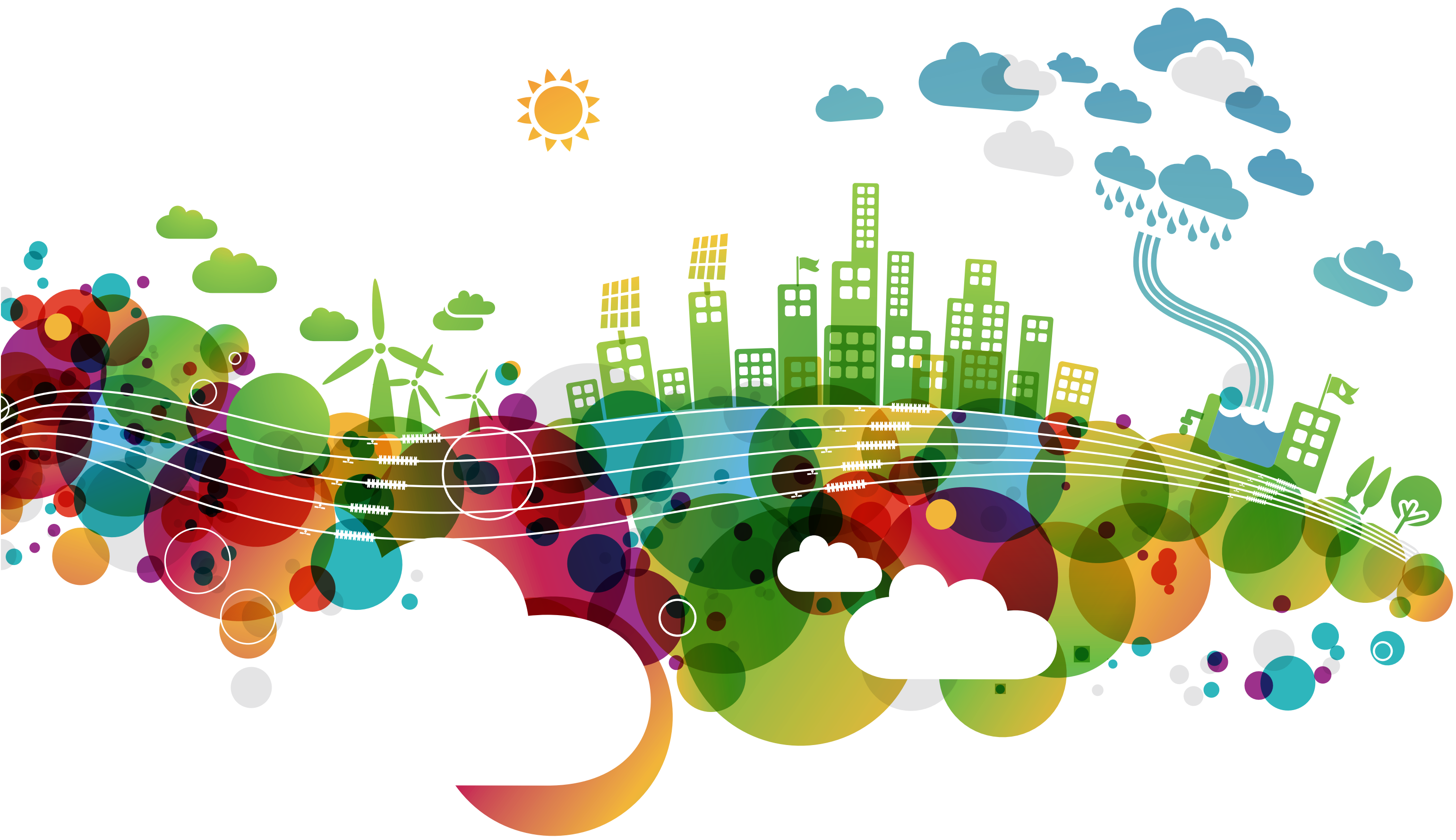
Kingbo Strike Limited

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



Annual Report 2014/2015

Contents

Corporate Information

Company Name	Kingbo Strike Limited
Registered Office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and Principal Place of Business	22 Tagore Lane Singapore 787480
Principal Place of Business in Hong Kong	19th Floor, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Website of the Company	www.kingbostrike.com
Telephone	(65) 6455 3922
Fax	(65) 6455 7322
Enquiry Email	contact@kingbostrike.com
Financial Year End	30 June
Board of Directors	**Executive Directors** Mr Peng Rongwu *(Chairman)* Mr Yeo Jiew Yew *(Managing Director)* **Non-Executive Director** Mr Tam Tak Wah **Independent Non-Executive Directors** Mr Ng Tiow Swee Ms Wong Siew Chuan Mr Ng Wai Hung
Company Secretary	Mr Li Chi Chung, Solicitor, Hong Kong 19/F, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Authorised representatives	Mr Li Chi Chung, Solicitor, Hong Kong Mr Yeo Jiew Yew
Audit Committee	Ms Wong Siew Chuan *(Chairperson)* Mr Ng Tiow Swee Mr Ng Wai Hung

Remuneration Committee	Mr Ng Tiow Swee *(Chairman)* Mr Ng Wai Hung Mr Yeo Jiew Yew
Nomination Committee	Mr Ng Tiow Swee *(Chairman)* Ms Wong Siew Chuan Mr Yeo Jiew Yew
Principal Share Registrar and Transfer Office in the Cayman Islands	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Branch Share Registrar and Transfer Office in Hong Kong	Union Registrars Limited A18/F, Asia Orient Tower Town Place, 33 Lockhart Road Wanchai Hong Kong
Compliance Adviser	Grand Vinco Capital Limited Units 4909–4910 49th Floor, The Center 99 Queen's Road Central Hong Kong
Auditors	Ernst & Young *Certified Public Accountants* 22/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong
Principal Bankers	Standard Chartered Bank (Hong Kong) Limited Standard Chartered Bank (Singapore) Limited
Place of Ordinary Shares Listing	Main Board of The Stock Exchange of Hong Kong Limited
Stock Code	1421
Board lot size	5,000 shares
Listing Date	30 December 2013

Chairman's Statement

On behalf of the board (the "Board") of directors ("Directors") of Kingbo Strike Limited ("Kingbo Strike" or the "Company") and its subsidiaries (collectively, the "Group"), I am pleased to present to you the annual report and the audited consolidated financial statements of the Group for the year ended 30 June 2015.

RESULTS

For the year ended 30 June 2015, the Group reported a 47.7% decrease in revenue from S$22,628,298 for the same period in 2014 to S$11,826,488. Gross profit and profit after tax of the Group were S$3,633,907 (2014: S$9,112,656) and S$3,887,451 (2014: S$5,747,269) respectively.

Decrease in revenue was primarily attributable to fewer projects with significant percentage of completion recognised for the year and a slowdown on worksite schedule for newly secured projects. The projects undertaken for the year recorded lower margin resulted in a drop of gross profit margin by approximately 9.6% on a year-on-year basis.

Profit after tax margin improved by approximately 7.5% as compared to last year which was attributable to (i) an increase in other operating income by S$562,505; (ii) an improved contribution from the joint venture by S$970,784; (iii) a reduction of administrative and other operating expenses by S$1,339,448; and (iv) a lower income tax expense for the year by S$902,085.

The Group has a total outstanding project pipeline amounting to approximately S$62.1 million as at 30 June 2015.

OUTLOOK

Despite the Ministry of Trade and Industry of Singapore has narrowed the Singapore economic growth forecast for 2015 to between 2.0% and 2.5% in August 2015, the construction sector still expanded at a faster pace and the growth was supported by a pick-up in public sector construction works. Regarding the public housing sector where the Group's principal line of business is dependent on, the Housing and Development Board of Singapore ("HDB") is offering 16,900 Built-To-Order ("BTO") flats in 2015 out of which 8,039 units were taken up in the first half of 2015, compared to a total of 22,455 BTO flats rolled out by HDB to meet the residents' demand in 2014, representing a drop of approximately 24.7% this year.

Whilst the Group is facing challenge of moderate development of public housing projects from a ramp-up in previous years, it is expected that Kingbo Strike will be continuously benefited from HDB's sustainable public housing programme. In order to diversify the business segments, broaden the sources of income and enhance the value for the shareholders of the Company, the Board and the management of the Company will keep on exploring different opportunities for the growth of the Group, even the new opportunities may not be in line with the main business of the Group.

APPRECIATION

On behalf of the Board, I would express my sincere gratitude to the management and staff of the Group for their hard work and dedication as well as our shareholders of the Company for your continued support.

Peng Rongwu
Chairman

Hong Kong, 22 September 2015

The board (the "Board") of directors (the "Directors") of Kingbo Strike Limited (the "Company", together with its subsidiaries the "Group") present their report and the audited consolidated financial statements for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the provision of electrical engineering services. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 30 June 2015 and the Group's financial position at that date are set out in the financial statements on pages 31 to 77.

The Directors do not recommend the payment of any dividends for the year ended 30 June 2015 (2014: S$nil).

BUSINESS REVIEW

The principle source of revenue of the Group was derived from its business in Singapore for the year ended 30 June 2015. The contract works undertaken by the Group are mainly electrical engineering works for public residential projects in Singapore. During the year ended 30 June 2015, the Group completed 4 public residential projects and secured 4 new public residential projects amounting to approximately S$33.1 million giving a total of 11 on-going projects for the Group (2014: 11 on-going projects).

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 2015 (2014: 100%).

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 2015. The Group provides electrical engineering services mainly for new construction projects in public residential sector in Singapore, which made up approximately 99.2% of the total revenue for the year ended 30 June 2015 (2014: approximately 95.7%).

Financial information

	For the year ended 30 June		Percentage change
	2015	2014	increase/
	(S$)	*(S$)*	(decrease)
Revenue	**11,826,488**	22,628,298	(47.7%)
Gross profit	**3,633,907**	9,112,656	(60.1%)
Gross margin	**30.7%**	40.3%	(9.6%)
Other operating income	**613,952**	51,447	N.M.
Share of results of joint ventures and associates	**1,738,572**	925,989	87.8%
Administrative and other operating expenses	**(1,724,769)**	(3,064,217)	(43.7%)
Income tax expense	**(373,953)**	(1,276,038)	(70.7%)
Effective tax rate	**8.8%**	18.2%	(9.4%)
Profit after tax	**3,887,451**	5,747,269	(32.4%)
Profit after tax margin	**32.9%**	25.4%	7.5%

N.M. Not meaningful

1. *Revenue, gross profit and gross margin*

   The Group's revenue was recognised based on the stage of completion of the projects. The decrease in revenue was primarily attributable to fewer projects with significant percentage of completion recognised for the year and a slowdown on worksite schedule for newly secured projects. The substantial decrease of the Group's gross profit was mainly due to the decline in revenue and partly due to the projects undertaken for the year recorded lower gross margin. Therefore, the Group's gross margin reported a drop for the year. Gross margin may vary from each individual project depending on the scale, complexity, specifications, timing and capacity to manage a project.

2. *Other operating income*

   The Group's other operating income comprises unrealised foreign exchange differences, bank interest received and government incentives. Major increase was mainly attributable to the unrealised exchange gain arising from the strengthening of Hong Kong Dollar against Singapore Dollar for the bank balances denominated in Hong Kong Dollar as at 30 June 2015 and the remaining was due to the increase in bank interests received.

3. *Share of results of joint ventures and associates*

   An increase in share of results of joint ventures and associates was contributed by a joint venture of the Group, YL Integrated Pte. Ltd. ("YL") which recorded an increase in number of secured and performed projects during the year. On the other hand, the associates of the Group secured and performed fewer projects for the year.

4. *Administrative and other operating expenses*

   The Group's administrative and other operating expenses comprised professional fee, office rental, travelling expense and employee benefits expense. The decrease was mainly due to the one-off listing expenses incurred in prior year.

5. *Income tax expenses and effective tax rate*

   The Group has incurred lower income tax expense for the year due to lower taxable profit and higher share of results of joint ventures and associates which were non-taxable in nature. Effective tax rate was lower due to lesser non-tax deductible expenses and higher proportion of the share of results of joint ventures and associates for the year.

6. *Profit after tax and margin*

   The decrease of the Group's profit after tax was mainly due to the decrease of gross profit during the year. However, the Group's profit after tax margin has improved as compared to prior year, which was attributable to (i) an increase in other operating income; (ii) an improved contribution from a joint venture; (iii) a reduction of administrative and other operating expenses; and (iv) a lower income tax expense for the year.

7. *Liquidity and capital resources*

   The Group's business operations depend on the sufficiency of working capital and effective project cost management. The source of funds for the operations mainly derived from internal fund and cash generated from operating activities. As of 30 June 2015, the Group had cash and cash equivalents amounted to S$17,628,754 of which approximately 93% was denominated in Hong Kong Dollar and 7% was denominated in Singapore Dollar (2014: S$18,252,010, of which 40% was denominated in Hong Kong Dollar and 60% was denominated in Singapore Dollar).

Our primary uses of cash are for payment to suppliers and subcontractors as well as general working capital needs. The table below illustrated the net decrease in cash and cash equivalents of S$623,256 during the year.

	For the year ended 30 June		Increase/
	2015	2014	(decrease)
	(S$)	*(S$)*	*(S$)*
Net cash flows (used in)/generated from operating activities	**(1,275,583)**	1,347,280	(2,622,863)
Net cash flows generated from/(used in) investing activities	**117,521**	(10,852)	128,373
Net cash flows generated from financing activities	**—**	9,666,207	(9,666,207)
Net (decrease)/increase in cash and cash equivalents	**(1,158,062)**	11,002,635	(12,160,697)
Effects of currency translation on cash and cash equivalents	**534,806**	—	534,806
Cash and cash equivalents at beginning of year	**18,252,010**	7,249,375	11,002,635
Cash and cash equivalents at end of year	**17,628,754**	18,252,010	(623,256)

The increase in the Group's net cash flows used in operating activities was mainly attributable to a lower cash generated from operations and the payment of prior year income tax expense.

The Group's net cash flows generated from investing activities for the year which was attributable to dividends received from the joint ventures and partially offset by (i) subscription of additional paid-up capital in a joint venture and an associate in order to maintain the Group's existing shareholding percentage in these entities; and (ii) purchase of new commercial vehicles for the replacement of the retired vehicles for workers and materials.

The Group did not carry out any financing activity during the year. The decrease in net cash flows generated from financing activities was due to the cash inflow from net proceeds from initial public offerings (the "IPO") received in prior year.

The effects of currency translation on cash and cash equivalents related to unrealised exchange gain of cash and cash equivalents denominated in Hong Kong Dollar under other operating income.

The Group did not have any bank borrowings for the year ended 30 June 2015, therefore no gearing ratio was reported (2014: Nil).

For the year ended 30 June 2015 and 2014, the Group did not employ any material financial instruments for hedging purposes.

8. Net current assets

The Group's net current assets increased by S$3,132,848 from S$14,557,654 as at 30 June 2014 to S$17,690,502 as at 30 June 2015. The increase in net current assets was mainly attributable to (i) the decrease in income tax expense payable by S$931,093 as a result of a lower provision made for current year income tax expense; (ii) decrease in trade and other payables by S$2,874,002 due to the completion of projects which reduced the projects accrued costs; that are partly offset by the decrease in cash and cash equivalents of S$623,256 used for general working capital.

9. Average trade receivable and payable turnover

	2015 Approximately *(Days)*	2014 Approximately *(Days)*	Increase Approximately *(Days)*
Average trade receivable turnover (note 1)	**110**	64	46
Average trade payable turnover (note 2)	**75**	51	24

Notes:

1. Average trade receivable turnover = average trade receivables (average of its opening and closing balances)/revenue for the year X 365 days

2. Average trade payable turnover = average trade payables (average of its opening and closing balances)/purchases for the year X 365 days.

The project team monitors the collection from customers on monthly basis by submitting the monthly progress claim. For the year ended 30 June 2015, the collection days was longer mainly due to the retention monies for completed projects and billings raised to the customers towards year end.

The Group always maintains a good and prompt payment relationship with the suppliers to achieve overall benefit for the on-going and future purchase pricing. For the year ended 30 June 2015, the average trade payable turnover days was longer mainly due to increase in purchases of site materials to meet the project's schedule and progress towards year end.

10. Significant investment, material acquisitions and disposal of subsidiaries and associated companies

Save as disclosed in notes 1, 11 and 12 to the financial statements, there was no significant investment, material acquisition or disposal of subsidiaries, joint ventures and associates by the Company during the financial year.

11. Charges on assets

As at 30 June 2015, there are no charges on the Group's assets (2014: Nil).

12. Capital expenditures

For the year ended 30 June 2015, the Group purchased plant and equipment of S$399,985 (2014: S$10,852) for new commercial vehicles which replaced the retired vehicles for workers and materials.

13. Contingent liabilities

Save as disclosed in note 24 to the financial statements, the Group had no other contingent liabilities as at 30 June 2015.

14. Foreign exchange risk

Since the Group's business mainly operates in Singapore, most of the revenue and transactions arising from its operations were settled in Singapore Dollar. 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 2015.

15. Employees and remuneration policy

As at 30 June 2015, the Group had 167 employees (2014: 127 employees). The remuneration packages 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 job training to employees to equip them with practical knowledge and skills.

Principal risks and uncertainties

There are certain risks and uncertainties involved in the Group's operations in Singapore, some of which are beyond control. These risks and uncertainties are categorised into: (i) risks relating to the Group's business; and (ii) risks relating to the industry in which the Group's business operates.

Risks relating to the Group's business

1. The Group's business is highly dependent on skilled, semi-skilled and unskilled foreign workers taking into account the limited supply and costly Singaporean construction labour. Any shortage in the supply of foreign workers or increase in foreign worker levy, or any restriction imposed on the number of foreign workers for each of the Group's project will adversely affect the Group's operations and financial performance.

2. The top five customers accounted for over 85% of our total revenue in each of the three financial years ended 30 June 2015 and any decrease in the Group's projects secured from any one of these major customers could affect the Group's operations and financial results. There is no assurance that these major customers will continue to employ the Group's services at fees acceptable to the Group or the Group can maintain the relationship with them in future.

3. A failure to continue to obtain new projects could materially affect the Group's financial performance. The duration of projects usually ranges between 24 and 48 months. As such, the Group's revenue is not recurring in nature and it cannot be guaranteed that the Group will secure new projects from customers after the completion of the existing projects awarded.

4. Cost overruns in the Group's projects will affect the costs and materially affect the Group's financial performance. The duration of our projects usually ranges between 24 and 48 months. Due to the long duration of the project, cost management is critical to ensure the project meets its budgeted profit margin. The risk of cost overruns increase with the duration of a project due to possible inflation of materials and labour costs.

Risks relating to the industry in which the Group business operate

1. A reduction in the pipeline of the Housing and Development Board of Singapore ("HDB") projects could materially affect the Group's financial performance as the Group is highly dependent on the pipeline of HDB projects. Any significant reduction in flats offering by HDB may have a material adverse effect on the Group's business.

2. The ability to renew the Group's existing qualifications, licences and permits or comply with new requirements could materially affect the Group's operations and financial performance. The renewal of the permits and licences is subject to the compliance with relevant regulations. Any failure to renew the existing Building and Construction Authority of Singapore ("BCA") workhead categories will result in the Group not being qualified to participate in certain projects. Therefore, the number of projects opportunities for the Group may reduce and this may adversely impact on the Group's operations and financial performance.

3. Due to the nature of the Group's business, failure to comply with safety measures and procedures on worksites may lead to occurrence of personal injuries, property damage or fatal accidents which may cause interruption of the Group's operations and adversely affect the Group's financial conditions and results of operations to the extent not covered by the insurance policies.

Environmental policy and performance

The Group emphasises on environmental conservation. Although the Group does not establish a formal environmental policy, various measures have been implemented to encourage compliance with environmental legislation and promote awareness towards environmental protection to the employees. It implements green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances. To conserve the environment, the Company encourages staff to maintain electronic records in order to reduce paper consumption. The Group will review its environmental practices periodically and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses.

Laws and regulations of our business in Singapore

The Group has complied and ensured the compliance with the relevant laws and regulations for the Group's business in Singapore on a continuing basis. The relevant laws and regulations that may have a significant impact on the Group's business in Singapore are as below:

1. Requirement for tendering of a project

The construction industry in Singapore is regulated by BCA, whose primary role is to develop and regulate Singapore's building and construction industry. Registration in the Contractors Registration System maintained by BCA is a pre-requisite to tendering for projects in the Singapore public sector. Registration of a contractor with BCA is dependent on the contractor's fulfilment of certain requirements such as personnel qualification and value of previously completed projects and is renewable in every three years. The grade assigned to each contractor is dependent on, among others, its minimum net worth and paid-up capital.

Currently, Strike Electrical Engineering Pte Ltd ("Strike Singapore"), a wholly-owned subsidiary of the Company is a registered contractor with BCA under the following workheads:

	Grade	Expiry date
Electrical Engineering	L6	1 Aug 2016
Integrated Building Services	L4	1 Aug 2016
Communication & Security Systems	L3	1 Aug 2016
Fire Prevention & Protection Systems	L3	1 Aug 2016
Air-Conditioning, Refrigeration & Ventilation Works	L2	1 Aug 2016
Cable/Pipe Laying & Road Reinstatement	L1	1 Aug 2016
Internal Telephone Wiring for Telecommunications	L1	1 Aug 2016

Tendering limit	L6	L5	L4	L3	L2	L1
1 Jul 2015 to 30 Jun 2016	Unlimited	up to S$14 million	up to S$7 million	up to S$4.2 million	up to S$1.4 million	up to S$0.7 million

2. Foreign worker's work pass

The Group's business in Singapore is highly dependent on foreign workers. The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act and regulated by the Ministry of Manpower of Singapore ("MOM"). In Singapore, no person shall employ a foreign worker without a valid work pass from MOM. A precaution measurement on illegal worker to enter a worksite is controlled by the main contractor. Only pre-registration of foreign workers with valid work pass are allowed to perform duties at a worksite.

3. Workplace Safety

Under the Workplace Safety and Health Act of Singapore, every employer has the duty to take, so far as is reasonably practicable, such measures which are necessary to ensure the safety and health of his employees at work. The Workplace Safety and Health (Construction) sets out specific duties on employers which include, *inter alias*, appointing a workplace safety and health coordinator in respect of every worksite to assist and identify any unsafe condition in the worksite, unsafe work practice which is carried out in the worksite and recommend and assist in the implementation of reasonably practicable measures to remedy the unsafe condition or unsafe work practice. Strike Singapore has obtained the undermentioned certifications to meet the requirements which are valid until 3 December 2016 and subject to renewal in every three years:

1) Certificate of Approval issued by the Occupational Health & Safety Management System to certify Strike Singapore has meet the requirements, and

2) Certificate issued by the Workplace Safety and Health Council of Singapore to certify Strike Singapore has fulfilled the requirements to attain bizSAFE Lever Star.

4. Environmental laws and regulations

The Environmental Public Health Act of Singapore requires that any person who, during the erection, alteration, construction or demolition of any building at any time, shall take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance.

The Environmental Protection and Management (Control of Noise at Construction) Regulations of Singapore requires that the owner or occupier of any constructions site shall ensure that the level of noise emitted from the construction site shall not exceed the maximum permissible noise levels prescribed in such regulations.

Relationship with employees, customers and suppliers

The Group establishes good working relationship with employees. The quality of the employer-employee relationship affects each employee's morale, productivity and ultimately, the Company's profitability. Each employee's ideal work environment varies and the expectations include a relationship that is mutually respect, encourages open communication and is free of hostile working conditions. Certain employees have worked for the Group for over 20 years.

The Group has built a solid track record for providing reliable and cost competitive electrical engineering projects undertaken in Singapore and has a good reputation with the customers. The Group also assesses prudently the operating capacity of Strike Singapore to determine the number of projects that can be taken at any one time so as to ensure timely completion of all projects. Over the years, the Group has built up customers loyalty of more than a decade.

The Group puts strong emphasis on the reliability of suppliers to meet the projects needs. The Group's practice to make prompt payment to suppliers benefited the Group from negotiating a better price and maintaining long term relation with the suppliers.

Particulars of important events

There are no important events affecting the Company that have occurred since the end of this financial year.

Future development in the Group's business

Looking ahead, the Group will continue to drive our core business in providing electrical engineering services to public housing projects in Singapore. Meanwhile, the Group is ever ready to look into potential ventures for its long term growth when there is an opportunity to venture into diversified, profitable and sustainable growth areas.

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 S$7,892,159. A balance of S$3,056,109 remained unutilised as at 30 June 2015. During the year, the proceeds has been utilised in accordance with the intended purposes as stated in the Company's Prospectus.

Intended applications	Actual net proceeds *(S$)*	Balance as at 30 June 2014 *(S$)*	Amount utilised during the year ***(S$)***	Balance as at 30 June 2015 ***(S$)***
Purchase of materials	4,151,177	3,538,879	**2,235,481**	**1,303,398**
Expand workforce	1,312,625	1,143,789	**881,860**	**261,929**
Capital contribution to joint venture and associates	820,391	820,391	**150,000**	**670,391**
Expand our market share	820,391	820,391	**—**	**820,391**
Working capital	787,575	163,320	**163,320**	**—**
	7,892,159	6,486,770	**3,430,661**	**3,056,109**

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements is set out on page 78. This summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

There were no movements in the Company's share capital during the year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association (the "Articles") and there was no restriction against such rights under the laws of Cayman Islands.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 30 June 2015.

DISTRIBUTABLE RESERVES

At 30 June 2015, the Company's reserves available for distribution, calculated in accordance with the provisions of sections 291, 297, and 299 of the Hong Kong Companies Ordinance, amounted to S$6,588,605. In addition, the Company's share premium account, in the amount of S$12,366,974, may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2015, 97.9% (2014: 99.9%) of the Group's revenue were attributable to five largest customers, with the largest customer accounted for 51.7% (2014: 48.8%) of the Group's revenue. 55.6% (2014: 65.1%) of the Group's purchase of construction material were attributable to five largest construction material suppliers with the largest construction material supplier accounted for 19.9% (2014: 32.9%) of the Group's purchase of construction material.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and five largest construction material suppliers for the year ended 30 June 2015.

DIRECTORS

The Directors during the year ended 30 June 2015 and up to the date of this annual report were:

Executive Directors:

Mr Peng Rongwu *(Chairman)*#	(appointed on 17 November 2014)
Mr Yeo Jiew Yew	
Mr Sim Yew Heng	(resigned on 1 March 2015)

Non-executive Director:

Mr Tam Tak Wah	(appointed on 17 November 2014)

Independent Non-executive Directors:

Mr Ng Tiow Swee*	
Ms Wong Siew Chuan*	
Mr Ng Wai Hung*	(appointed on 1 June 2015)
Mr Chen Jianyuan, Edwin	(resigned on 1 June 2015)

Mr Peng Rongwu was appointed as Non-executive Director on 17 November 2014. He was re-designated as Executive Director on 1 April 2015 and appointed as Chairman on 26 June 2015.

* The Company confirmed that annual confirmation of independence was received from each of the Company's independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the Listing of Securities of the Stock Exchange (the "Listing Rules") and all independent non-executive Directors are considered to be independent.

In accordance with article 83(3), Mr Peng Rongwu, Mr Tam Tak Wah and Mr Ng Wai Hung shall retire from offices as Directors at the forthcoming annual general meeting (the "AGM").

In accordance with articles 84(1) and 84(2), Mr Ng Tiow Swee and Ms Wong Siew Chuan, shall retire from offices as Directors at the AGM, at which both Mr Ng Tiow Swee and Ms Wong Siew Chuan will not offer himself/herself for re-election. Mr Ng Tiow Swee and Ms Wong Siew Chuan will retire as Independent Non-executive Directors with effect from the close of the AGM as they intend to devote more time to their other business commitments. Each of Mr Ng Tiow Swee and Ms Wong Siew Chuan confirmed that he/she has no disagreement with the Board and there is no other matter in relation to his/her retirement that needs to be brought to the attention of the shareholders of the Company.

In accordance with article 83(2) and subject to the approval by the shareholders of the Company, the Board proposes to appoint Mr Leung Po Hon and Mr Lam Kwan Yau Gilbert to fill the vacancies created by the retirement of Mr Ng Tiow Swee and Ms Wong Siew Chuan as Independent Non-executive Directors with effect from the close of the AGM. Particulars of Mr Leung Po Hon and Mr Lam Kwan Yau Gilbert are set out in the circular of the Company dated 13 October 2015.

DIRECTORS' SERVICE CONTRACTS

Mr Peng Rongwu, the Chairman and Executive Director, has entered into a letter of appointment with the Company on 30 March 2015 for a term of one year commencing on 1 April 2015 unless terminated by not less than three months' notice in writing served by either party on the other.

The executive Director, Mr Yeo Jiew Yew has entered into a service contract on 30 December 2013 with Strike Singapore for a term of two years. The service contract is automatically renewable for successive term of one year each, unless terminated by not less than three months' notice in writing served by either party on the other.

Mr Tam Tak Wah, the Non-executive Director, has entered into a letter of appointment with the Company on 18 September 2015 for a term of two years commencing on 17 November 2014 unless terminated by not less than three months' notice in writing sent by either party on the other.

The Independent Non-executive Directors namely, Mr Ng Tiow Swee and Ms Wong Siew Chuan, have respectively entered into a letter of appointment with the Company for a term of two years commencing on 30 December 2013 unless terminated by not less than three months' notice in writing served by either party on the other.

Mr Ng Wai Hung, the Independent Non-executive Director, has entered into a letter of appointment with the Company on 18 September 2015 for a term of two years commencing on 1 June 2015 unless terminated by not less than three months' notice in writing sent by either party on the other.

No Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Board has determined the remuneration policy and packages of the Directors. No individual Director was allowed to involve in deciding his own remuneration. The Directors' fees are determined with reference to, among other matters, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group and subject to shareholders' approval at general meetings. In addition, the Directors' remuneration is reviewed by the remuneration committee of the Company annually. Details of the Directors' remuneration are set out in note 8 to the financial statements.

INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in related party transactions in note 22 to the financial statements, no Directors or any controlling shareholders of the Company had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or its subsidiaries was a party during the year ended 30 June 2015.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 June 2015.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this Annual Report, the Company maintained a sufficient public float of not less than 25% of the Company's total issued share capital held by the public.

SHARE OPTION SCHEME

At no time during the year were there rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company, or its subsidiary a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or their respective associates are interested in any business that competes with or are likely to compete, either directly or indirectly, with the business of the Group.

CONNECTED TRANSACTION AND CONNECTED PERSON

During the year ended 30 June 2015 and save for the transaction as disclosed in note 22(l)(iii) to the financial statements which was fully exempt from shareholders' approval, annual review and all disclosure requirements under the Listing Rules, there were no other connected or continuing connected transactions taken place by the Group.

Details of other related party transactions are set out in note 22 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVE' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the Directors and chief executives in shares, underlying shares or debentures of the Company or its associates within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) ("SFO") which were:

(i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO;

(ii) required to be recorded in the register required to be kept under Section 352 of the SFO; or

(iii) requested to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in appendix 10 of the Listing Rules, were as follows:

(a) Interest in the Company

Long positions in ordinary shares of the Company:

Director	Note	Capacity/nature of interests	Number of ordinary shares held	Percentage of interest in the Company's share capital
Mr Peng Rongwu		Beneficial interest	83,040,000	12.98%
Mr Yeo Jiew Yew	1	Interest in a controlled corporation	64,000,000	10.00%

Note:

1. 64,000,000 ordinary shares, are registered in the name of Victrad Enterprise (Pte) Ltd ("Victrad"), an investment holding company incorporated in Singapore with limited liability on 24 July 1981, whose 50% of the issued share capital is held by Mr Yeo Jiew Yew. Victrad is a substantial shareholder holding 10% shareholding interest in the Company as at 30 June 2015. Under the SFO, Mr Yeo Jiew Yew is deemed to be interested in 64,000,000 shares registered in the name of Victrad.

(b) Interest in Victrad

Long positions in ordinary shares of Victrad:

Director	Directly beneficially owned	Total	Percentage of interest in the substantial shareholder company's issued share capital
Mr Yeo Jiew Yew	S$990,000	S$990,000	50%

INTERESTS DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, the interests and short positions of the person or company (other than Directors and chief executive of the Company) in the shares or underlying shares of the Company which would be required to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO and recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Shareholder	Note	Long/short positions	Capacity/ nature of interests	Number of shares/underlying shares	Percentage of interest in the Company's issued share capital
Victrad		Long Position	Beneficial interest	64,000,000	10%
Sim Yew Heng	1	Long Position	Interest in a controlled corporation	64,000,000	10%

Note:

1. 64,000,000 are registered in the name of Victrad, an investment holding company incorporated in Singapore with limited liability on 24 July 1981, whose 50% of the issued share capital is held by Mr Sim Yew Heng. Victrad is a substantial shareholder holding a 10% shareholding interest in the Company as at 30 June 2015. Under the SFO, Mr Sim Yew Heng is deemed to be interested in 64,000,000 shares registered in the name of Victrad.

Save as disclosed above, as at 30 June 2015, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' SECURITIES TRANSACTIONS

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 ("Model Code") as the code of practice for carrying out securities transactions by the Directors.

Having made specific enquiry of all Directors, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the year ended 30 June 2015.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Company has established an audit committee 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 current members of audit committee comprise three independent non-executive Directors, namely Ms Wong Siew Chuan (Chairperson), Mr Ng Tiow Swee and Mr Ng Wai Hung. For the year ended 30 June 2015, the Audit Committee held two meetings to review with external auditors and senior management the interim and annual results of the Group as well as the accounting principles and practices being adopted and financial reporting matters.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event of the Group which took place after the reporting period.

AUDITORS

A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the AGM.

On behalf of the Board
Kingbo Strike Limited

Mr Yeo Jiew Yew
Managing Director & Executive Director

Hong Kong, 22 September 2015

Profile of the Directors and Senior Management

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr Peng Rongwu (彭榮武), aged 52, is a merchant. Mr Peng has over 20 years of marketing and management experience in international trading business of electronic products. He is currently a shareholder and a director of Hong Kong Chung Hang Limited. Mr Peng is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). Mr Peng is a director of certain wholly-owned subsidiaries of the Company.

EXECUTIVE DIRECTOR

Mr Yeo Jiew Yew (岑有孝), aged 60, started his career as an electrical apprentice in 1969 and has over 30 years of experience in the electrical engineering industry. He is also the director of the wholly-owned subsidiary of the Company, Strike Electrical Engineering Pte Ltd ("Strike Singapore"). He is currently a shareholder and director of Victrad Enterprise (Pte) Ltd ("Victrad"), which is a substantial shareholder of the Company within the meaning of Part XV of the SFO. Apart from the Group, Mr Yeo is a non-executive director of Lantrovision (S) Ltd, a company listed on the Singapore Exchange Securities Trading Limited engaged in business of providing information technology infrastructure, cabling services and selling structured cabling systems and components since 2008. Mr Yeo is also a member of the school management committee of Pei Chun Public School, a primary school in Singapore since 1996. Mr Yeo is the brother of Mr Sim Yew Heng.

NON-EXECUTIVE DIRECTOR

Mr Tam Tak Wah (譚德華), aged 50, is a fellow member of the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr Tam is appointed to be a member of Disciplinary Panel of the HKICPA for the period from February 2014 to January 2016. He has over 25 years of experience in accounting, corporate finance and corporate development. He is currently an executive director of International Standard Resources Holdings Limited (stock code: 91) and Skyway Securities Group Limited (stock code: 1141), an independent non-executive director of China For You Group Company Limited (stock code: 572) and Tech Pro Technology Development Limited (stock code: 3823), all of which are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr Tam served as an independent non-executive director of Goldenway, Inc (stock code: GWYI) which was a company with its common stocks traded in the OTCQB of the United States of America and Siberian Mining Group Company Limited (stock code: 1142) which is a company listed on the Main Board of the Stock Exchange, and resigned in August 2013 and February 2014 respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Ng Tiow Swee (黃朝瑞), age 58, has over 30 years of working experience in the sales and distribution of electrical installation equipment business. Mr Ng graduated in 1981 from the National University of Singapore with a Bachelor degree in Business Administration.

Ms Wong Siew Chuan (黃秀娟), age 49, has more than 20 years of experience in accounting and finance. Ms Wong graduated from the National University of Singapore with a Bachelor of Accountancy degree in 1988 and is a non-practising Fellow Chartered Accountant Singapore with the Institute of Singapore Chartered Accountants.

Mr Ng Wai Hung (吳偉雄), aged 51, is a practising solicitor and a partner in Iu, Lai & Li, a Hong Kong firm of solicitors. Mr Ng practices in the areas of securities law, corporate law and commercial law in Hong Kong. Mr Ng is an independent non-executive director of six companies listed on the Main Board and one company listed on the Growth Enterprise Market of the Stock Exchange, namely, Tech Pro Technology Development Limited (stock code: 3823), Fortune Sun (China) Holdings Limited (stock code: 352), Gome Electrical Appliances Holding Limited (stock code: 493), Sustainable Forest Holdings Limited (stock code: 723), Trigiant Group Limited (stock code: 1300), On Time Logistics Holdings Limited (stock code: 6123) and Lajin Entertainment Network Group Limited (formerly China Star Cultural Media Group Limited) (stock code: 8172). Mr Ng was also an independent non-executive director of Ares Asia Limited (stock code: 645), Talent Property Group Limited (stock code: 760), Perception Digital Holdings Limited (currently E-Rental Car Company Limited) (stock code: 1822) and Qingdao Holdings International Limited (stock code: 499) all are the company listed on the Main Board of the Stock Exchange and resigned in February 2011, January 2012, August 2014 and September 2014, respectively.

SENIOR MANAGEMENT

Mr Sim Yew Heng, aged 54, the director of the subsidiary of the Company, Strike Singapore. Mr Sim started his career in 1976 as an electrical apprentice with an electrical engineering subcontractor and has over 30 years of experience in the electrical engineering industry projects. Mr Sim is also a shareholder and director of Victrad and a deemed substantial shareholder of the Company within the meaning of Part XV of the SFO. He was a Director of the Company from 19 June 2013 until 1 March 2015. Mr Sim is the brother of Mr Yeo Jiew Yew.

Ms Chan Bee Fong, aged 47, the senior finance manager of the Group. She has over 20 years of experience in accounting, secretarial and taxation. Ms Chan has a London Chamber of Commerce Diploma in Management Accounting in 1989.

Mr Poon Hiu Chuin, aged 47, the project director of the Group. He has about 20 years of experience in managing and executing the electrical engineering project. He obtained a bachelor's degree (honours) in electrical engineering from Queen's University of Belfast in 1996 and he is a qualified and a licensed electrical technician recognised by the Energy Market Authority of Singapore since 2003.

Ms Lim Poh Khim, aged 49, the purchasing manager of the Group. She has over 20 years of experience in purchasing and inventory management in electrical engineering industry.

Ms Goey Lee Eng, aged 47, the contract manager of the Group. She has over 20 years of experience in overseeing contract and tender department in electrical engineering industry.

Corporate Governance Report

Kingbo Strike Limited (the "Company", together with its subsidiaries the "Group") has adopted the requirements of the code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). To the best knowledge and belief of the directors of the Company (the "Directors"), the Company has complied with all applicable code provisions of the Corporate Governance Code throughout the year ended 30 June 2015, save and except for the deviations from code provisions C.1.2.

Under code provision C.1.2 of the Corporate Governance Code, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties. Taking into account the business nature of the Group that (i) the Company has no business activities other than the administrative expenses mainly relates to statutory fees; and (ii) the operating subsidiary of the Company closes its accounts on a quarterly basis, the management of the Company provided half-yearly updates to all members of the Board during the year ended 30 June 2015. The management of the Company is reviewing the current practice and is intending to comply with this code provision in future.

THE BOARD

The board (the "Board") of Directors comprises two executive Directors (the "Executive Directors"), one non-executive Director (the "Non-executive Director") and three independent non-executive Directors (the "Independent Non-executive Directors"). The Company has complied with rules 3.10(1) and 3.10A of the Listing Rules. There are three Independent Non-executive Directors in the Board and the number of Independent Non-executive Directors represents more than one-third of the Board. As such, there exists a strong independent element in the Board, which can effectively exercise independent judgement. The Company has also complied with rule 3.10(2) of the Listing Rules which stipulates that one of the independent non-executive Directors must possess appropriate professional qualification or accounting or related financial management expertise. In compliance with the Corporate Governance Code, the Independent Non-executive Directors are expressly identified as such in all corporate communications that disclose the names of the Directors.

As at the date of this report, the members of the Board are set out as below:

Executive Directors:

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

Non-executive Director:

Mr Tam Tak Wah

Independent Non-executive Directors:

Mr Ng Tiow Swee
Ms Wong Siew Chuan
Mr Ng Wai Hung

Save as disclosed in the section headed "Profile of the Directors and Senior Management" in this annual report, there is no financial, business, family or other material/relevant relationship among the members of the Board, in particular, between the Chairman of the Board and the Managing Director of the Company.

BOARD MEETINGS

The Board meets regularly and, in addition to regular meetings, ad-hoc meetings will be arranged if warranted by particular circumstances. Under code provision A.1.1 of the Corporate Governance Code, the Board shall meet regularly and at least four times a year at approximately quarterly intervals. For the year ended 30 June 2015, the Board held four meetings and the Company held its annual general meeting on Friday, 14 November 2014. The attendance records of each Director at the Board meetings and general meeting during the year are set out below and are presented by reference to the number of Board meetings and general meeting held during their tenures:

	For the year ended 30 June 2015	
Attendance	**Board Meetings**	**General Meeting**
Mr Peng Rongwu *(Chairman) (appointed on 17 November 2014)*	2/2	0/0
Mr Yeo Jiew Yew *(Managing director)*	4/4	1/1
Mr Tam Tak Wah *(appointed on 17 November 2014)*	2/2	0/0
Mr Ng Tiow Swee	4/4	1/1
Ms Wong Siew Chuan	4/4	1/1
Mr Ng Wai Hung *(appointed on 1 June 2015)*	0/0	0/0
Mr Sim Yew Heng *(resigned on 1 March 2015)*	3/3	1/1
Mr Chen Jianyuan, Edwin *(resigned on 1 June 2015)*	3/4	1/1

BOARD RESPONSIBILITIES AND DELEGATION

The Board is responsible to the shareholders of the Company (the "Shareholders") for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, approving the annual development plan and budget; monitoring financial and operating performance; reviewing the internal control system and supervising and managing management's performance.

The Board delegates the day-to-day management, administration and operation of the Group to the senior management. The delegated functions are reviewed by the Board periodically to ensure they remain appropriate to the needs of the Group. The Board gives clear directions to the management as to the matters that must be approved by the Board before decisions are made on behalf of the Group by the senior management.

Regular Board meetings each year are scheduled in advance to facilitate maximum attendance of Directors. At least 14 days' notice of a Board meeting is normally given to all Directors who are provided an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures in compliance with all applicable rules and regulations. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a regular Board meeting (and so far as practicable for such other Board meetings). All minutes and/or resolutions are kept by the Company Secretary and are open for inspection at any reasonable time by reasonable notice given by any Director.

CHAIRMAN AND MANAGING DIRECTOR

Under code provision A.2.1 of the Corporate Governance Code, the roles of chairman and managing director should be separate and should not be performed by the same individual. In compliance with the Corporate Governance Code, the positions of the Chairman and the Managing Director of the Company are held by separate individuals since 9 December 2013 in order to ensure that there is clear division of responsibilities between the chairman of the Board and the managing director of the Company. Mr Peng Rongwu, the Chairman of the Board, is responsible for the operation of the Board and the overall strategy of the Group and ensuring corporate governance compliance, management and business operations in Hong Kong. Mr Yeo Jiew Yew, the Managing Director of the Company, with the assistance of other members of the Board and senior management, is responsible for the overall management, strategic planning and business development of the Group's subsidiary in Singapore. The Chairman of the Board ensures that all Directors are properly briefed on issues arising at the Board meetings and receive adequate, complete and reliable information in a timely manner.

DIRECTORS COMMITMENTS AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Company has received confirmation from each Director that he has given sufficient time and attention to the affairs of the Company for the year ended 30 June 2015. Directors have disclosed to the Company the number and nature of offices held in Hong Kong and overseas listed public companies or organisations.

Each newly appointed Director receives an induction on his appointment to ensure that he has proper understanding of the operations and business of the Group and is fully aware of his responsibilities and obligations under the Listing Rules, applicable laws and other relevant statutory requirements. Directors are continually provided with updates on statutory and regulatory developments, evolution of the business environment so as to facilitate them to discharge their duties.

According to the records maintained by the Company, the Directors received continuous professional development with an emphasis on the roles, functions and duties of being a director of a listed company in compliance with code provision A.6.5 of the Corporate Governance Code during the year ended 30 June 2015.

Directors	Corporate governance/ updates on laws, rules and regulations	Accounting/ financial/ management or other professional skills
Mr Peng Rongwu *(appointed on 17 November 2014)*	√	√
Mr Yeo Jiew Yew	√	—
Mr Tam Tak Wah *(appointed on 17 November 2014)*	√	√
Mr Ng Tiow Swee	√	—
Ms Wong Siew Chuan	√	—
Mr Ng Wai Hung *(appointed on 1 June 2015)*	√	—
Mr Sim Yew Heng *(resigned on 1 March 2015)*	√	—
Mr Chen Jianyuan, Edwin *(resigned on 1 June 2015)*	√	—

NOMINATION, APPOINTMENTS, RE-ELECTION AND REMOVAL OF DIRECTORS

New directors of the Company recommended by the Nomination Committee will be assessed by taking into criteria such as experience, balance of skills and diversity of perspectives appropriate to the requirements of the business of the Company when considering their appointments.

The Board shall make recommendations to the Shareholders on Directors standing for re-election, providing sufficient biographical details of Directors to enable the Shareholders to make an informed decision on the re-election, and where necessary, nominating appropriate persons to fill causal vacancies or as additions to the Board.

Under the articles of association of the Company (the "Articles"), one-third of the Directors for the time being, must retire from office and be eligible for re-election at each annual general meeting. As such, no Director has a term of appointment longer than three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Board and the Nomination Committee have reviewed the independence of the Independent Non-executive Directors and considered all Independent Non-executive Directors are independent within the definition of the Listing Rules.

All Independent Non-executive Directors were appointed for a specific term of two years and are subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles.

BOARD COMMITTEES

The Board established certain Board committees with specific written terms of reference which state clearly the committee's authority and duties and require the committees to report their decisions or recommendations to the Board. The written terms of reference of the Board committees are available on the websites of the Company and the Stock Exchange.

NOMINATION COMMITTEE

The Company established a nomination committee (the "Nomination Committee") on 9 December 2013 which is primarily responsible for making recommendations to the Board regarding the Group's engagement of appropriate Directors with skills, knowledge and experience to complement the Company's corporate strategies.

The Nomination Committee comprises Mr Ng Tiow Swee (Chairman), Ms Wong Siew Chuan and Mr Yeo Jiew Yew.

For the year ended 30 June 2015, the number of Nomination Committee meetings with attendance of individual members are set out below to review and consider the composition of the Board and senior management:

For the year ended 30 June 2015 Attendance	**Nomination Committee Meetings**
Mr Ng Tiow Swee *(Chairman)*	2/2
Ms Wong Siew Chuan	2/2
Mr Yeo Jiew Yew	2/2

During the year under review, the Nomination Committee had considered and recommended the following changes of the Board:

- appointment of Mr Peng Rongwu and Mr Tam Tak Wah as Non-executive Director on 17 November 2014;
- resignation of Mr Sim Yew Heng as Executive Director on 1 March 2015;

- re-designation of Mr Peng Rongwu from Non-executive Director to Executive Director on 1 April 2015;
- resignation of Mr Chen Jianyuan, Edwin as Independent Non-executive Director on 1 June 2015;
- appointment of Mr Ng Wai Hung as Independent Non-executive Director on 1 June 2015; and
- resignation of Mr Ng Tiow Swee as Chairman and appointment of Mr Peng Rongwu as Chairman of the Board on 26 June 2015.

The Nomination Committee adopted the board diversity policy of the Company which sets out the approach to achieve diversity on the Board. The Company recognises the benefits of board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the candidates' merits and contributions to the Board. The Nomination Committee reviews the board diversity policy, as appropriate, to ensure its effectiveness from time to time. The Company considers that the current Board composition is characterised by diversity, whether considered in terms of gender, professional background, skills and knowledge.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") on 9 December 2013 which is primarily responsible for making recommendations to the Board regarding the Group's policy and structure for the remuneration of all Directors and senior management. During the year, the committee reviewed and approved the management's remuneration proposals and made recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

The Remuneration Committee comprises Mr Ng Tiow Swee (Chairman), Mr Yeo Jiew Yew and Mr Ng Wai Hung.

For the year ended 30 June 2015, the number of remuneration committee meetings with attendance of individual members as set out below to review and consider the specific remuneration packages of the Company's executive Directors and senior management and is presented by reference to the number of meetings held during their tenure:

For the year ended 30 June 2015 Attendance	**Remuneration Committee Meetings**
Mr Ng Tiow Swee *(Chairman)*	2/2
Mr Yeo Jiew Yew	2/2
Mr Ng Wai Hung *(appointed on 1 June 2015)*	0/0
Mr Chen Jianyuan, Edwin *(resigned on 1 June 2015)*	2/2

Pursuant to code provision B.1.5 of the Corporate Governance Code, the remuneration of the members of senior management by band for the year ended 30 June 2015 is set out below:

Remuneration (by band)	Number of Individuals
S$100,001–S$150,000	3
S$150,001–S$200,000	1

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") on 9 December 2013 comprising three independent non-Executive Directors. The current members of the Audit Committee are namely Ms Wong Siew Chuan (Chairperson), Mr Ng Tiow Swee and Mr Ng Wai Hung. The Audit Committee is primarily responsible for reviewing the financial reporting process and internal control systems of the Group. Policies in relation to financial control, internal control and the re-appointment of the independent auditors were reviewed by the audit committee of the Company at the meetings.

For the year ended 30 June 2015, the Audit Committee held two meetings to review with external auditors and senior management the interim and annual results of the Group as well as the accounting principles and practices being adopted and financial reporting matters. The senior management and the external auditors of the Company attended the meetings to respond to any queries raised by the Audit Committee. There is no disagreement between the Board and the Audit Committee regarding the selection and appointment of the independent auditors.

For the year ended 30 June 2015, the number of Audit Committee meetings with attendance of individual members as set out below and is presented by reference to the number of meetings held during their tenure:

For the year ended 30 June 2015 Attendance	Audit Committee Meetings
Ms Wong Siew Chuan *(Chairperson)*	2/2
Mr Ng Tiow Swee	2/2
Mr Ng Wai Hung *(appointed on 1 June 2015)*	0/0
Mr Chen Jianyuan, Edwin *(resigned on 1 June 2015)*	2/2

COMPANY SECRETARY

The Company engaged an external service provider as its Company Secretary since 9 December 2013. The senior finance manager, Ms Chan Bee Fong, of the Company is the contact person of the external service provider.

INTERNAL CONTROL

The Board is committed to manage business risks and to maintain a proper and effective system of internal control to safeguard the Shareholders' investment and the Group's assets. The Board, through the Audit Committee, has conducted annual review of the effectiveness of the Group's system of internal control covering financial, operational and compliance policies.

COMPLIANCE OF DEED OF NON-COMPETITION

The independent non-executive Directors were delegated with the authority to review, on an annual basis, the compliance with the Deed of Non-competition (the "Deed") executed on 9 December 2013 by the controlling shareholders namely, Victrad Enterprise (Pte) Ltd, Mr Yeo Jiew Yew and Mr Sim Yew Heng (collectively "Covenantors") in favour of the Company (for itself and for the benefit of each member of the Group). On 16 March 2015, the Deed had expired whereby each of the Covenantors, individually or taken as a whole, ceased to own, in aggregate, 30% or more of the issued share capital of the Company directly or indirectly or ceased to be deemed as controlling shareholders (within the meaning defined in the Listing Rules) and do not have power to control the Board. Each of the Covenantors has confirmed that he/it had complied with the Deed and the Independent Non-executive Directors were not aware of any non-compliance of the Deed given by the Covenantors for the financial year ended 30 June 2015. Details of the Deed have been set out in the section headed "Relationship with Controlling Shareholders" in the prospectus of the Company dated 16 December 2013.

AUDITORS' REMUNERATION

An analysis of the remuneration payable to the independent auditors of the Company, Ernst & Young, to perform audit and non-audit services for the year ended 30 June 2015 is as follows:

	For the year ended 30 June	
	2015	2014
	(S$)	*(S$)*
Services rendered:		
Audit service	**154,000**	89,500
Non-audit service	**—**	45,980

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board and senior management recognise the responsibility of safeguarding the interest of the Shareholders and providing transparent and real-time disclosure of information of the Company so as to keep the Shareholders and investors abreast of the Company's position and help them to make informed investment decision. Information of the Company and the Group are delivered to the Shareholders through various channels, which include annual report, interim report, announcements and circulars. The latest information of the Company and the Group together with the published documents are also available on the websites of the Company and the Stock Exchange.

The Company holds an annual general meeting every year as an appropriate media for direct communication between the Board and the Shareholders. Shareholders can raise questions directly to the Board in respect of the business performance and future development of the Group at such annual general meetings.

For the year ended 30 June 2015, there had been no significant change in the Company's constitutional documents including the Articles.

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES AND PROPOSALS TO THE BOARD

To foster regular and contribute two-way communications, the Shareholders and other stakeholders may at any time send their enquiries, concerns and proposals to the Board in writing through the Company Secretary whose contact details are as follows:

Attention: Mr Li Chi Chung, Solicitor, Hong Kong
19th Floor, Prosperity Tower
39 Queen's Road Central
Central
Hong Kong

Shareholders' enquiries and concerns are forwarded to the Board and/or relevant Board committees of the Company, where appropriate, to answer the Shareholders' enquiries.

Shareholders may also make enquiries to the Board at the general meetings of the Company.

SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Pursuant to articles 57 and 58 of the Articles, each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. General meetings may be held in any part of the world as may be determined by the Board. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to enquire an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Pursuant to article 85 of the Articles, no person, other than a Director retiring at the meeting, shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such Notice(s) shall commence on the day after the despatch of the notice of general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for the year ended 30 June 2015 will be held at Admiralty Conference Centre, 1804B, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Friday, 13 November 2015, at 10:00 a.m. A circular containing the notice of convening the annual general meeting and the form of proxy will be issued and despatched to the Shareholders together with this annual report.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders 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 Wednesday, 11 November 2015 to Friday, 13 November 2015, 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 A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Tuesday, 10 November 2015.

EY 安永

To the members of Kingbo Strike Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Kingbo Strike Limited (the "Company") and its subsidiaries set out on pages 31 to 77, which comprise the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 30 June 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

22 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 30 June 2015

	Notes	2015 S$	2014 S$
REVENUE	4	**11,826,488**	22,628,298
Cost of sales		**(8,192,581)**	(13,515,642)
Gross profit		**3,633,907**	9,112,656
Other operating income	5	**613,952**	51,447
Administrative expenses		**(1,417,087)**	(2,771,721)
Other operating expenses		**(307,682)**	(292,496)
Finance costs	6	**(258)**	(2,568)
Share of results of joint ventures		**1,470,714**	499,930
Share of results of associates		**267,858**	426,059
PROFIT BEFORE TAX	7	**4,261,404**	7,023,307
Income tax expense	9	**(373,953)**	(1,276,038)
PROFIT FOR THE YEAR AND OTHER COMPREHENSIVE INCOME FOR THE YEAR		**3,887,451**	5,747,269
Earnings per share attributable to equity holders of the Company			
Basic and diluted earnings per share *(S$ cents)*	10	**0.61**	1.00

Consolidated Statement of Financial Position

30 June 2015

	Notes	2015 S$	2014 S$
NON-CURRENT ASSETS			
Interests in joint ventures	11	**2,867,976**	1,336,357
Interests in associates	12	**541,658**	849,705
Plant and equipment	13	**390,512**	95,342
Trade and other receivables	16	**1,622,357**	2,377,461
Total non-current assets		**5,422,503**	4,658,865
CURRENT ASSETS			
Gross amount due from customers for contract work in progress	14	**2,463,996**	2,644,185
Inventories	15	**46,630**	43,809
Prepayments		**26,826**	26,282
Trade and other receivables	16	**1,746,016**	1,618,183
Cash and cash equivalents	17	**17,628,754**	18,252,010
Total current assets		**21,912,222**	22,584,469
CURRENT LIABILITIES			
Income tax payable		**364,918**	1,296,011
Trade and other payables	18	**3,856,802**	6,730,804
Total current liabilities		**4,221,720**	8,026,815
NET CURRENT ASSETS		**17,690,502**	14,557,654
TOTAL ASSETS LESS CURRENT LIABILITIES		**23,113,005**	19,216,519
NON-CURRENT LIABILITIES			
Deferred tax liabilities	19	**25,243**	16,208
Net assets		**23,087,762**	19,200,311
EQUITY			
Share capital	20	**1,048,880**	1,048,880
Share premium	20	**12,366,974**	12,366,974
Retained earnings		**11,911,555**	8,024,104
Merger reserves	21	**(2,239,647)**	(2,239,647)
Total equity		**23,087,762**	19,200,311

Yeo Jiew Yew
Director

Peng Rongwu
Director

Consolidated Statement of Changes in Equity

Year ended 30 June 2015

	Note	Attributable to equity holders of the Company				
		Share capital (note 20)	Share premium (note 20)	Retained earnings	Merger reserves (note 21)	Total Equity
	Note	*S$*	*S$*	*S$*	*S$*	*S$*
At 1 July 2013		**48,880**	**3,700,767**	**2,276,835**	**(2,239,647)**	**3,786,835**
Profit and total comprehensive income for the year		**—**	**—**	**5,747,269**	**—**	**5,747,269**
Issuance of share capital by capitalisation issue	20	**790,164**	**(790,164)**	**—**	**—**	**—**
Issuance of share capital pursuant to IPO	20	**209,836**	**10,281,967**	**—**	**—**	**10,491,803**
Listing expenses taken against share premium	20	**—**	**(825,596)**	**—**	**—**	**(825,596)**
At 30 June 2014 and 1 July 2014		1,048,880	12,366,974	8,024,104	(2,239,647)	19,200,311
Profit and total comprehensive income for the year		—	—	3,887,451	—	3,887,451
At 30 June 2015		1,048,880	12,366,974	11,911,555	(2,239,647)	23,087,762

Consolidated Statement of Cash Flows

Year ended 30 June 2015

	Notes	2015 S$	2014 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**4,261,404**	7,023,307
Adjustments for:			
Bank interest income	5	**(34,671)**	(7,296)
Share of results of joint ventures		**(1,470,714)**	(499,930)
Share of results of associates		**(267,858)**	(426,059)
Depreciation of plant and equipment	13	**90,071**	41,217
Loss on plant and equipment written off	7	**2,202**	4,759
Loss on disposal of plant and equipment	7	**10,036**	—
Foreign exchange differences	5	**(534,806)**	—
		2,055,664	6,135,998
Decrease in the gross amount due from customers for contract work in progress		**180,189**	4,211,218
(Increase)/decrease in inventories		**(2,821)**	13,885
(Increase)/decrease in prepayments		**(544)**	105,417
Decrease in trade and other receivables		**627,271**	34,045
Decrease in trade and other payables		**(2,874,002)**	(7,986,730)
Cash (used in)/generated from operations		**(14,243)**	2,513,833
Interest received		**34,671**	7,296
Overseas tax paid		**(1,296,011)**	(1,173,849)
Net cash flows (used in)/generated from operating activities		**(1,275,583)**	1,347,280

Year ended 30 June 2015

	Notes	2015 S$	2014 S$
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in a joint venture		(125,000)	—
Investment in an associate		(25,000)	—
Dividend received from joint ventures	11	665,000	—
Purchase of items of plant and equipment	13	(399,985)	(10,852)
Proceeds on disposal of plant and equipment		2,506	—
Net cash flows generated from/(used in) investing activities		117,521	(10,852)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares pursuant to the IPO, net of listing expenses taken to equity	20	—	9,666,207
Net cash flows generated from financing activities		—	9,666,207
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,158,062)	11,002,635
Effects of currency translation on cash and cash equivalents		534,806	—
Cash and cash equivalents at beginning of year		18,252,010	7,249,375
CASH AND CASH EQUIVALENTS AT END OF YEAR		17,628,754	18,252,010
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash at bank and on hand	17	17,628,754	10,251,791
Non-pledged time deposits with original maturity of less than three months when acquired	17	—	8,000,219
Cash and cash equivalents as stated in the consolidated statement of financial position		17,628,754	18,252,010

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, 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 (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") on 5 September 2013 and the principal place of business in Hong Kong registered is 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 (the "Stock Exchange") on 30 December 2013 (the "Listing").

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
*Strike Electrical Engineering Pte Ltd ("Strike Singapore")	Singapore	S$1,510,000	100	—	Electrical works and general building engineering services
#Triple Treasure Global Limited	British Virgin Islands	US$1	100	—	Investment holding
^Capital Asia Investment Limited	Hong Kong	HK$1	—	100	Investment holding

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

\# Newly incorporated on 15 December 2014

^ Newly incorporated on 10 February 2015 and is a wholly-owned subsidiary of Triple Treasure Global Limited

2.1 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.

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

2.1 BASIS OF PREPARATION *(Continued)*

Basis of presentation

In preparation for the Listing, the Group has undergone a 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.

The change of Victrad Enterprise (Pte) Ltd ("Victrad") from the immediate and ultimate holding company to a related company is disclosed in note 22(I)(iii) to the financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 30 June 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual agreement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation *(Continued)*

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in the statement of profit or loss and other comprehensive income. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010–2012 Cycle	*Amendments to a number of IFRSs*
Annual Improvements 2011–2013 Cycle	*Amendments to a number of IFRSs*

Other than explained below regarding the impact of standards, the adoption of the above revised standards and interpretation has had no significant financial effect on these financial statements.

(a) Amendments to IFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to IFRS 12 and IAS 27. The amendments to IFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in IFRS 10.

(b) IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014.

(c) The Annual Improvements to IFRSs 2010–2012 Cycle issued in December 2013 sets out amendments to a number of IFRSs. None of the amendments have a significant financial impact on the Group.

(d) The Annual Improvements to IFRSs 2011–2013 Cycle are effective from 1 July 2014. None of the amendments have a significant financial impact on the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

In addition, the Company has early adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 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 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to IFRS 11 *Joint Arrangement*	1 January 2016
IFRS 15 *Revenue from Contracts with Customers*	1 January 2017
IFRS 9 *Financial Instruments*	1 January 2018

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 9 Financial Instruments

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss and other comprehensive income on the straight-line basis over the lease terms.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss and other comprehensive income in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss and other comprehensive income in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

  or

(b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Plant and equipment and depreciation

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Computer	—	3 years
Motor vehicles	—	6 years
Office and site equipment	—	8 years

Where parts of an item of plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss and other comprehensive income in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents and trade and other receivables, which are classified as loans and receivables.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets *(Continued)*

Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in the profit or loss. The loss arising from impairment is recognised in the statement of profit or loss and other comprehensive income in "Other operating expenses".

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets *(Continued)*

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the statement of profit or loss and other comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition as loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement of loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are valued at the lower of cost and net realisable value. Inventories of the Group comprise raw materials. Cost is based on a first in, first out basis and includes all costs in bringing the inventories to its present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Contract revenue and costs

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period ("percentage of completion method").

The outcome of a construction contract can be estimated reliably when: (i) total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) both the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, the stage of completion is measured by reference to the actual value of work done to-date based on physical completion to the proportion of total contract revenue (as defined below).

Contract revenue — Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Contract revenue and costs *(Continued)*

Contract costs — Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: subcontracting fees; site labour costs (including site supervision); costs of materials used in construction and depreciation of equipment used on the contract that is directly related to the contract.

At the end of the reporting period, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract are compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as a gross amount due from customers for contract work in progress. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as a gross amount due to customers for contract work in progress.

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables".

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) Contract revenue

Revenue from the rendering of electrical engineering services is recognised by reference to the stage of completion of the contract activity at year end (the percentage of completion method).

Please refer to "Contract revenue and costs" above for details on the accounting policy on contract revenue.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

Income taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income taxes *(Continued)*

(a) Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Current income taxes are recognised in profit or loss except to the extent that the tax related to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investment in a subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in a subsidiary, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income taxes *(Continued)*

(b) Deferred tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be recognised in profit or loss.

(c) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Segment reporting

The Group is principally engaged in the provision of electrical engineering services. Information reported of the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

All revenue, operating expenses and assets and liabilities are mainly derived from the operations in Singapore.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the Directors were classified as a separate allocation of retained earnings within the equity section of the consolidated statements of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

The financial statements are presented in Singapore Dollars (S$), which the Company adopts as its functional currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Contingencies

A contingent liability is:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Contingencies *(Continued)*

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Impairment of non-financial assets

The Group assesses at each reporting date whether there are any indicators of impairment for all non-financial assets, including its plant and equipment and its interests in joint venture and associates at each reporting date. To determine whether there is any objective evidence of impairment, the Company considers external factors including decline in asset values, significant changes with an adverse effect in the market or economic or legal environment in which the entity operates and internal factors such as evidence from internal reporting.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(c) Interests in joint ventures

The Group holds a 50% equity interest in the joint ventures. The Group does not have unilateral control over these entities. However, the Group has joint control since there are only two shareholders in the entities and all major decisions have to be jointly agreed by the two shareholders. Based on the facts and circumstances, management concluded that the Group has joint control over the entities.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Judgements *(Continued)*

(d) Interests in associates

The Group holds a 50% equity interest in each of the associates. The Group does not have unilateral control over these entities. The Group does not have joint control either since there are more than two shareholders in each of the associates. Based on the facts and circumstances, management concluded that the Group does not have unilateral or joint control but is in a position to exercise significant influence on the associates.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Construction contracts

The Group recognises contract revenue and contract costs by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that the value of work done to-date based on physical completion to the total contract value.

If the estimated total construction cost increases/decreases by 10% from management's estimates, the Group's net profit after tax will be approximately S$680,000 (2014: S$1,122,000) lower/higher.

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.

	2015 *S$*	2014 *S$*
Contract revenue	11,826,488	22,628,298

Information about major customers

There are 3 (2014: 2) customers from whom the individual revenue has amounted to more than 10% of the Group's revenue. Revenue from these customers amounted to approximately S$6,119,000 (2014: S$11,041,000), S$2,904,000 (2014: S$269,000) and S$1,446,000 (2014: S$9,423,000) respectively.

5. OTHER OPERATING INCOME

	2015 S$	2014 S$
Foreign exchange differences	534,806	—
Bank interest income	34,671	7,296
Incentives from the Singapore Government	40,875	44,151
Others	3,600	—
	613,952	51,447

Incentives from the Singapore Government comprise Special Employment Credit, Wage Credit Scheme and Productivity and Innovation Credit Bonus. There are no unfulfilled conditions or contingencies relating to these incentives.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2015 S$	2014 S$
Bank charges	258	2,568

7. PROFIT BEFORE TAX

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

		Note	2015 S$	2014 S$
(a)	Auditors' remuneration		154,000	135,480
	Depreciation of plant and equipment	13	90,071	41,217
	Loss on plant and equipment written off		2,202	4,759
	Loss on disposal of plant and equipment		10,036	—
	Cost of services provided		8,192,581	13,515,642
	Minimum lease payments under operating leases		330,580	293,468
	Employee benefits (note b)		3,398,871	3,059,271
	Legal and professional expense		206,329	102,164
	Foreign exchange loss		—	135,938
	Listing expenses		—	1,500,812
(b)	Employee benefits (including Directors' remuneration):			
	— Directors' fees		85,000	37,917
	— Salaries, wages and bonuses		3,125,375	2,841,298
	— CPF contributions		188,496	180,056
			3,398,871	3,059,271

8. DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION

(a) Executive Directors, non-executive Directors, independent non-executive Directors and the Chief Executive

Directors' and the Chief Executive's remuneration, disclosed pursuant to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance, is as follows:

	2015 *S$*	2014 *S$*
Fees	85,000	37,917
Other remuneration:		
— Salaries and bonuses	383,182	435,000
— CPF contributions	19,550	20,825
	487,732	493,742

(i) Independent non-executive Directors

The fees paid to independent non-executive Directors during the year are as follows:

	Fees *S$*	Salaries and bonuses *S$*	CPF contributions *S$*	Total *S$*
Year ended 30 June 2015				
Wong Siew Chuan	25,000	—	—	25,000
Ng Tiow Swee	20,000	—	—	20,000
Chen Jianyuan, Edwin	18,333	—	—	18,333
Ng Wai Hung	1,667	—	—	1,667
	65,000	—	—	65,000

	Fees *S$*	Salaries and bonuses *S$*	CPF contributions *S$*	Total *S$*
Year ended 30 June 2014				
Wong Siew Chuan	14,583	—	—	14,583
Ng Tiow Swee	11,667	—	—	11,667
Chen Jianyuan, Edwin	11,667	—	—	11,667
	37,917	—	—	37,917

There were no other emoluments payable to the independent non-executive Directors during the year (2014: Nil).

8. DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION *(Continued)*

(a) Executive Directors, non-executive Directors, independent non-executive Directors and the Chief Executive *(Continued)*

(ii) Executive Directors and non-executive Directors

In respect of individuals, who acted as executive Directors of the Company, the remuneration received or receivable from the Group during each of the year is as follows:

	Fees S$	Salaries and bonuses S$	CPF contributions S$	Total S$
Year ended 30 June 2015				
Yeo Jiew Yew *(Managing Director)*	—	210,000	9,750	219,750
Peng Rongwu* *(Chairman)*	7,500	15,682	—	23,182
Sim Yew Heng	—	157,500	9,800	167,300
Tam Tak Wah	12,500	—	—	12,500
	20,000	383,182	19,550	422,732

* Mr Peng Rongwu was appointed as Non-executive Director on 17 November 2014, he was re-designated as Executive Director on 1 April 2015 and appointed as Chairman on 26 June 2015.

	Fees S$	Salaries and bonuses S$	CPF contributions S$	Total S$
Year ended 30 June 2014				
Yeo Jiew Yew *(Managing Director)*	—	210,000	8,925	218,925
Sim Yew Heng	—	225,000	11,900	236,900
	—	435,000	20,825	455,825

8. DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID EMPLOYEES' REMUNERATION
(Continued)

(b) Five highest paid employees

The five highest paid employees of the Group during the year are as follows:

	2015	2014
Directors (including Managing Director)	1	2
Non-director employees	4	3
	5	5

Details of the remuneration of the Directors are set out in (a) above.

Details of the remuneration of the highest paid employees, who are neither a Director nor the Managing Director of the Company, are as follows:

	2015 *S$*	2014 *S$*
Salaries and bonuses	498,200	283,150
CPF contributions	45,801	31,737
	544,001	314,887

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	2015	2014
Nil to HK$1,000,000	3	3
HK$1,000,001 to HK$1,500,000	1	—
	4	3

During the year, no emoluments (2014: Nil) were paid by the Group to any of the persons who are Directors (including Managing Director) of the Company, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors or the five highest paid individuals (2014: Nil) has waived any remuneration during the year.

9. INCOME TAX EXPENSE

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

	2015 S$	2014 S$
Current — Elsewhere:		
— Charge for the year	364,918	1,296,011
— Over-provision in respect of previous years	—	(16,783)
Deferred	9,035	(3,190)
Total tax charge for the year	373,953	1,276,038

Relationship between tax expense and accounting profit

A reconciliation of the tax expense applicable to profit before tax at the applicable statutory tax rates for the countries in which the Company and the subsidiaries 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:

	2015									
	Singapore		Cayman Islands		British Virgin Islands		Hong Kong		Total	
	S$	%	S$	%	S$	%	S$	%	S$	%
Profit/(loss) before tax	4,304,818		(29,333)		(18)		(14,063)		4,261,404	
Taxation at statutory tax rate	731,819	17.0	—	—	—	—	(2,320)	16.5	729,499	17.1
Adjustments:										
Non-deductible expenses	31,612	0.7	—	—	—	—	2,320	(16.5)	33,932	0.8
Effects of partial tax exemption and tax relief	(98,171)	(2.3)	—	—	—	—	—	—	(98,171)	(2.3)
Share of results of joint ventures and associates	(295,557)	(6.8)	—	—	—	—	—	—	(295,557)	(6.9)
Others	4,250	0.1	—	—	—	—	—	—	4,250	0.1
Income tax expense recognised in profit or loss	373,953	8.7	—	—	—	—	—	—	373,953	8.8

9. INCOME TAX EXPENSE *(Continued)*

	2014					
	Singapore		Cayman Islands		Total	
	S$	%	*S$*	%	*S$*	%
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	10,212	0.1	—	—	10,212	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)
Income tax expense recognised in profit or loss	1,276,038	14.3	—	—	1,276,038	18.2

No Hong Kong profits tax has been provided (2014: 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 ventures and associates amounting to S$305,754 (2014: S$74,304) is included in "share of results of joint ventures" and "share of results of associates" in the consolidated statement of profit or loss and other comprehensive income respectively.

10. 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 20 to the financial statements. The basic earnings per share are based on the weighted average number of ordinary shares outstanding during the year.

The Group had no potentially dilutive ordinary shares (2014: Nil) in issue during the year.

10. EARNINGS PER SHARE *(Continued)*

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

	2015 S$	2014 S$
Earnings		
Profit attributable to equity holders of the Company, used in the basic earnings per share calculation	3,887,451	5,747,269
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	640,000,000	576,000,000
Basic and diluted earnings per share (S$ cents)	0.61	1.00

11. INTERESTS IN JOINT VENTURES

	2015 S$	2014 S$
Unlisted shares, at cost	375,000	125,000
Share of post-acquisition reserves	2,492,976	1,211,357
Share of net assets	2,867,976	1,336,357

Particulars of the Group's joint ventures 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
#NEK Electrical Engineering Pte Ltd ("NEK")	Singapore	50	50	50	Electrical works and mixed construction activities

The Group's shareholdings in the joint ventures all comprise equity shares held through a subsidiary, Strike Singapore.

\# During the year, one of NEK's shareholders disposed of its 25% equity interest to another existing shareholder who also held 25% equity interest in NEK before the disposal of shares. The existing shareholder's equity interest increased to 50% whereas Strike Singapore's equity interest remained unchanged at 50% after the disposal of shares. In the opinion of the directors, the investment in NEK became an investment in a joint venture after the disposal of shares as decisions about the relevant activities of NEK require the unanimous consent of both shareholders.

11. INTERESTS IN JOINT VENTURES *(Continued)*

YL is considered a material joint venture 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 YL reconciled to the carrying amount in the financial statements:

	2015 S$	2014 S$
Joint venture's assets and liabilities:		
Cash and cash equivalents	687,757	535,268
Other current assets	5,415,346	2,647,816
Current assets	6,103,103	3,183,084
Non-current assets	1,824,662	713,586
Financial liabilities, excluding trade and other payables	—	(369,764)
Other current liabilities	(3,313,549)	(461,861)
Current liabilities	(3,313,549)	(831,625)
Non-current liabilities	(30,074)	(392,331)
Net assets	4,584,142	2,672,714
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	50%	50%
Carrying amount of the investment	2,292,071	1,336,357
Revenue	18,838,002	8,543,513
Profit and other comprehensive income for the year	2,941,428	999,860
— Depreciation	(130,248)	(63,776)
— Income tax expense	(524,777)	(88,462)
Dividend received*	640,000	—

* YL had declared and paid interim dividends amounting to S$1,280,000 to its shareholders during the year of which Strike Singapore had received dividend amounting to S$640,000 during the year.

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

11. INTERESTS IN JOINT VENTURES *(Continued)*

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

	2015	2014
	S$	*S$*
Joint venture's assets and liabilities:		
Cash and cash equivalents	**242,834**	—
Other current assets	**997,765**	—
Current assets	**1,240,599**	—
Non-current assets	**191,041**	—
Financial liabilities, excluding trade and other payables	**(8,574)**	—
Other current liabilities	**(216,633)**	—
Current liabilities	**(225,207)**	—
Non-current financial liabilities, excluding trade and other payables	**(47,139)**	—
Non-current liabilities	**(7,484)**	—
Net assets	**1,151,810**	—
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**50%**	—
Carrying amount of the investment	**575,905**	—
Revenue	**1,248,909**	—
*Profit and other comprehensive income for the year	**94,082**	—
— Income tax expense	**(18,707)**	—
#Dividend received	**25,000**	—

* The share of results of NEK for the current financial year is presented under the line "share of results of associates" in the statement of comprehensive income as the reclassification of NEK from an associate to a joint venture occurred in June 2015.

\# NEK had declared and paid an interim dividend amounting to S$50,000 to its shareholders during the year of which Strike Singapore had received dividend amounting to S$25,000 during the year.

12. INTERESTS IN ASSOCIATES

	2015 S$	2014 S$
Unlisted shares, at cost	**100,000**	200,000
Share of post-acquisition reserves	**441,658**	649,705
Share of net assets	**541,658**	849,705

Particulars of the principal associates are as follows:

		Percentage of			
Name	**Place of registration and business**	**Ownership interest**	**Voting power**	**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 subsidiary, Strike Singapore.

During the year, one of NEK's shareholders disposed of its 25% equity interest to another existing shareholder who also held 25% equity interest in NEK before the disposal of shares. The existing shareholder's equity interest increased to 50% whereas Strike Singapore's equity interest remained unchanged at 50% after the disposal of shares. In the opinion of the directors, the investment in NEK became an investment in a joint venture after the disposal of shares as decisions about the relevant activities of NEK require the unanimous consent of both shareholders.

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.

12. INTERESTS IN ASSOCIATES *(Continued)*

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:

	2015 S$	2014 S$
Current assets	—	2,458,453
Non-current assets	—	510,946
Current liabilities	—	(1,911,671)
Net assets	—	1,057,728
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's interest in the associate	—	50%
Carrying amount of the investment	—	528,864
Revenue		3,641,891
Profit and other comprehensive income for the year	—	478,956

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.

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:

	2015 S$	2014 S$
Current assets	2,056,896	1,078,758
Non-current assets	156,689	795,978
Current liabilities	(1,107,300)	(41,093)
Non-current liabilities	(22,970)	(1,191,961)
Net assets	1,083,315	641,682
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	541,658	320,841
Revenue	7,814,034	6,455,317
Profit and other comprehensive income for the year	441,633	373,162

13. PLANT AND EQUIPMENT

	Computer	Motor vehicles	Office and site equipment	Total
	S$	S$	S$	S$
Group				
Cost:				
At 1 July 2013	50,892	168,768	75,243	294,903
Additions	6,641	—	4,211	10,852
Write-off	(33,435)	—	(10,583)	(44,018)
At 30 June 2014 and 1 July 2014	24,098	168,768	68,871	261,737
Additions	8,801	354,492	36,692	399,985
Disposals	—	(35,267)	—	(35,267)
Write-off	—	(17,000)	(1,156)	(18,156)
At 30 June 2015	32,899	470,993	104,407	608,299
Accumulated depreciation:				
At 1 July 2013	40,440	99,842	24,155	164,437
Charge for the year	7,030	24,575	9,612	41,217
Write-off	(32,645)	—	(6,614)	(39,259)
At 30 June 2014 and 1 July 2014	14,825	124,417	27,153	166,395
Charge for the year	5,229	73,725	11,117	90,071
Disposals	—	(22,725)	—	(22,725)
Write-off	—	(15,111)	(843)	(15,954)
At 30 June 2015	20,054	160,306	37,427	217,787
Net carrying values:				
At 30 June 2015	12,845	310,687	66,980	390,512
At 30 June 2014	9,273	44,351	41,718	95,342

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

	2015 S$	2014 S$
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	83,382,995	78,742,630
Less: Progress billings	(80,918,999)	(76,098,445)
	2,463,996	2,644,185
Presented as:		
Gross amount due from customers for contract work in progress	2,463,996	2,644,185

As at 30 June 2015 and 2014, there were no advances received from customers for contract work in progress.

15. INVENTORIES

	2015 S$	2014 S$
Raw materials, at cost	46,630	43,809

Raw materials relate mainly to electrical cables, switchboards and light fittings.

16. TRADE AND OTHER RECEIVABLES

	2015 S$	2014 S$
Trade receivables (non-current):		
Retention sum receivables	1,542,357	2,377,461
Other receivables (non-current):		
Advances to Staff	80,000	—
Total trade and other receivables (non-current)	1,622,357	2,377,461
Trade receivables (current):		
Third parties	714,679	655,856
Retention sum receivables	954,957	894,977
	1,669,636	1,550,833
Other receivables (current):		
Advances to staff	18,350	7,500
Deposits	58,030	59,850
	76,380	67,350
Total trade and other receivables (current)	1,746,016	1,618,183

Retention sum receivables refer to retention sum which will be partially billed upon the practical completion of the Groups' 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.

Advances to staff are unsecured and non-interest bearing. Non-current amounts have an average maturity of 2.5 years (2014: nil).

16. TRADE AND OTHER RECEIVABLES *(Continued)*

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:

	2015	2014
	S$	*S$*
Less than 30 days	**714,679**	640,307
30 to 60 days	**—**	11,235
More than 61 days	**—**	4,314
	714,679	655,856

As at 30 June 2015 and 2014, 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:

	2015	2014
	S$	*S$*
Neither past due nor impaired	**714,679**	640,307
Less than 30 days past due	**—**	11,235
More than 61 days past due	**—**	4,314
	714,679	655,856

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.

17. CASH AND CASH EQUIVALENTS

	2015	2014
	S$	*S$*
Cash at banks and on hand	**17,628,754**	10,251,791
Short-term deposits	**—**	8,000,219
	17,628,754	18,252,010

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

17. CASH AND CASH EQUIVALENTS *(Continued)*

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

	2015 S$	2014 S$
Hong Kong Dollars	16,347,095	7,377,356

18. TRADE AND OTHER PAYABLES

	2015 S$	2014 S$
Trade payables:		
Third parties	927,344	364,951
Amounts due to a related company	9,309	—
	936,653	364,951
Accruals for project costs	2,477,899	5,923,320
Other payables:		
Sundry payables	—	5,243
Accrued liabilities	379,462	321,366
GST payable	62,788	115,924
	442,250	442,533
Total	3,856,802	6,730,804

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:

	2015 S$	2014 S$
Trade payables:		
Less than 90 days	936,439	364,951
More than 90 days and less than 180 days	214	—
	936,653	364,951

19. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at the end of each of the year relate to the following:

	2015 S$	2014 S$
Differences in depreciation for tax purposes	25,243	16,208

20. SHARE CAPITAL AND SHARE PREMIUM

Shares

	2015 S$	2014 S$
Authorised:		
5,000,000,000 (2014: 5,000,000,000) ordinary shares of HK$0.01 each (2014: HK$0.01 each)	8,067,769	8,067,769
Issued and fully paid:		
640,000,000 (2014: 640,000,000) ordinary shares of HK$0.01 each (2014: HK$0.01 each)	1,048,880	1,048,880

A summary of movements in the Company's share capital and share premium is as follows:

	Notes	Number of shares in issue	Issued share capital S$	Share premium account S$	Total S$
At 1 July 2013		300,000	48,880	3,700,767	3,749,647
Subdivision of shares	(a)	29,700,000	—	—	—
Shares issued under the Capitalisation Issue	(b)	482,000,000	790,164	(790,164)	—
Issuance of share capital pursuant to IPO	(c)	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, 1 July 2014 and 30 June 2015		640,000,000	1,048,880	12,366,974	13,415,854

20. SHARE CAPITAL AND SHARE PREMIUM *(Continued)*

Shares *(Continued)*

Notes:

(a) On 9 December 2013, each authorised and issued share with 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.

(b) 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 shareholders whose names appeared on the register of members of the Company at 4:00 p.m. on 9 December 2013 (the "Capitalisation Issue").

(c) In connection with the Company's 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.

21. RESERVES

Merger reserves

Merger reserves of the Group represent the capital contributions from the equity holders of the subsidiary, Strike Singapore. The Group acquired Strike Singapore during the year ended 30 June 2013 from Victrad which was an acquisition under common control and has been accounted for by applying the principle of merger accounting and the merger reserves have been debited for the purchase consideration for Strike Singapore.

22. RELATED PARTY TRANSACTIONS

(I) In addition to the related party information disclosed elsewhere in the financial statements, 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	2015 S$	2014 S$
Sub-contractor fees charged by			
— joint ventures	(i)	1,344,343	5,005,149
— associates	(i)	4,300,895	6,376,616
Operating expenses recharged by the immediate and ultimate holding company	(ii)	—	6,425
Rental expense charged by			
— related company	(iii)	114,000	—
— immediate and ultimate holding company	(iii)	—	104,500
Secretarial fees charged to			
— joint ventures	(iv)	1,200	—
— associates	(iv)	2,400	—
Sales of materials charged by			
— joint ventures	(v)	3,415	—
Purchases of equipment and raw materials from a related company	(vi)	23,200	—

22. RELATED PARTY TRANSACTIONS *(Continued)*

(I) *(Continued)*

Notes:

(i) During the year, Strike Singapore had subcontracted some electrical engineering works to the joint ventures and associates. With effect from 29 May 2014, being twelve months from the date of which the former director of Strike Singapore resigned, the joint venture, YL, ceased to be a connected person of the Company. Accordingly, the sub-contractor fees payable by Strike Singapore to YL or any other arrangement to be entered into with YL will no longer constitute a connected or continuing connected transaction of the Group.

(ii) Operating expenses recharged by the immediate and ultimate holding company mainly referred 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) During the year, Victrad became a related company and a substantial shareholder, from an immediate and ultimate holding company. Rental expense was charged by Victrad with reference to the rates of other similar premises. Victrad being a substantial shareholder is a connected person of our Company. The rental expense paid to Victrad was less than HK$3 million (approximately S$523,000) and the percentage ratio mentioned in Rule 14.07 of the Listing Rules was less than 5%, therefore, it falls below the de minimal threshold under Rule 14A.76 of the Listing Rules and thus was not subject to any reporting, announcement or independent shareholders' approval requirements.

(iv) During the year, Strike Singapore provided secretarial services to the joint ventures and associates.

(v) During the year, Strike Singapore purchased materials from the joint ventures.

(vi) During the year, Strike Singapore purchased materials and testing equipment from a related company of which a director of the related company is a Director and deemed substantial shareholder of the Company.

(II) Outstanding balances with a related company

Details of the Group's balances with the related company are disclosed in note 18 to the financial statements.

(III) Commitment with related parties

On 1 August 2013, Strike Singapore entered into a two-year agreement with Victrad, the substantial shareholder of the Company, for the lease of office premises. The lease was extended for another one year to 31 July 2016. The amount of total rental expense charged by Victrad for the year is included in note 22(I)(iii) to the financial statements. The total rental expenses payable to Victrad by the Group in the financial years ending 30 June 2016 and 2017 amount to S$114,000 and S$9,500, respectively. Victrad, being the substantial shareholder of the Company, is a connected person of the Company. The rental expense payable to Victrad was less than HK$3 million (approximately S$523,000) and the percentage ratio mentioned in Rule 14.07 of the Listing Rules was less than 5%, therefore, it falls below the de minimal threshold under Rule 14A.76 of the Listing Rules and thus was not subject to any reporting, announcement or independent shareholders' approval requirements.

22. RELATED PARTY TRANSACTIONS *(Continued)*

(IV) Compensation of key management personnel of the Group

	2015 S$	2014 S$
Directors' fees	85,000	37,917
Salaries and bonuses	767,557	762,375
CPF contributions	66,236	63,221
	918,793	863,513
Comprise amounts paid to:		
Directors of the Company	487,732	493,742
Key management personnel	431,061	369,771
	918,793	863,513
Related parties		
Remuneration paid to close family members of key management personnel	52,967	48,488

23. OPERATING LEASE ARRANGEMENT

As a lessee:

The Group leases certain of its office property and worker dormitories under operating lease arrangements. 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:

	2015 S$	2014 S$
Amount payable within a year	164,584	114,000
Amount payable within 2 to 5 years	9,500	9,500
	174,084	123,500

24. CONTINGENT LIABILITIES

At 30 June 2015, the contingent liabilities not provided for in the financial statements were as follows:

	2015 S$	2014 S$
Guarantees:		
Security bonds to the Singapore Government in relation to foreign workers	655,000	495,000

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. As at 30 June 2015, the guarantees provided by the insurer was S$655,000 (2014: S$495,000).

25. FINANCIAL INSTRUMENTS

(i) Classification of financial instruments

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	2015 S$	2014 S$
Loans and receivables		
Trade and other receivables	3,368,373	3,995,644
Cash and cash equivalents	17,628,754	18,252,010
	20,997,127	22,247,654
Financial liabilities measured at amortised cost		
Trade and other payables (excluding GST payable)	3,794,014	6,614,880

(ii) Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of cash and cash equivalents, trade and other receivables, trade and other payables approximate to their carrying amounts largely due to the short-term maturities of the instruments.

Trade and other receivables (non-current) (Note 16)

These amounts are unsecured, non-interest bearing and have no fixed repayment terms and are repayable only when the Company's borrower's cash flow permits. Accordingly, fair value is not determinable as the timing of the future cash flows arising from the loans cannot be estimated reliably.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances. The main purpose of these financial instruments is to manage funds for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has minimal transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore Dollars. The Group's cash and cash equivalents at the end of the year had foreign exchange exposures.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the Hong Kong Dollar exchange rates (against Singapore Dollar), with all other variables held constant, on the Group's profit for the year:

	2015	2014
	S$	*S$*
Hong Kong Dollar — strengthened 5% (2014: 5%)	**817,355**	368,868
— weakened 5% (2014: 5%)	**(817,355)**	(368,868)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's exposure to liquidity risk arises in the general funding of the Group's operating activities. The Group's cash and cash equivalents and operating cash flows are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

	2015 S$ Within one year	**One to five years**	**Total**	2014 S$ Within one year	One to five years	Total
Financial liabilities						
Trade and other payables (excluding GST repayable)	**3,794,014**	**—**	**3,794,014**	6,614,880	—	6,614,880
Total undiscounted financial liabilities	**3,794,014**	**—**	**3,794,014**	6,614,880	—	6,614,880

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's main exposure to credit risk arises primarily from trade and other receivables and cash and cash equivalents. The credit risk on such trade and other receivables is minimal as the Group adopts the policy of dealing only with customers and counterparties of appropriate credit history. For cash and cash equivalents, the Group minimises credit risk by placing the surplus funds with reputable banks.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by any carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the individual profile of its trade receivables on an on-going basis. At the end of the reporting period, approximately 100% (2014: 99%) of the Group's trade receivables were due from the top 2 (2014: top 2) trade debtors.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 16 to the financial statements.

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.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management *(Continued)*

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 year ended 30 June 2015 and 30 June 2014.

The Group has no loans or borrowings as at the end of the reporting period. The Group seeks to maintain a sustainable gearing ratio to meet its existing requirements. The Group will continue to apply prudent financial policies which are to finance the operations mainly through cash generated from the operating activities.

	2015 *S$*	2014 *S$*
Trade and other payables	3,856,802	6,730,804
Less: Cash and cash equivalents	(17,628,754)	(18,252,010)
Net cash	(13,771,952)	(11,521,206)
Equity attributable to owners of the Company	23,087,762	19,200,311
Capital and net debt	9,315,810	7,679,105
Gearing ratio	Not applicable	Not applicable

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2015 S$	2014 S$
NON-CURRENT ASSETS		
Investment in subsidiaries	3,749,648	3,749,647
Amount due from subsidiaries	85,676	—
Total non-current assets	3,835,324	3,749,647
CURRENT ASSETS		
Prepayments	26,827	19,562
Cash and cash equivalents	16,267,633	7,377,356
Total current assets	16,294,460	7,396,918
CURRENT LIABILITIES		
Other payables	125,325	29,453
Total current liabilities	125,325	29,453
NET CURRENT ASSETS	16,169,135	7,367,465
Net assets	20,004,459	11,117,112
EQUITY		
Share capital	1,048,880	1,048,880
Share premium	12,366,974	12,366,974
Accumulated profit/(losses)	6,588,605	(2,298,742)
Total equity	20,004,459	11,117,112

Yeo Jiew Yew
Director

Peng Rongwu
Director

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

A summary of the Company's reserves is as follows:

	Share capital	Share premium	Retained earnings/ accumulated losses	Total Equity
	S$	*S$*	*S$*	*S$*
At 1 July 2013	48,880	3,700,767	(420,760)	3,328,887
Losses and total comprehensive loss for the year	—	—	(1,877,982)	(1,877,982)
Issuance of share capital by capitalisation issue	790,164	(790,164)	—	—
Issuance of share capital pursuant to IPO	209,836	10,281,967	—	10,491,803
Listing expenses taken against share premium	—	(825,596)	—	(825,596)
At 30 June 2014 and 1 July 2014	1,048,880	12,366,974	(2,298,742)	11,117,112
Profit and total comprehensive income for the year	—	—	8,887,347	8,887,347
At 30 June 2015	**1,048,880**	**12,366,974**	**6,588,605**	**20,004,459**

28. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 22 September 2015.

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published financial statements, is set out as below:

	2015 S$	2014 S$	2013 S$	2012 S$	2011 S$
Revenue	11,826,488	22,628,298	18,660,508	15,609,071	32,522,617
Cost of Sales	(8,192,581)	(13,515,642)	(10,376,929)	(10,556,584)	(25,069,464)
Gross Profit	3,633,907	9,112,656	8,283,579	5,052,487	7,453,153
Other operating income	613,952	51,447	45,513	47,116	20,344
Administrative expenses	(1,417,087)	(2,771,721)	(1,273,041)	(878,315)	(832,477)
Other operating expenses	(307,682)	(292,496)	(87,832)	(98,862)	(97,248)
Finance costs	(258)	(2,568)	(620)	(82)	(132)
Share of result of joint ventures	1,470,714	499,930	579,104	130,590	126,733
Shares of results of associates	267,858	426,059	195,920	27,726	—
Profit Before Tax	4,261,404	7,023,307	7,742,623	4,280,660	6,670,373
Income tax expense	(373,953)	(1,276,038)	(1,201,053)	(611,092)	(1,083,953)
PROFIT FOR THE YEAR AND OTHER COMPREHENSIVE INCOME FOR THE YEAR	3,887,451	5,747,269	6,541,570	3,669,568	5,586,420
Assets and liabilities:					
Total assets	27,334,725	27,243,334	19,714,399	22,560,898	29,788,798
Total liabilities	(4,246,963)	(8,043,023)	(15,927,564)	(17,161,633)	(22,623,101)
Total equity	23,087,762	19,200,311	3,786,835	5,399,265	7,165,697