KINGBO STRIKE LIMITED
工 蓋 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1421)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2014

The board (the "Board") of directors (the "Directors") of Kingbo Strike Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiary (collectively, the "Group") for the year ended 30 June 2014 together with comparative figures for the corresponding period in 2013.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2014

	Notes	2014 S$	2013 S$
REVENUE	4	**22,628,298**	18,660,508
Cost of sales		**(13,515,642)**	(10,376,929)
Gross profit		**9,112,656**	8,283,579
Other operating income		**51,447**	45,513
Administrative expenses		**(2,771,721)**	(1,273,041)
Other operating expenses		**(292,496)**	(87,832)
Finance costs		**(2,568)**	(620)
Share of results of a joint venture		**499,930**	579,104
Share of results of associates		**426,059**	195,920
PROFIT BEFORE TAX	5	**7,023,307**	7,742,623
Income tax expense	6	**(1,276,038)**	(1,201,053)
PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,747,269**	6,541,570
Earnings per share attributable to ordinary equity holders of the parent			
Basic and diluted earnings per share *(S$ cents)*	8	**1.00**	1.28

Details of the dividends payable and proposed for the year are disclosed in note 7.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2014

	Notes	2014 S$	2013 S$
NON-CURRENT ASSETS			
Interest in a joint venture	9	**1,336,357**	836,427
Interests in associates	10	**849,705**	423,646
Plant and equipment		**95,342**	130,466
Trade and other receivables	12	**2,377,461**	1,207,500
Total non-current assets		**4,658,865**	2,598,039
CURRENT ASSETS			
Gross amount due from customers for contract work in progress	11	**2,644,185**	6,855,403
Inventories		**43,809**	57,694
Prepayments		**26,282**	131,699
Trade and other receivables	12	**1,618,183**	2,822,189
Cash and cash equivalents	13	**18,252,010**	7,249,375
Total current assets		**22,584,469**	17,116,360
CURRENT LIABILITIES			
Income tax payable		**1,296,011**	1,190,632
Trade and other payables	14	**6,730,804**	14,717,534
Total current liabilities		**8,026,815**	15,908,166
NET CURRENT ASSETS		**14,557,654**	1,208,194
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,216,519**	3,806,233
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**16,208**	19,398
Net assets		**19,200,311**	3,786,835
EQUITY			
Share capital	15	**1,048,880**	48,880
Share premium	15	**12,366,974**	3,700,767
Retained earnings		**8,024,104**	2,276,835
Merger reserves		**(2,239,647)**	(2,239,647)
Total equity		**19,200,311**	3,786,835

NOTES

30 June 2014

1. CORPORATE 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 Codan Trust Company (Cayman) Limited, 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 Part XI of the Companies Ordinance on 5 September 2013 and the principal place of business in Hong Kong registered is at 19th Floor, Prosperity Tower, 39 Queen's Road Central, Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of electrical engineering services. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 30 December 2013 (the "Listing").

The immediate and ultimate holding company of the Company is Victrad Enterprise (Pte) Ltd ("Victrad"), which is a company incorporated in Singapore with limited liability.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs", which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

All IFRSs effective for accounting period commencing from 1 January 2013, together with relevant transitional provisions have been adopted by the Group in the preparation of the financial statements for the years ended 30 June 2014 and 2013.

They have been prepared under the historical cost convention. These financial statements are presented in Singapore dollars ("S$").

Basis of presentation

In preparation for the Listing, the Group has undergone an reorganisation ("Reorganisation"), as explained in the section headed "History and development" in the listing document of the Company dated 16 December 2013 (the "Prospectus"). Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 29 June 2013.

As the Reorganisation is undertaken to incorporate the Company as an intermediate holding company, the Group is a continuation of the existing group. The companies now comprising the Group were under common control of the controlling shareholder, Victrad, before and after the Reorganisation. Accordingly, the financial statements of the Group have been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the reporting period.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows have been prepared as if the current group structure had been in existence throughout the reporting period. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 30 June 2014. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

As explained above, the acquisition of the subsidiary under common control has been accounted for using the merger accounting.

The merger accounting involves incorporating the financial statement items of the consolidating entities or businesses in which the common control consolidation occurs as if they had been consolidated from the date when the consolidating entities or businesses first came under the control of the controlling party. The net assets of the consolidating entities or businesses are consolidated using the existing book value. No amount is recognised in respect of goodwill or the excess of the acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control consolidation.

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

Impact of issued but not yet effective IFRSs

The Group has not applied the following IFRSs that have been issued but are not yet effective in the financial statements:

	Effective date (annual periods beginning on or after)
Amendments to IAS 32 — *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements — *Investment Entities*	1 January 2014
Amendments to IAS 36 *Recoverable Amount Disclosures for Non-financial Assets*	1 January 2014
Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Annual improvements to *IFRS 2010 — 2012 cycle*	1 July 2014
Annual improvements to *IFRS 2011 — 2013 cycle*	1 July 2014
IFRS 9 *Financial Instruments*	1 January 2018 with early adoption permitted

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, 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 periods.

4. REVENUE

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts during the year.

	2014	2013
	S$	*S$*
Contract revenue	**22,628,298**	18,628,674
Sale of goods	**—**	31,834
	22,628,298	18,660,508

Information about major customers

There are 2 (2013: 3) customers who individually contributed more than 10% of the Group's revenue. Revenue with these customers amounted to S$11,041,000 (2013: S$2,516,000) and S$9,423,000 (2013: S$13,463,000) respectively.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

		2014	2013
		S$	*S$*
(a)	Auditors' remuneration	**135,480**	111,000
	Depreciation of plant and equipment	**41,217**	40,800
	Loss on plant and equipment written off	**4,759**	—
	Cost of services provided	**13,515,642**	10,336,319
	Cost of goods sold	**—**	40,610
	Minimum lease payments under operating leases	**293,468**	143,352
	Employee benefits *(note b)*	**3,059,271**	2,703,738
	Legal and professional expense	**102,164**	—
	Foreign exchange differences	**135,938**	—
	Listing expenses	**1,500,512**	420,760
(b)	Employee benefits (including directors' remuneration):		
	— Directors' fees	**37,917**	—
	— Salaries, wages and bonuses	**2,841,298**	2,556,027
	— CPF contributions	**180,056**	147,711
		3,059,271	2,703,738

6. INCOME TAX EXPENSE

The major components of income tax expense for the year are as follows:

	2014	2013
	S$	*S$*
Current — Hong Kong	**—**	—
Current — Elsewhere:		
— Charge for the year	**1,296,011**	1,190,632
— Over provision in respect of previous years	**(16,783)**	(8,977)
Deferred	**(3,190)**	19,398
Total tax charge for the year	**1,276,038**	1,201,053

Relationship between tax expense and accounting profit

A reconciliation of the tax expense applicable to the profit before tax at the applicable statutory tax rate for the countries in which the Company and the subsidiary are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e. the statutory tax rates) to the effective tax rates for the year are as follows:

			2014			
	S$	*%*	***S$***	*%*	***S$***	*%*
	Singapore		**Cayman Islands**		**Total**	
Profit/(loss) before tax	**8,901,289**		**(1,877,982)**		**7,023,307**	
Taxation at statutory tax rate	**1,513,219**	**17.0**	**—**	**—**	**1,513,219**	**21.5**
Adjustments:						
Non-deductible expenses	**13,402**	**0.1**	**—**	**—**	**13,402**	**0.1**
Effects of partial tax exemption and tax relief	**(73,192)**	**(0.8)**	**—**	**—**	**(73,192)**	**(1.0)**
Over provision in respect of previous years	**(16,783)**	**(0.2)**	**—**	**—**	**(16,783)**	**(0.2)**
Share of results of a joint venture and associates	**(157,418)**	**(1.8)**	**—**	**—**	**(157,418)**	**(2.2)**
Over provision of deferred tax liability	**(3,190)**	**—**	**—**	**—**	**(3,190)**	**—**
Income tax expense recognised in profit or loss	**1,276,038**	**14.3**	**—**	**—**	**1,276,038**	**18.20**

			2013			
	S$	*%*	*S$*	*%*	*S$*	*%*
	Singapore		Cayman Islands		Total	
Profit/(loss) before tax	8,163,383		(420,760)		7,742,623	
Taxation at statutory tax rate	1,387,775	17.0	—	—	1,387,775	17.9
Adjustments:						
Non-deductible expenses	11,897	0.1	—	—	11,897	0.1
Effects of partial tax exemption and tax relief	(69,307)	(0.8)	—	—	(69,307)	(0.9)
Over provision in respect of previous years	(8,977)	(0.1)	—	—	(8,977)	(0.1)
Share of results of a joint venture and associates	(119,154)	(1.5)	—	—	(119,154)	(1.5)
Others	(1,181)	—	—	—	(1,181)	—
Income tax expense recognised in profit or loss	1,201,053	14.7	—	—	1,201,053	15.5

6. INCOME TAX EXPENSE (CONTINUED)

No Hong Kong profits tax has been provided (2013: Nil) since no assessable profit arose in Hong Kong during the year.

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 wholly to the profits of the subsidiary which were taxed at a statutory tax rate of 17% in Singapore.

The share of tax attributable to the joint venture and associates amounting to S$74,304 (2013: S$34,410) is included in "share of results of a joint venture" and "share of results of associates " in the profit or loss and other comprehension income respectively.

7. DIVIDENDS

	2014	2013
	S$	*S$*
Declared and paid during the year:		
Dividends on ordinary shares:		
— Interim exempt dividend (2013: S$5.40 per share)	**—**	8,154,000
	—	8,154,000

No dividend was declared for the year. The dividends declared in last financial year by Strike Electrical Engineering Pte Ltd ("Strike Singapore") to its shareholders were prior to the Reorganisation.

8. EARNINGS PER SHARE

The weighted average number of equity shares refers to shares in issue during the year. It has been adjusted for the issuance of new ordinary shares and the sub-division of shares prior to the Listing as set out in note 15. The basic earnings per share is based on the weighted average number of ordinary shares outstanding during the year.

The Group had no potentially dilutive ordinary shares (2013: Nil) in issue during the year.

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

	2014	2013
	S$	*S$*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculations	**5,747,269**	6,541,570
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**576,000,000**	512,000,000*
Basic and diluted earnings per share *(S$ cents)*	**1.00**	1.28

* *The subdivision of shares and shares issued under the Capitalisation Issue set out in note 15 are deemed effective in 2013 for the purpose of computation of the weighted average number of ordinary shares.*

9. INTEREST IN A JOINT VENTURE

	2014 S$	2013 S$
Unlisted shares, at cost	**125,000**	125,000
Share of post-acquisition reserves	**1,211,357**	711,427
Share of net assets	**1,336,357**	836,427

The Group amount due from the joint venture is disclosed in note 12.

Particulars of the Group's joint venture are as follows:

Name	Place of registration and business	Percentage of Ownership interest	Voting power	Profit sharing	Principal activity
YL Integrated Pte Ltd ("YL")	Singapore	50	50	50	Electrical works and mixed construction activities

The Group's shareholdings in the joint venture all comprise equity shares held through a wholly-owned subsidiary of the Company.

YL, which is considered a material joint venture of the Group and is accounted for using the equity method.

The following table illustrates the summarised financial information of YL reconciled to the carrying amount in the financial statements:

	2014 S$	2013 S$
Joint venture's assets and liabilities:		
Cash and cash equivalents	**535,268**	1,200,164
Other current assets	**2,647,816**	2,744,920
Current assets	**3,183,084**	3,945,084
Non-current assets	**713,586**	689,652
Current liabilities	**(831,625)**	(2,567,254)
Non-current liabilities	**(392,331)**	(394,628)
Net assets	**2,672,714**	1,672,854
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**50%**	50%
Carrying amount of the investment	**1,336,357**	836,427
Revenue	**8,543,513**	8,214,226
Profit and total comprehensive income for the year after charging:	**999,860**	1,158,208
— Depreciation	**(63,776)**	(39,558)
— Income tax expense	**(88,462)**	(68,820)
Dividend received	**—**	125,000*

* The joint venture had declared and paid final exempt dividend amounting to S$250,000 to its shareholders during last year. The subsidiary of the Company had received dividend amounting to S$125,000 during last year.

10. INTERESTS IN ASSOCIATES

	2014	2013
	S$	*S$*
Unlisted shares, at cost	**200,000**	200,000
Share of post-acquisition reserves	**649,705**	223,646
Share of net assets	**849,705**	423,646

The Group's amounts due from/to the associates are disclosed in notes 12 and 14.

Particulars of the principal associates are as follows:

Name	**Place of registration and business**	**Percentage of Ownership interest**	**Percentage of Voting power**	**Percentage of Profit sharing**	**Principal activity**
NEK Electrical Engineering Pte Ltd ("NEK")	Singapore	50	50	50	Electrical works and mixed construction activities
SRM Electrical Engineering Pte Ltd ("SRM")	Singapore	50	50	50	Electrical works and mixed construction activities

The Group's shareholdings in the associates all comprise equity shares held through a wholly-owned subsidiary of the Company.

NEK is considered a material associate of the Group. It is engaged in the electrical works and mixed construction activities and is accounted for using the equity method.

The following table illustrates the summarised financial information of NEK adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:

	2014	2013
	S$	*S$*
Current assets	**2,458,453**	825,513
Non-current assets	**510,946**	460,182
Current liabilities	**(1,911,671)**	(706,923)
Net assets	**1,057,728**	578,772
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's interest in the associate	**50%**	50%
Carrying amount of the investment	**528,864**	289,386
Revenue	**3,641,891**	954,221
Profit and total comprehensive income for the year	**478,956**	387,423

SRM is considered a material associate of the Group. It is engaged in the electrical works and mixed construction activities and is accounted for using the equity method.

10. INTERESTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information of SRM adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements:

	2014	2013
	S$	*S$*
Current assets	**1,078,758**	336,729
Non-current assets	**795,978**	150,291
Current liabilities	**(41,093)**	(11,274)
Non-current liabilities	**(1,191,961)**	(207,226)
Net assets	**641,682**	268,520
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's interest in the associate	**50%**	50%
Carrying amount of the investment	**320,841**	134,260
Revenue	**6,455,217**	5,097,700
Profit and total comprehensive income for the year	**373,162**	4,417

11. GROSS AMOUNT DUE FROM CUSTOMERS FOR CONTRACT WORK IN PROGRESS

	2014	2013
	S$	*S$*
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	**78,742,630**	91,081,376
Less: Progress billings	**(76,098,445)**	(84,225,973)
	2,644,185	6,855,403
Presented as:		
Gross amount due from customers for contract work in progress	**2,644,185**	6,855,403

As at 30 June 2014 and 2013, there were no advances received from customers for contract work in progress.

12. TRADE AND OTHER RECEIVABLES

	2014	2013
	S$	*S$*
Trade receivables (non-current):		
Retention sum receivables	**2,377,461**	1,207,500
Trade receivables:		
Third parties	**655,856**	1,172,184
Amount due from a joint venture	**—**	6,680
Amount due from associates	**—**	6,578
Retention sum receivables	**894,977**	1,605,535
	1,550,833	2,790,977
Other receivables:		
Advances to staff	**7,500**	1,500
Deposits	**59,850**	29,700
Amount due from the immediate and ultimate holding company	**—**	12
	67,350	31,212
Total trade and other receivables (current)	**1,618,183**	2,822,189

Retention sum receivables refer to retention sum which will be partially billed upon the practical completion of the Group's projects, and the balance shall be billed upon the final completion of the Group's projects. Retention sum receivables are non-interest bearing and on terms based on the respective contracts' retention periods.

Trade receivables

Trade receivables (excluding retention sum receivables) are non-interest bearing and are generally on terms of 30 to 90 days.

An aging analysis of the trade receivables (excluding retention sum receivables) as at the end of the year, based on the invoice date, is as follows:

	2014	2013
	S$	*S$*
Less than 30 days	**640,307**	1,161,350
30 to 60 days	**11,235**	—
More than 61 days	**4,314**	24,092
	655,856	1,185,442

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

As at 30 June 2014 and 2013, the Group's trade receivables were not impaired. The aging analysis of the trade receivables (excluding retention sum receivables) that are neither individually nor collectively considered to be impaired is as follows:

	2014	2013
	S$	*S$*
Neither past due nor impaired	**640,307**	1,161,350
Less than 30 days past due	**11,235**	15,836
More than 61 days past due	**4,314**	8,256
	655,856	1,185,442

Receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality of the customers and the balances are still considered to be fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Amounts due from the joint venture, associates, and the immediate and ultimate holding company

These amounts are unsecured, non-interest-bearing, and repayable upon demand and had been/are to be settled in cash.

13. CASH AND CASH EQUIVALENTS

	2014	2013
	S$	*S$*
Cash at banks and on hand	**10,251,791**	3,513,730
Short-term deposits	**8,000,219**	3,735,645
	18,252,010	7,249,375

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates.

As at 30 June 2013, short-term deposits amounting to S$3,735,645 are held in trust on behalf of the Group by the directors. Such amounts have been transferred to the bank accounts of the Group on 22 July 2013.

Bank balances denominated in foreign currency as at 30 June are as follows:

	2014	2013
	S$	*S$*
Hong Kong Dollars	**7,377,356**	—

14. TRADE AND OTHER PAYABLES

	2014	2013
	S$	*S$*
Trade payables:		
Third parties	**364,951**	574,897
Amounts due to associates	**—**	7,152
Amount due to the immediate and ultimate holding company	**—**	26,590
	364,951	608,639
Accruals for project costs	**5,923,320**	13,794,399
Other payables:		
Sundry payables	**5,243**	4,233
Accrued liabilities	**321,366**	239,970
Goods and services tax ("GST")	**115,924**	70,293
	442,533	314,496
Total	**6,730,804**	14,717,534

Accrued liabilities refer mainly to accrual for professional fees, trade purchases and employee benefits.

Trade payables/other payables

These amounts are non-interest bearing. Trade payables are normally settled on terms of 30 to 90 days while other payables have an average term of 30 days.

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

	Group	
	2014	2013
	S$	*S$*
Trade payables:		
Less than 90 days	**364,951**	607,676
More than 90 days and less than 180 days	**—**	963
	364,951	608,639

Amounts due to the associates and the immediate and ultimate holding company

These amounts are trade related, unsecured, non-interest bearing, repayable on demand and had been/are to be settled in cash.

15. SHARE CAPITAL AND SHARE PREMIUM

SHARES

	2014	2013
	S$	*S$*
Authorised:		
5,000,000,000 (2013: 300,000) ordinary shares of HK$0.01 each (2013: HK$1.00 each)	**8,067,769**	48,880
Issued and fully paid:		
640,000,000 (2013: 300,000) ordinary shares of HK$0.01 each (2013: HK$1.00 each)	**1,048,880**	48,880

During the year, the movements in share capital and share premium were as follows:

	Notes	**Number of shares in issue**	**Issued share capital**	**Share premium account**	**Total**
			S$	*S$*	*S$*
At 1 July 2012		—	—	—	—
Issuance of new shares on incorporation of Company	*(a)*	1	1	—	1
Issuance of shares on Reorganisation	*(b)*	299,999	48,879	3,700,767	3,749,646
At 30 June 2013 and 1 July 2013		300,000	48,880	3,700,767	3,749,647
Subdivision of shares	*(c)*	29,700,000	—	—	—
Shares issued under the Capitalisation Issue	*(e)*	482,000,000	790,164	(790,164)	—
Issuance of share capital pursuant to IPO	*(f)*	128,000,000	209,836	10,281,967	10,491,803
Listing expenses taken against share premium		—	—	(825,596)	(825,596)
		128,000,000	209,836	9,456,371	9,666,207
At 30 June 2014		640,000,000	1,048,880	12,366,974	13,415,854

Notes:

(a) The authorised share capital of the Company on the date of its incorporation was HK$300,000 divided into 300,000 shares of HK$1.00 each. On 19 June 2013, one nil-paid share of the Company was allotted and issued to Sharon Pierson as the initial subscriber, which was transferred to Victrad on the same date.

(b) On 29 June 2013, pursuant to a sale and purchase agreement entered into between the Company and Victrad, the Company acquired all the issued shares of Strike Singapore from Victrad, in consideration of HK$23,013,833, which was satisfied by (i) the allotment and issue of 299,999 shares of HK$1.00 each in the share capital of the Company by the Company to Victrad, credited as fully paid; and (ii) the crediting of the one nil-paid share of the Company which was held by Victrad as fully paid.

15. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

(c) On 9 December 2013, each authorised and issued share of a par value of HK$1.00 in the capital of the Company was sub-divided into 100 shares of a par value of HK$0.01 each (the "Share Sub-division"). Upon completion of the Share Sub-division, the authorised share capital of the Company was HK$300,000 divided into 30,000,000 shares of HK$0.01 each.

(d) On 9 December 2013, the authorised share capital of the Company was increased from HK$300,000 divided into 30,000,000 shares of HK$0.01 each to HK$50,000,000 divided into 5,000,000,000 shares of HK$0.01 each by the creation of an additional 4,970,000,000 shares of HK$0.01 each which rank pari passu in all respects with the existing shares.

(e) Pursuant to the written resolutions passed by the shareholder of the Company on 9 December 2013, conditional on the share premium account of the Company being credited as a result of the initial public offering ("IPO"), the directors were authorised to capitalise HK$4,820,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 482,000,000 shares for allotment and issue to the shareholder whose name appeared on the register of members of the Company at 4:00 p.m. on 9 December 2013 (the "Capitalisation Issue").

(f) In connection with the IPO, 128,000,000 new shares and 32,000,000 existing shares of HK$0.01 each were offered at a price of HK$0.5 per share. Dealings in these shares on the Stock Exchange commenced on 30 December 2013.

16. INVESTMENT IN A SUBSIDIARY

	Company	
	2014	2013
	S$	*S$*
Unlisted shares, at cost	**3,749,647**	3,749,647

Pursuant to the Reorganisation on 29 June 2013, the Company issued 300,000 ordinary shares of HK$1.00 each in consideration and in exchange for the entire issued share capital of the above subsidiary. Upon completion of the Reorganisation, the subsidiary became wholly-owned by the Company.

Particulars of the subsidiary are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued and paid up capital	Percentage of ownership interest		Principal activities and country of operation
			2014	2013	
Directly held:					
* Strike Electrical Engineering Pte Ltd ("Strike Singapore")	Singapore	S$1,510,000	**100**	100	Electrical works and general building engineering services Singapore

* *Statutory financial statements prepared in accordance with Singapore Financial Reporting Standards are audited by Ernst & Young LLP, Singapore.*

17. RELATED PARTY TRANSACTIONS

(I) The following are the significant 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 year:

	Notes	**2014** **S$**	2013 S$
Management fees charged by			
— immediate and ultimate holding company	(b)(i)	—	182,915
— joint venture	(b)(iv)	—	79,184
— associates	(b)(iv)	—	222,347
Sub-contractor fees charged by			
— immediate and ultimate holding company	(b)(ii)	—	50,288
— joint venture	(a)(i)	**5,005,149**	2,183,575
— associates	(a)(i)	**6,376,616**	3,801,835
Project costs recharged by/(to)			
— immediate and ultimate holding company	(b)(vii)	—	63,062
— joint venture	(b)(vii)	—	(75,102)
— associates	(b)(vii)	—	(62,097)
Progress billings raised on behalf by the immediate and ultimate holding company to customers	(b)(iii)	—	30,283
Operating expenses recharged by the immediate and ultimate holding company	(a)(ii)	**6,425**	41,124
Rental expense charged by the immediate and ultimate holding company	(a)(iii)	**104,500**	—
Management fees charged to			
— joint venture	(b)(v)	—	(3,663)
— associates	(b)(v)	—	(20,842)
Sales of materials to			
— joint venture	(b)(vi)	—	(19,262)
— associates	(b)(vi)	—	(12,572)

(a) Recurring

(i) During the year, Strike Singapore had subcontracted some electrical engineering works to the joint venture and associates.

(ii) Operating expenses recharged by the immediate and ultimate holding company mainly refer to the utilities and telephone charges for the office premises, and upkeep expense on the motor vehicles which was paid on behalf by Victrad.

(iii) Rental expense was charged by the immediate and ultimate holding company with reference to the rates of other similar premises.

(b) Non-recurring

(i) During the year, management fee charged to the Group related mainly to the salaries of the management team and the project team whose salaries were recorded under Victrad during the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore. As at 30 June 2013, the management team and the project teams have been fully transferred to Strike Singapore.

(ii) In the year ended 30 June 2013, Strike Singapore had subcontracted some electrical engineering works to Victrad as part of the Group's internal restructuring. This subcontracting service was subsequently terminated as the Group underwent the Reorganisation to prepare for the Listing.

(iii) In the year ended 30 June 2013, Victrad raised billings to customers on behalf of Strike Singapore for certain projects that were transferred from Victrad. As at 30 June 2013, these projects had been completed.

17. RELATED PARTY TRANSACTIONS (CONTINUED)

(iv) Subsequent to the incorporation of the joint venture and associates, Strike Singapore continued to engage the services of the 3 ex-employees who resigned and became shareholders of these companies. Their services were engaged for projects which they were involved in while in employment with Strike Singapore

(v) In some projects subcontracted to the joint venture and associates in a(i), Strike Singapore provided services of the related project teams to the jointly-controlled entity and associated companies. These project teams had prior involvement in the projects before the projects were subcontracted. Management fees were charged to the joint venture and associates for the services of these project teams.

(vi) In the year ended 30 June 2013, Strike Singapore sold some raw materials to the joint venture and associates. Such transactions took place as and when the need arose for the joint venture and associates.

(vii) In the course of subcontracting of projects, costs incurred on behalf or costs billed by customers for the relevant projects were recharged to the joint venture and associated companies accordingly. Similarly, for projects which were transferred from Victrad, during the transition period of the restructuring where Victrad became the immediate and ultimate holding company of Strike Singapore, such costs were recharged to Strike Singapore.

(II) Outstanding balances with related parties

Details of the Group's balances with the immediate and ultimate holding company, the joint venture and associates are disclosed in notes 12 (Trade and other receivables) and 14 (Trade and other payables).

(III) Commitments with related parties

On 1 August 2013, Strike Singapore entered into two-year agreement with Victrad, the immediate & ultimate holding company, for office premises. The amount of total rental expense from Victrad for the year is included in note 17(1)(a)(iii). The total rental expenses paid to Victrad by the Group in the financial year ending 30 June 2015 and 2016 amount to S$114,000 and S$9,500, respectively.

(IV) Compensation of key management personnel of the Group

	2014	2013
	S$	*S$*
Directors' fees	**37,917**	—
Salaries and bonuses	**762,375**	587,175
CPF contributions	**63,221**	44,759
	863,513	631,934
Related parties		
Remuneration paid to close family members of key management personnel	**48,488**	46,429

18. OPERATING LEASE ARRANGEMENT

As a lessee:

The Group leases certain of its office properties under operating lease arrangement. Leases for properties are negotiated for terms ranging from 1 to 2 years.

Future minimum rental payable under non-cancellable operating leases at the end of the year are as follows:

	Group	
	2014	2013
	S$	*S$*
Amount payable within a year	**114,000**	–
Amount payable within 2 to 5 years	**9,500**	–
	123,500	–

19. CONTINGENT LIABILITIES

At 30 June 2014, the contingent liabilities not provided for were as follows:

		Group	
		2014	2013
		S$	*S$*
Guarantees:			
Security bonds to the Singapore government in relation to foreign workers	(i)	**495,000**	550,000
Share of joint indemnity with an associate given to customers in respect of foreign workers employed by the associate for a project	(ii)	**—**	26,000
		495,000	576,000

(i) 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. During the year, the Group has hired certain foreign workers and has arranged for an insurance company (the "Insurer") 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 year. Accordingly, the Group has not provided for any provision in relation to such law. During the year, the guarantees provided by the Insurer were S$550,000 and S$495,000 as at 30 June 2013 and 2014, respectively.

(ii) The Group was required to provide a joint indemnity to the customer in respect of the customer's undertaking granted to the Singapore Government for the hiring of foreign workers by the associated company for a project. The Group has arranged for an insurance company to provide such indemnity to the customer. Such amount was discharged as at 30 June 2014.

20. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2014, an associate, NEK, had called for an additional paid-up capital of S$50,000 in total divided into 50,000 shares at S$1.00 each from its shareholders in proportion to their existing shareholdings. The Group's subsidiary, Strike Singapore, having interested in 50% shareholdings of NEK, subscribed for 25,000 shares in cash from the Company's IPO proceeds, and the remaining was subscribed by the remaining shareholder of NEK. Port subscription to the additional paid-up capital, Strike Singapore continues to maintain a 50% stake in NEK and continues to account for NEK as an associate. The increase in share capital was effective on 29 August 2014. The purpose of this new capital is to finance the associate's business operation.

Subsequent to 30 June 2014, a joint venture, YL, had called for an additional paid-up capital of S$250,000 in total divided into 250,000 shares at S$1.00 each from its shareholders in proportion to their existing shareholdings. The Group's subsidiary, Strike Singapore, having interested in 50% shareholdings of YL, subscribed for 125,000 shares in cash from the Company's IPO proceeds, and the remaining was subscribed by the remaining shareholder of YL. Port subscription to the additional paid-up capital, Strike Singapore continues to maintain a 50% stake in YL and continues to account for YL as a joint venture. The increase in share capital was effective on 9 September 2014. The purpose of this new capital is to finance the joint venture's business operation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The contract works undertaken by the Group are mainly electrical engineering works for public residential projects in Singapore. For the year ended 30 June 2014, the public residential housing in Singapore has been well supported by the government addressing the increased in demand of public housing units due to the change in population policy. As a result, the Group has overall benefited. The Group is cautiously optimistic for the growth in the next 12 months.

As at 30 June 2014, the Group had completed a HDB industrial project. There are a total of 11 on-going projects in the Group. All are public residential projects and out of which 4 are newly secured during the year ended 30 June 2014 and those amounted to approximately S$28.3 million.

GEOGRAPHICAL INFORMATION

The principal source of revenue of the Group was derived from its business in Singapore and accounted for 100% of the Group's total revenue for the year ended 30 June 2014 and 2013.

SEGMENT INFORMATION

The Group is principally engaged in the provision of electrical engineering services, accounting for 100% of the Group's total revenue for the year ended 30 June 2014. The Group provides electrical engineering services mainly for new construction projects in public residential sector, which made up approximately 95.7% of the total revenue for the year ended 30 June 2014 (2013: approximately 88.8%). All revenue, operating expenses and assets and liabilities are derived from the operations in Singapore.

FINANCIAL REVIEW

Revenue

The Group's revenue was recognised based on the stage of completion of the projects. During the financial year ended 30 June 2014, the Group's had achieved approximately of S$22.6 million in revenue representing an increase of approximately S$3.9 million or 20.9% from approximately S$18.7 million for the same period in 2013. The increase was mainly due to the significant percentage of work done for more projects in the year ended 30 June 2014 as compared to that for the same period in 2013.

Gross profit and gross margin

The Group's gross profit increased by approximately S$0.8 million or 9.6% from approximately S$8.3 million for the year ended 30 June 2013 to approximately S$9.1 million for the year ended 30 June 2014. Such increase was mainly due to the growth of revenue. The Group's gross profit margin reduced by approximately 4.1% from approximately 44.4% in the financial year ended 30 June 2013 to 40.3% for the same period in 2014. The decrease was mainly due to more projects being close to end of completion recorded higher costs savings in the year ended 30 June 2013 as compared to that of the same period in 2014.

Other operating income

The Group's other operating incomes were approximately S$51,477 (2013: $45,513) for the year ended 30 June 2014. Other operating income comprises of bank interests received and incentives from Singapore government.

Singapore government incentives:

Special Employment Credit ("SEC") in 2011 Budget

As part of the relief measures for employers, the government of Singapore introduced SEC in 2011 Budget Initiatives to support employers of older workers with aged above 55. This SEC complements other measures to encourage employers to employ older low-wage Singaporean workers. SEC will run for three years from 2011 to 2013 and it has been extended to 2016.

Wage Credit Scheme ("WCS") in 2013 Budget

The government of Singapore has introduced the WCS to help businesses which may face rising wage costs in a tight labour market. WCS payouts will allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees. Over the period 2013 to 2015, the Government will co-fund 40% of wage increases given to Singaporean employees earning a gross monthly wage of S$4,000 and below.

Productivity and Innovation Credit ("PIC") Bonus in 2014 Budget

The PIC Bonus gives businesses a dollar-for-dollar matching cash bonus for businesses that invest in qualifying activities under the PIC during the Year of assessment ("YA') 2013 to 2015, subject to an overall cap of S$15,000 for all 3 YAs combined.

Administrative and other operating expenses

The Group's administrative and other operating expenses for the year ended 30 June 2014 were approximately S$3.1 million (2013: approximately S$1.4 million) representing an increase of approximately S$1.7 million or 121.4% over the corresponding period in 2013. This was mainly attributable to the increase in Listing expenses amounted to approximately S$1.1 million, while the remaining S$0.6 million increase was mainly from professional fee, office rental, travelling expenses and employees' benefit.

Finance costs

The finance costs comprised mainly bank charges of S$2,568 for the financial year ended 30 June 2014 (2013: S$620). Higher bank charges in the year ended 30 June 2014 was due to opening of new bank account in Hong Kong and bank remittance charges incurred for the professional fees charged by Hong Kong professionals for the Listing. The Group did not have any bank borrowings, therefore, no borrowing interest incurred.

Income tax expenses

Income tax expenses of the Group amounted to approximately S$1.3 million with effective tax rate of approximately 18.2% for the year ended 30 June 2014 (2013: approximately S$1.2 million with effective rate of approximately 15.5%). Despite the decrease in net profit before tax, the tax expenses and the effective rate was higher mainly due to higher Listing expenses and administrative expenses recorded in the Company which were not tax deductible in the year ended 30 June 2014 as compared to the same period in 2013.

Net profit after tax

For the year ended 30 June 2014, the Group recorded a net profit after tax of approximately S$5.7 million, a decrease of approximately S$0.8 million or 12.3% as compared to the net profit of approximately S$6.5 million for the corresponding period in 2013. The decrease was mainly due to the increase in the Listing expenses recorded under administrative expenses.

PROSPECTS

The market research by Frost & Sullivan(s) Pte, Ld. in the Prospectus showed that the population of Singapore is expected to grow from 5.1 million in 2010 to 6.3 million in 2015. The increase in population is likely to result in increased demand for both public and private housing. Singapore is viewed as a rewarding immigrant destination in Asia and immigrants are increasingly relocating to Singapore, thereby stimulating the demand for housing in Singapore. The Directors believe that the Group's business will continue to be prosperous in the coming year and the Group will continue to actively seek opportunities to secure more housing sector projects in Singapore. To cope with future development, the Group also plans to recruit more staff including those on project sites and back office to meet its growing business.

LIQUIDITY AND FINANCIAL RESOURCES

Net current assets

The Group's net current assets increased from approximately S$1.2 million as at 30 June 2013 to approximately S$14.6 million as at 30 June 2014. The net increase in net current assets was primarily attributed to the increase in cash and bank balances as at 30 June 2014. Proceeds from the IPO resulted in larger cash and bank balances as at 30 June 2014.

Financial position

The Group's business operation depends on the sufficiency of working capital and effective project cost management. The source of funds for the operations mainly comes from the cash inflows from operating activities. As at 30 June 2014, the Group had cash and bank balances, of which approximately 40% were in Hong Kong dollar and 60% in Singapore dollar, amounted to approximately S$18.3 million (2013: approximately S$7.2 million, 100% in Singapore dollar). The net increase of approximately S$11.1 million was contributed from the proceeds received from the IPO by approximately S$9.7 million while the remaining of approximately S$1.4 million was due to increase in net cash flow from operating activities.

The Group did not have any bank borrowings for the year ended 30 June 2014, therefore no gearing ratio reported (2013: Nil).

During the year ended 30 June 2014, the Group did not employ any material financial instruments for hedging purposes.

Working Capital

The average trade receivable turnover was approximately 64 days (2013: 66 days) for the financial year ended 30 June 2014. Average trade receivable turnover is calculated by dividing the average trade receivables (average of its opening and closing balances) by the revenue for the year and multiplying by 365 days. The project team monitors the collection from customers on regular basis. The Group achieved slightly improvement in collection payment from the customers in this financial year.

The average trade payable turnover was 51 days (2013: 101 days) for the year ended 30 June 2014. Average trade payable turnover is calculated by dividing the average trade payables (average of its opening and closing balances) by the purchases for the year and multiplying by 365 days. Considering cash and bank balances have improved after receiving net proceeds from the IPO, the Group has shortened the payment period on its own accord in order to build up a good and prompt payment relationship with the suppliers to achieve overall benefit for the on-going and future purchase pricing.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 30 June 2014, there was no significant investment, material acquisition or disposal of subsidiaries and associated companies by the Company.

CHARGES ON ASSETS

As at 30 June 2014, the Group did not have any charges on its assets (2013: Nil).

CAPITAL EXPENDITURES

For the year ended 30 June 2014, the Group purchased plant and machinery of approximately S$11,000. (2013: S$22,309).

CAPITAL COMMITMENTS

The Group has no capital commitments as at 30 June 2014 (2013: Nil).

CONTINGENT LIABILITIES

Save as disclosed in note 19, the Group had no other contingent liabilities as at 30 June 2014.

FOREIGN EXCHANGE RISK

Since the Group mainly operates in Singapore and most of the revenue and transactions arising from its operations were settled in Singapore dollar, and the Group's assets and liabilities are primarily denominated in Singapore dollar, the Directors believe that the Group's risk in foreign exchange is insignificant and the Group will have sufficient foreign exchange to meet its foreign exchange requirements. The Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates and has not adopted any currency hedging policy or other hedging instruments during the year ended 30 June 2014.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2014, the Group had 127 employees (2013: 129). The remuneration package of the Group's employees are periodically reviewed and discretionary bonuses may be awarded to employees according to the assessment of individual performance. The Group provides adequate job training to employees to equip them with practical knowledge and skills.

USE OF NET PROCEEDS FROM THE IPO

The aggregate net proceeds from the IPO (after deducting underwriting fees and expenses in connection with the Listing) amounted to approximately S$7.9 million. A balance of approximately S$6.5 million remained unutilised as at 30 June 2014. During the year, the proceeds has been utilised in accordance with the intended purpose.

Intended applications	Estimated Net Proceeds as per the Prospectus *(approximately S$' million)*	Actual Net Proceeds *(approximately S$' million)*	Utilised amount *(approximately S$' million)* **As at 30 June 2014**	Balance amount *(approximately S$' million)* As at 30 June 2014
Purchase of materials	4.2	4.2	**0.6**	3.6
Expand workforce	1.3	1.3	**0.2**	1.1
Capital contribution to our joint venture and associates	0.8	0.8	—	0.8
Expand our market share	0.8	0.8	—	0.8
Working capital	0.8	0.8	**0.6**	0.2
	7.9	7.9	**1.4**	6.5

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 30 June 2014 (2013: S$8,154,000). Details are disclosed in note 7.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted the requirements of the code provisions of the Corporate Governance Code and Corporate Governance Report (the "Corporate Governance Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). On 24 July 2014, the Company had adopted Board Diversity Policy in accordance to Code A5.6 of the Corporate Governance Code and updated the Company and the Stock Exchange websites under the revised written terms of reference for the nomination committee of the Company. Save as disclosed above, the Company has complied with the Corporate Governance Code from the date of Listing to 30 June 2014.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct of the Company regarding the Directors' transactions of the listed securities of the Company. The Company has made specific enquiry to all Directors, and all Directors have confirmed that they had complied with the Model Code and its code of conduct during the period from the date of Listing to 30 June 2014.

Audit Committee and Review of Financial Information

The Board established an audit committee on 9 December 2013 with written terms of reference in compliance with the Listing Rules, particularly the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The audit committee of the Company which comprises three non-executive Directors, namely Ms. Wong Siew Chuan (Chairman), Mr Ng Tiow Swee and Mr Chen Jianyuan, Edwin, has reviewed and discussed with the management of the Company regarding the Company's financial statements for the year ended 30 June 2014, the auditing, the accounting principles and practices adopted by the Group, as well as internal control and financial reporting matters.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a beneficial interest in any contract of significance to the business of the Group to which the Company, its holding company or any of its fellow subsidiaries was a party during the year ended 30 June 2014.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the directors nor their respective associates is interested in any business that competes with or is likely to complete, either directly or indirectly, with the business of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor its subsidiary purchased, redeemed or sold any of the Company's listed securities from the date of Listing to 30 June 2014.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year ended 30 June 2014 will be held on 14 November 2014. A notice of convening the annual general meeting will be issued and despatched to shareholders of the Company in accordance with the Company's articles of association and the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of shareholders of the Company with regards to the right to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 12 November 2014 to 14 November 2014, both days inclusive, during which period no share transfer will be effected. All share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 11 November 2014.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Company (www.kingbostrike.com) and the Stock Exchange (www.hkexnews.hk).

The Company's annual report for the year ended 30 June 2014 will be dispatched to shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Kingbo Strike Limited
Yeo Jiew Yew
Managing Director

Hong Kong, 22 September 2014

As at the date of this announcement, the Board consists of two executive Directors, Mr. Yeo Jiew Yew and Mr. Sim Yew Heng, and three independent non-executive Directors, Mr. Ng Tiow Swee, Ms. Wong Siew Chuan and Mr. Chen Jianyuan, Edwin.