,046)

At 30 June 2022

	Solar power business	Electrical distribution system business	Engineering services	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Segment assets:	96,527	180,710	25,454	302,691
Corporate and other unallocated assets				6,560
Total assets				309,251
Segment liabilities:	20,722	24,245	365	45,332
Corporate and other unallocated liabilities				17,833
Total liabilities				63,165

Geographical information

(a) ***Revenue from external customers***

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Revenue		
Singapore	**–**	618
Mainland China	**64,452**	161,684
	64,452	162,302

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

(b) ***Non-current assets***

	31 December	30 June
	2022	2022
	HK$'000	*HK$'000*
	Unaudited	Audited
Hong Kong	**726**	1,191
Singapore	**10**	22
	736	1,213

The non-current asset information is presented based on the geographical locations of the assets.

6. REVENUE

Revenue represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods and services sold, after allowances for returns and trade discount during the respective reporting periods.

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
At a point in time:		
– Supply of solar photovoltaic parts and equipment	**36,554**	55,534
– Provision of electrical distribution system	**25,154**	106,150
Over time:		
– Contract revenue from provision of electrical engineering services	**–**	618
– Installation of solar photovoltaic parts and equipment	**2,744**	–
	64,452	162,302

7. OTHER GAINS AND (LOSSES), NET

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Foreign exchange differences	**(19)**	651
Bank interest income	**131**	46
Interests on loan receivables	**–**	337
Incentives from the Singapore Government *(Note (i))*	**–**	5
Net fair value loss on financial assets at fair value through profit or loss *(Note 9)*	**(1,789)**	(1,048)
Reversal of (allowance for) expected credit loss recognised in respect of financial assets of amortised cost, net	**4,892**	(5,018)
Employment support scheme *(Note (ii))*	**104**	–
Others	**216**	247
	3,535	(4,780)

Notes:

(i) Incentives from the Singapore Government comprise special employment credit, temporary employment credit and wages credit scheme. There are no unfulfilled conditions or contingencies relating to these incentives.

(ii) This represents COVID-19 related subsidies in respect of the Employment Support Scheme provided by the Hong Kong Government.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Interest on bank borrowings	**175**	–
Interest on lease liability	**47**	27
Others	**32**	53
	254	80

9. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging (crediting) the following items:

		Six months ended 31 December	
		2022	2021
		HK$'000	*HK$'000*
		Unaudited	Unaudited
(a)	Auditors' remuneration	**545**	863
	Depreciation expense:		
	Plant and equipment	**112**	101
	Right-of-use asset	**361**	737
	Cost of goods and services provided	**58,484**	145,422
	Minimum lease payments under operating leases	**401**	1,143
	Employee benefits	**8,631**	8,230
(b)	Employee benefits (including Directors' remuneration):		
	– Directors' fees	**1,669**	1,572
	– Salaries, wages and bonuses	**6,668**	6,435
	– Defined contribution retirement plans	**294**	223
		8,631	8,230
(c)	Net fair value loss on financial assets at fair value through profit or loss *(Note 7)*	**1,789**	1,048

10. INCOME TAX EXPENSE

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Current – Hong Kong		
– Charge for the period	**–**	–
Current – others (the PRC and Singapore)		
– Charge for the period	**1,254**	2,505
– Over provision in respect of prior year	**–**	(98)
– Tax charge for the period	**1,254**	2,407

The Company's profit is not subject to any tax in its country of incorporation, the Cayman Islands. Income tax expense for the Group relates mainly to the assessable profits arising in Hong Kong subject to 8.25%/16.5% (if applicable) tax rate in Hong Kong, profits of the subsidiary in Singapore which is taxed at a statutory tax rate of 17% and corporate income tax which has been provided for subsidiaries in the PRC based on assessable profits arising in the PRC during the period. Subsidiaries located in the PRC are subject to the PRC corporate income tax at a rate of 25% on its assessable profits. With holding tax was provided for dividend distributed and undistributed profits of certain subsidiaries in the PRC at a rate of 10%.

The tax rate for Singapore subsidiary is based on Singapore corporate income tax (the "**CIT**") rate at 17% for both period.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both period.

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

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

11. BASIC AND DILUTED LOSS PER SHARE

The weighted average number of equity shares refers to shares in issue during the period. The Group had no potentially dilutive ordinary shares (six months ended 31 December 2021: Nil) in issue during the period.

The calculations of basic and diluted loss per share are based on:

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Loss		
Loss attributable to equity holders of the Company, used in the basic and diluted loss per share calculation (HK$'000)	**(9,633)**	(13,503)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation (in thousand)	**1,390,280**	1,390,280
Basic and diluted loss per share (HK cent)	**(0.69)**	(0.97)

12. DIVIDEND

No dividend was declared for the six months ended 31 December 2022 and 2021.

13. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

	31 December	30 June
	2022	2022
	HK$'000	*HK$'000*
	Unaudited	Audited
Trade receivables:		
Third parties		
– Gross amount	**197,016**	246,049
– Less: allowance for ECL	**(40,762)**	(48,016)
	156,254	198,033
Deposits and other receivables:		
Deposits	**1,337**	1,371
Others	**683**	529
	2,020	1,900
Total trade receivables, deposits and other receivables	**158,274**	199,933

Trade receivables are non-interest bearing and with credit terms ranged from of 180 to 360 days.

An aging analysis of the trade receivables as at the end of the reporting periods, based on the invoice date (net of allowance for ECL), are as follows:

	31 December 2022	30 June 2022
	HK$'000	*HK$'000*
	Unaudited	Audited
Less than 30 days	**–**	2,832
31 to 60 days	**18,052**	23,427
61 to 90 days	**26,112**	23,131
91 to 180 days	**18,265**	–
181 to 365 days	**42,793**	123,107
Over 365 days	**51,032**	25,536
	156,254	198,033

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. The Group does not hold any collateral or other credit enhancements over these balances.

14. CONTRACT ASSETS

	31 December 2022	30 June 2022
	HK$'000	*HK$'000*
	Unaudited	Audited
Contract assets *(Note)*	**15,572**	19,238
Less: allowance for ECL	**(2,504)**	(1,950)
	13,068	17,288

Note: Contract assets primarily relate to the subsidiaries, i) Strike Singapore rights to consideration for work completed but not yet billed at reporting date; and ii) retention receivable of provision of electrical distribution system and iii) retention receivable of installation of solar photovoltaic parts. Contract assets are transferred to receivables when the rights become unconditional.

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2022 HK$'000 Unaudited	30 June 2022 HK$'000 Audited
Listed securities held-for-trading, at fair value:		
Equity securities listed in Hong Kong	**1,618**	3,407

The above equity investments at 31 December 2022 and 30 June 2022 were classified as financial assets at fair value through profit or loss and were accordingly, belong to the financial assets at fair value through profit or loss category.

Stock code	Company name	No. of share held at 31 December 2022 '000	Percentage of shareholding as at 31 December 2022	Percentage of shareholding as at 30 June 2022	Market value as at 31 December 2022 HK$'000 Unaudited	Approximate percentage to the Group's net assets as at 31 December 2022	Market value as at 30 June 2022 HK$'000 Audited	Approximate percentage to the Group's net assets as at 30 June 2022	Change in fair value of held-for-trading instruments for the years ended 31 December 2022 HK$'000 Unaudited	Change in fair value of held-for-trading instruments for the years ended 31 December 2021 HK$'000 Unaudited
164	China Baoli Technologies Holdings Limited	**249**	**0.034%**	0.045%	**24**	**0.01%**	62	0.03%	**(38)**	(78)
804	Pinestone Capital Limited	**1,940**	**0.717%**	0.860%	**669**	**0.29%**	1,280	0.52%	**(611)**	(206)
1869	Li Bao Ge Group Limited	**830**	**0.075%**	0.083%	**205**	**0.09%**	172	0.07%	**33**	(54)
8423	Chi Ho Development Holdings Limited	**14,900**	**1.863%**	1.863%	**656**	**0.27%**	1,818	0.74%	**(1,162)**	(1,147)
8293	SingAsia Holdings Limited	**1,925**	**0.107%**	0.107%	**64**	**0.03%**	75	0.03%	**(11)**	25
					1,618	**0.69%**	3,407	1.38%	**(1,789)**	(1,048)

Equity securities listed in Hong Kong were measured at fair value at the end of the reporting period. The fair value of the equity securities listed in Hong Kong were determined with reference to quoted market closing price.

16. TRADE AND OTHER PAYABLES

	31 December 2022 *HK$'000* **Unaudited**	30 June 2022 *HK$'000* Audited
Trade payables:		
Third parties	**4,884**	10,116
Accruals for project costs	**–**	194
Other payables:		
Accrued liabilities	**3,690**	4,674
GST/VAT payable	**25,872**	27,192
Warranty provision	**716**	1,513
Others	**2,052**	2,041
	32,330	35,420
Total	**37,214**	45,730

Accrued liabilities refer mainly to accrual for professional fees and employee benefits. These trade and other payables are non-interest bearing and trade payables are normally settled on terms from 30 to 90 days while other payables have an average term of 30 days.

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

	31 December 2022 *HK$'000* **Unaudited**	30 June 2022 *HK$'000* Audited
Trade payables:		
Less than 90 days	**2,242**	8,406
91 to 180 days	**355**	1,710
181 to 270 days	**2,287**	–
	4,884	10,116

17. BANK BORROWINGS

	31 December 2022 *HK$'000* **Unaudited**	30 June 2022 *HK$'000* Audited
Secured bank borrowings	**43,943**	–
Represented by:		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**32,676**	–
Carrying amount repayable within one year	**11,267**	–
	43,943	–

The bank borrowings bear interest at 0.35% per annum over 1 year PRC Loan Prime Rate ("**LPR**"), 0.55% per annum over 1 year PRC LPR or 1.36% per annum over 1 year PRC LPR as at 31 December 2022.

At 31 December 2022, the Group's bank borrowings are secured by:

(i) interest of several properties located in the PRC of the Group's director and senior management,

(ii) personal guarantee provided by director and senior management of the Group.

18. RELATED PARTY TRANSACTIONS

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following are the related party transactions entered into between the Group and its related parties that took place on terms and conditions agreed between the parties during the reporting periods:

	Notes	**Six months ended 31 December** **2022** *HK$'000* **Unaudited**	2021 *HK$'000* Unaudited (Restated)
Operating expenses recharged by			
– a related company	*(i)*	**6**	32
Rental expense charged by			
– a related company	*(ii)*	**326**	329

Notes:

(i) Operating expenses recharged by a related company mainly referred to the utilities charges for the office premises which was paid on behalf by Victrad Enterprise (Pte) Limited ("**Victrad**"), a company controlled by a key management personnel of the Group.

(ii) Rental expense was charged by Victrad with reference to the rates of other similar premises.

(b) Commitment with related parties

(i) The lease agreement for the lease of office premises entered into between Strike Electrical Engineering Pte. Ltd. ("**Strike Singapore**") and Victrad was expired on 30 June 2022 and subsequently renewed for another 1 year after the financial year end.

(ii) The lease agreement for the lease of workers dormitory units entered into between Strike Singapore and Victrad was expired on 30 June 2022 and subsequently renewed for another 1 year after the financial year end.

(iii) The amount of total rental expenses charged by Victrad during the year is included in Note 18(a)(ii) to the condensed consolidated financial statements. There are no operating lease commitments in respect of the above leases with Victrad as at the reporting date (30 June 2022: Nil).

(c) Security and guarantee given by related parties

As set out in note 17, the Group's bank borrowings are secured by:

(i) interest of several properties located in the PRC of the Group's director and senior management,

(ii) personal guarantee provided by director and senior management of the Group.

(d) Compensation of key management personnel of the Group:

	Six months ended 31 December	
	2022	2021
	HK$'000	*HK$'000*
	Unaudited	Unaudited
Directors' fees	**1,669**	1,572
Salaries and bonuses	**3,615**	4,502
Pension scheme contributions	**64**	43
	5,348	6,117

19. CONTINGENT LIABILITIES

At as the end of the reporting period, the contingent liabilities not provided for in the financial statements were as follows:

	31 December 2022	30 June 2022
	HK$'000	*HK$'000*
	Unaudited	Audited
Guarantees:		
Security bonds to the Singapore Government in relation to foreign workers	**–**	28

As required by the Singapore Government for each foreign worker hired, companies must submit a security bond of S$5,000 to the Controller of Work Passes, a government authority in managing foreign employment. During the reporting periods, the Group has hired certain foreign workers and has arranged for an insurance company to provide insurance guarantees with the Singapore Government. The Directors believe that no foreign workers of the Group have breached the relevant regulations during the reporting periods. Accordingly, the Group has not provided for any provision in relation to such law. As at 31 December 2022, no guarantees had been provided by the insurer (30 June 2022: approximately HK$28,000).

20. EVENT AFTER REPORTING PERIOD

On 17 January 2023, the Board proposed to implement a share consolidation, on the basis that every twenty issued and unissued existing share of HK$0.01 each will be consolidated into one consolidated share of HK$0.20 each.

The proposed resolution had been passed by the shareholders by way of poll at the extraordinary general meeting held on 27 February 2023 and the share consolidation is expected to be effective on 1 March 2023 upon fulfillment of all other conditions under the listing approval.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the performance of Kingbo Strike Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") in different business lines were as follows:

Solar Power Business

The Group's solar power business mainly engaged in supply and installation of solar photovoltaic parts and equipment. During the period, the Group has recognised a revenue of approximately HK$39.3 million (equivalent to approximately RMB34.2 million) from the solar power business for the six months ended 31 December 2022, a decrease is noted compared to a revenue of approximately HK$55.5 million (equivalent to approximately RMB45.8 million) in the six months ended 31 December 2021, as the Group secured and delivered a lower volume of contracts during the period.

Electrical Distribution System

The Group recorded a revenue of approximately HK$25.2 million (equivalent to approximately RMB21.9 million) in the six months ended 31 December 2022, compared to a revenue of approximately HK$106.2 million (equivalent to approximately RMB87.5 million) in the six months ended 31 December 2021, and compared to a revenue of approximately HK$47.5 million for the period from January to June 2022 (second half of previous financial year). Such decrease was due to the effect of economic slowdown arising from the outbreak of the 2019 novel coronavirus (COVID-19) during the first half 2022, and another wave of outbreak in a more widespread manner during the fourth quarter of 2022, which results in a significant decrease in contracts secured.

Electrical Engineering Services

For the six months ended 31 December 2022, the electrical engineering services in Singapore did not recorded any revenue (six months ended 31 December 2021: approximately HK$618,000 (equivalent to approximately S$0.1 million)).

Due to the fierce competition in public housing development projects in Singapore, while the Group had adopted a conservative approach in tendering new projects. Hence the Group did not secure any new projects in these six months ended 31 December 2022 (six months ended 31 December 2021: Nil), and there are no outstanding contracts on hand as of 31 December 2022.

FINANCIAL REVIEW

Revenue

For the six months ended 31 December 2022, majority of the Group's revenue was derived from solar power business and electrical distribution system in the People's Republic of China (the "**PRC**").

Revenue contributed from solar power business in the PRC and electrical distribution system in PRC comprised approximately 61.0% (HK$39.3 million) and 39.0% (HK$25.2 million) of the total revenue of the Group, respectively.

Operating Results

During the period under review, gross profit of the Group decreased by 52.0% to approximately HK$6.0 million (six months ended 31 December 2021: HK$12.4 million) as compared to the six months ended 31 December 2021. Gross profit margin improved from that of 7.7% for the six months ended 31 December 2021 to 9.3% for the six months ended 31 December 2022. An improved gross profit margin is attributable to the combined effect of a higher portion of stable gross margin from solar power business and a lower portion of more compressed profit margin from electrical distribution system business. Loss attributable to owners of the Company is approximately HK$9.6 million (six months ended 31 December 2021: loss of HK$13.5 million) and basic loss per share attributable to ordinary equity holders of the parent is HK$0.69 cent (six months ended 31 December 2021: loss per share of HK$0.97 cent). The change is mainly attributable to the combined effect of (i) deteriorate in solar power business segment results to a loss of approximately HK$1.9 million (including the effect of expected credit loss of HK$5.7 million) (six months ended 31 December 2021: profit of HK$9.5 million); (ii) improve in electrical distribution system segment results to profit approximately HK$12.6 million (including the effect of reversal of expected credit loss of HK$11.3 million) (six months ended 31 December 2021: profit of HK$1.6 million) and (iii) fair value loss on financial assets at fair value through profit or loss of approximately HK$1.8 million (six months ended 31 December 2021: HK$1.0 million).

Other Gains and Losses

Other gains and losses had changed from a net loss of approximately HK$4.8 million for the six months ended 31 December 2021 to a gain of approximately HK$3.5 million for the six months ended 31 December 2022. This is primarily attributable to the combined effect of (i) increase in fair value loss on financial assets at fair value through profit or loss of approximately HK$1.8 million taken place in the six months ended 31 December 2022 compared to the loss of HK$1.0 million in the six months ended 31 December 2021, and (ii) a reversal of allowance for expected credit loss recognised in respect of financial assets of amortised cost of approximately HK$4.9 million for the six months ended 31 December 2022, compared an allowance of HK$5.0 million in the six months ended 31 December 2021.

Administrative Expenses

Administrative expenses for the six months ended 31 December 2022 remain stable at approximately HK$10.8 million (six months ended 31 December 2021: HK$11.3 million).

Taxation

There was a net income tax expense of approximately HK$1.3 million for the six months ended 31 December 2022 compared to approximately HK$2.4 million for the six months ended 31 December 2021, mainly due to decrease in profit in solar power business and electrical distribution system business in PRC.

Liquidity, Financial Resources and Gearing

As at 31 December 2022, net current assets of the Group was approximately HK$234.8 million (30 June 2022: HK$246.0 million). Besides, the Group maintained cash and cash equivalents of approximately HK$48.5 million (including restricted deposits of approximately HK$32.7 million) (30 June 2022: HK$38.8 million), of which approximately 1.2% was in Hong Kong dollars, and 30.9% was in Singapore dollars (30 June 2022: 1.1% was in Hong Kong dollars and 53.4% was in Singapore dollars).

The Group's gearing ratio was 0.31 (30 June 2022: 0.03), which was calculated on the basis of net debt over equity attributable to owners of the Company. Net debt is calculated as total borrowings plus trade and other payables less cash and cash equivalents.

Capital Structure

2019 Placing

On 14 March 2019, the Company entered into a placing agreement (the "**2019 Placing Agreement**") with RIFA Securities Limited, pursuant to which RIFA Securities Limited agreed to place up to 237,120,000 new shares of the Company to not less than six placees on a best effort basis at a placing price of HK$0.183 per placing share (the "**2019 Placing**"). The Placing was completed on 2 April 2019 and 204,680,000 new shares of the Company with an aggregate nominal value of HK$2,046,800 were allotted and issued by the Company to not less than six placees who were independent individuals, corporations and/or institutional investors, who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons.

The placing price of HK$0.183 represents (i) a discount of approximately 8.5% to the closing price of HK$0.2 per share as quoted on the Stock Exchange on 14 March 2019, being the date of the 2019 Placing Agreement; and (ii) a discount of approximately 9.6% to the average closing price of HK$0.202 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to date of the 2019 Placing Agreement. The net placing price for the 2019 Placing was approximately HK$0.180 per placing share.

The 2019 Placing was conducted by the Company to raise additional funding for the business operations of the Group and strengthen the financial position of the Group for future development. The net proceeds amounting to approximately HK$36.9 million arising from the 2019 Placing was applied as general working capital of the Group.

As at 30 June 2021, the Group had utilised the net proceeds of the 2019 Placing as follows:

Intended use of net proceeds	**Allocation of net proceeds** *HK$ (million)*	**Utilisation up to the financial year ended 30 June 2021** *HK$ (million)*
General working capital of the Group	**36.9**	**36.9**

The following table sets out the breakdown of the use of proceeds of the 2019 Placing as general working capital of the Group:

	Utilisation as at the financial year ended 30 June 2021 *HK$ (million)*
Human resources	**8.2**
Office utilities	**2.5**
Other general expenses	**6.2**
General working capital in respect of solar power business	**20.0**
Total	**36.9**

The utilised of net proceeds was in accordance to the original intention disclosed in the announcement of the company dated 14 March 2019 in relation to the 2019 Placing, details breakdown of the use of proceeds can refer to pages 8 of the annual report for the year ended 30 June 2021.

Capital Structure, Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group primarily financed its operations with internally generated cash flows, internal resources, external financing and shareholder's equity. Cash was generally placed in short-term deposits. The liquidity and financing requirements of the Group were reviewed regularly.

The Group's business mainly operates in Singapore, PRC and Hong Kong. Accordingly, its revenue and transactions arising from its operations were generally settled in Singapore dollars, Renminbi and Hong Kong dollars. As a result, fluctuations in the value of Hong Kong dollars against Renminbi or Singapore dollars could adversely affect the cash and cash equivalent which is reported in Hong Kong dollars. During the six months ended 31 December 2022, the Group did not experience in any material difficulties or impacts on its operations or liquidity as a result of currency exchange fluctuation.

The Group did not use any financial instruments for hedging purposes during the six months ended 31 December 2022 and there was no hedging instrument outstanding as at 31 December 2022. The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in future. The Group will further implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

Capital management

The primary objectives of the Group's capital management are to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The capital of the Group comprises of share capital and reserves.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2022 and the period ended 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt/cash divided by equity attributable to owners of the Company. Net debt/cash includes trade and other payables, less cash and cash equivalents. The Group seeks to maintain a sustainable gearing ratio to meet its existing requirements.

Charge on Assets

As at 31 December 2022 and 30 June 2022, the Group had no charges on its assets.

Capital Expenditure and Commitments

During the six months ended 31 December 2022 and six months ended 31 December 2021, the Group did not make significant capital expenditure.

As at 31 December 2022 and 30 June 2022, the Group had no material capital commitment contracted for but not provided in the condensed consolidated financial statements.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries and Associated Companies

As at 31 December 2022, the Group held certain listed securities as financial assets at fair value through profit or loss.

The Group identified its investments based on the share price performance and future prospect of the investments. For the six months ended 31 December 2022, the Group did not received any dividend income (six months ended 31 December 2021: HK$37,250) from investment in listed securities and made a fair value loss of HK$1.8 million (six months ended 31 December 2021: HK$1.0 million) on financial assets at fair value through profit or loss. This fair value loss attributable to the combination effect of: (i) decrease in share price of 63.9% of Chi Ho Development Holdings Limited ("**Chi Ho**"); (ii) decrease in the share price of 47.7% of Pinestone Capital Limited ("**Pinestone**"); (iii) decrease in share prices of 14.7% of SingAsia Holdings Limited ("**SingAsia HLDG**"), (iv) increase in share price of 19.2% of Li Bao Ge Group Limited ("**Li Bao Ge**") and (v) decrease in share price of 61.3% of China Baoli Technologies Holding Limited ("**China Baoli**") during the six months ended 31 December 2022.

During the financial reporting period 31 December 2022. Investment cost of each of Chi Ho, Li Bao Ge, Pinestone, SingAsia HLDG and China Baoli was approximately HK$5.0 million, HK$4.0 million, HK$20.7 million, HK$10.7 million and HK$5.0 million, respectively.

Details of all the financial assets at fair value through profit or loss were set out in note 15 to the condensed consolidated financial statements.

Pinestone is a Hong Kong-based financial services provider principally engaged in provision of securities brokerage services, securities-backed lending services as well as placing and underwriting services. The loss for the financial year ended 31 December 2021 of Pinestone was HK$4.9 million, and it recorded a profit of HK$1.5 million for the six months ended 30 June 2022. A turnaround was mainly due to the combined effect of reduction in impairment loss on trade and loan receivable that recognized in financial year 2021 and the reduction in revenue from placing and underwriting services, and securities-backed, lending services.

Being optimistic in the securities industry in Hong Kong, the Company is positive towards the prospect of Hong Kong-based financial services provider.

Li Bao Ge is principally engaged in the operation of a chain of Chinese restaurants in Hong Kong and the PRC. Li Bao Ge recorded losses of HK$26.2 million for the six months ended 30 June 2022, compare to losses of HK$27.0 million for the six months ended 30 June 2021. Continue losses was mainly attributed to the decrease in revenue and gross profit arising from the downtrend of Hong Kong economy and delay in expansion plan since the COVID-19 pandemic.

SingAsia HLDG is principally engaged in the provision of manpower, outsourcing, recruitment, trading and cleaning services. SingAsia HLDG recorded a loss of S$1.7 million for the financial year ended 31 July 2022, compare to the loss of S$1.3 million for the financial year ended 31 July 2021. Increase in loss was mainly due to the increase in staff cost from manpower outsourcing services which resulted by labour crunch in Singapore and increasing number of staff as the Group regained business resulted from lifting of travel restriction and reopening of boarder worldwide.

Chi Ho is an established main contractor for the provision of renovation and maintenance works, alteration and addition works, and fitting-out works in Hong Kong. Chi Ho is responsible for the overall management, implementation and supervision of projects. Chi Ho focuses on the management of projects, development of work programmes, procurement of works materials, operation of site works, co-ordination with the customers or their consultants and quality control of the works carried out by the employees and the subcontractors. Chi Ho record a profit of HK$8.4 million for the six months ended 30 September 2022, increased from the profit of HK$8.3 million for the previous period. Such increase was mainly due to the combined effect of a higher volume of contracts awarded and contracted gross profit margin on a result of increased in subcontracting charge and construction material cost during the period under review.

China Baoli is principally engaged in mobile technologies business, tourism and hospitality business, gamma ray irradiation services, and securities trading and investment. China Baoli recorded a loss of HK$13.4 million for the six months ended 30 September 2022, an increase in loss is noted compare to a loss of HK$12.9 million for the previous period.

Although the market value of financial assets held by the Company had declined as of 31 December 2022, the Company still holds positive views in a longer term and will regularly monitor the performance of investment in such assets and take suitable action in due course.

Save for those disclosed above and in note 15 to the condensed consolidated financial statements of this Interim Report, there were no other significant investments held. Nor were there any material acquisitions or disposals during the period under review.

Contingent Liabilities

Save as disclosed in note 24 to the condensed consolidated financial statements, the Group had no other contingent liabilities as at 31 December 2022.

Employment and Remuneration Policy

As at 31 December 2022, the total number of employees of the Group was 23 (30 June 2022: 23). During the period under review, employees costs (including Directors' emoluments) amounted to approximately HK$8.6 million (six months ended 31 December 2021: HK$8.2 million). Remuneration of the employees which included salary and discretionary bonus was based on the Group's results and individual performance. Medical and retirement benefits schemes were made available to qualified personnel.

Prospects

Due to the outbreak of COVID-19 in eastern area in the PRC throughout the first half 2022 and another wave of outbreak of COVID-19 in a more widespread manner during the fourth quarter 2022, this resulted in adoption of more stringent measure in social distancing, which includes suspension or limited service of logistics facilities and factory operation. The Company experienced a slowdown in business and weaker demand from customers during the period of review.

In addition, certain policies issued by the PRC government in previous years bringing disruptions and industry consolidation on the solar power business in the PRC. As a non-market leading participant, the Group is facing additional pressure on contract volume and profitability of its solar power business in the PRC during the period of review and expect this will continue in the year to come.

As the results of progressive lifting of social distancing measures and re-opening of border since January 2023, business is expected to return to a normal course of development in the PRC. However, the board is closely monitor the development and impact of COVID-19 to the Group from time to time and formulating responses accordingly.

Looking forward, the Group will continue to make solid efforts in seeking for business with good return potential, so as enhance the value of the shareholders of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to establish and maintain high standard of corporate governance. The Company believes that good corporate governance system provides a sustainable and solid foundation for the Company to manage business risks, enhance transparency, advance accountability and maximise shareholders' interests.

The Company has applied the principles of Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and complied with all applicable code provisions of the CG Code throughout the six months ended 31 December 2022, save and except for the deviations from code provisions C.2.1.

Code provision C.2.1

Code provision C.2.1 of the CG Code stated that the roles of chairman and managing director should be separate and should not be performed by the same individual.

For the six months ended 31 December 2022, the chairman of the board (the "**Board**") of directors of the Company (the "**Chairman**"), Mr. Liu Yancheng was responsible for the general operations of the Board and the overall strategy of the Group. The Board considers that this structure would not impair the balance of power and authority between the directors and the management of the Group.

The roles of the respective executive Directors and senior management, who are in charge of different functions, complements the roles of chairman and managing director. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the six months ended 31 December 2022.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATE CORPORATION

As at 31 December 2022, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive have taken or deemed to have taken under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long Positions in Shares and Underlying Shares of the Company

Director	Capacity/Nature	Personal Interest	Other interest *(Note 3)*	Total interest	Percentage of interest in the Company's issued share capital
Mr. Liu Yancheng	Beneficial owner	7,600,000	13,902,800	21,502,800	1.55%
	Interest of spouse *(Note 1)*	5,000,000	–	5,000,000	0.36%
Mr. Yao Runxiong	Beneficial owner	12,050,000	–	12,050,000	0.87%
	Interest of spouse *(Note 2)*	18,630,000	–	18,630,000	1.34%

Notes:

1. 5,000,000 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 5,000,000 shares of the Company for the purposes of the SFO.

2. 18,630,000 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 18,630,000 shares of the Company for the purposes of the SFO.

3. These interests represent options granted to the Directors as beneficial owners under the share option scheme of the Company. Details of the interests of the Directors in the share options of the Company are disclosed in the section "Share Option Scheme" below.

Save as disclosed above, as at 31 December 2022, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEME

A new share option scheme was adopted by the Company following the resolution passed at the annual general meeting of the Company held on 20 October 2017 (the "**Share Option Scheme**"). The main purpose of the scheme is to provide incentives and rewards to the eligible participants including full time or part time employees of the Group (including any directors); and any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group.

Details of the movements in the share options granted to Directors and employees under the Share Option Scheme during the six months ended 31 December 2022 are as follows:

Grantees	**Date of grant**	**Exercise period**	**Exercise price per Share** *HK$*	**Granted during the six months ended 31 December 2022**	**Exercised during the six months ended 31 December 2022**	**Outstanding balance as at 31 December 2022**
Mr. Liu Yancheng	20 December 2022	20 December 2023–19 December 2032	0.042	13,902,800	—	13,902,800
Mr. Tam Tak Wah	20 December 2022	20 December 2023–19 December 2032	0.042	13,902,800	—	13,902,800
Employees	20 December 2022	20 December 2023–19 December 2032	0.042	70,994,400	—	70,994,400

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the above "SHARE OPTION SCHEME", at no time during the six months ended 31 December 2022 was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2022, the Company has not been notified by any person or entity who had or was deemed to have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended 31 December 2022.

AUDIT COMMITTEE

The Audit Committee was established on 9 December 2013 with written terms of reference specifying its authority and duties which is available on the websites of the Stock Exchange and the Company. The Audit Committee comprises of four non-executive Directors, amongst which three are independent. They are namely Mr. Leung Po Hon, Mr. Li Jin, Dr. Luo Xiaodong and Mr. Tam Tak Wah. Mr. Leung Po Hon is the chairman of the Audit Committee.

The Audit Committee has reviewed with senior management the accounting principles and practices adopted by the Group and also discussed the financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Company for the six months ended 31 December 2022.

By Order of the Board
Kingbo Strike Limited
Liu Yancheng
Chairman

Hong Kong, 27 February 2023