KINGBO STRIKE LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1421

INTERIM REPORT 2018 / 2019

CONTENTS

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Yancheng *(Chairman)*
Mr. Yao Runxiong
Mr. Liu Xinsheng (Resigned on 23 October 2018)
Mr. Peng Rongwu (Resigned on 7 August 2018)

Non-executive Director

Mr. Tam Tak Wah

Independent Non-executive Directors

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

AUDIT COMMITTEE

Mr. Leung Po Hon *(Chairman)*
Mr. Li Jin
Dr. Luo Xiaodong
Mr. Tam Tak Wah

NOMINATION COMMITTEE

Mr. Liu Yancheng *(Chairman)*
Mr. Leung Po Hon
Mr. Li Jin
Dr. Luo Xiaodong

REMUNERATION COMMITTEE

Mr. Leung Po Hon *(Chairman)*
Mr. Li Jin
Mr. Liu Xinsheng (Resigned on 23 October 2018)
Dr. Luo Xiaodong
Mr. Tam Tak Wah

AUDITORS

HLB Hodgson Impey Cheng Limited
31/F, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank (Singapore) Limited

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1011, 10th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

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. Yao Runxiong (Appointed on 23 October 2018)
Mr. Liu Xinsheng (Resigned on 23 October 2018)

WEBSITE OF THE COMPANY

www.kingbostrike.com

Management Discussion and Analysis

BUSINESS REVIEW

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

Solar Power Business

The Group's solar power business mainly engaged in supply and installation of solar photovoltaic parts and equipment. During the period, the Group has recognised a revenue of approximately RMB293.8 million (equivalent to approximately S$59.5 million) from the solar power business for the six months ended 31 December 2018, a significant increase compared to a revenue of approximately RMB34.2 million (equivalent to approximately S$7.0 million) in the six months ended 31 December 2017, as the Group secured and delivered a larger volume of contracts.

Electrical Engineering Services

For the six months ended 31 December 2018, the electrical engineering services in Singapore recorded a revenue of approximately S$1.5 million which represents a decrease of approximately 84.4% over that of approximately S$9.6 million for the six months ended 31 December 2017. This is mainly attributable to the fierce competition in public housing development projects in Singapore.

During the six months ended 31 December 2018, the Group completed 1 projects (six months ended 31 December 2017: 2 projects), all (six months ended 31 December 2017: all) of which are public residential projects. The Group did not secure any new projects in these six months ended 31 December 2018 (six months ended 31 December 2017: Nil). As at 31 December 2018, the value of outstanding contracts to be completed was approximately S$250,000 (30 June 2018: approximately S$1.0 million). All the 3 (30 June 2018: 4) outstanding contracts as at 31 December 2018 are public residential projects.

Consumer Products and Accessories

When compared with the six months ended 31 December 2017, the segment recorded a 100% decrease in revenue and profit. The Group recorded a revenue and profit of approximately HK$14.8 million (equivalent to approximately S$2.6 million) and HK$141,000 (equivalent to approximately S$24,400) in these six months ended 31 December 2017. The performance of this segment was mainly due to no new order was placed by the existing customers while the Group had adopted a conservative approach in the selection of new customers and new products in view of the recent unstable trading conditions.

FINANCIAL REVIEW

Revenue

For the six months ended 31 December 2018, majority of the Group's revenue was derived from solar power business in the People's Republic of China (the "**PRC**") and electrical engineering services in Singapore.

Revenue contributed from solar power business in the PRC and electrical engineering services in Singapore comprised approximately 97.6% (S$59.5 million) and 2.4% (S$1.5 million) of the total revenue of the Group, respectively.

* *for identification purpose only*

Management Discussion and Analysis

Operating Results

During the period under review, gross profit of the Group increased by 342.2% to approximately S$6.9 million (six months ended 31 December 2017: S$1.6 million) as compared to the six months ended 31 December 2017. Gross profit margin for the six months ended 31 December 2018 increased to 11.4% from that of 8.2% for the six months ended 31 December 2017. Improvement in gross profit margin is mainly attributable to the relatively higher gross profit margin generated from the solar power business compared to housing projects of the electrical engineering services in Singapore. Profit attributable to owners of the Company is approximately S$3.7 million (six months ended 31 December 2017: loss of S$2.5 million) and basic earnings per share attributable to ordinary equity holders of the parent is S0.31 cent (six months ended 31 December 2017: S0.25 cent). The profit is mainly attributable to the combined effect of (i) fair value gain on held for trading investments of approximately S$2.2 million; and (ii) improvement in solar power business segment results to approximately S$6.0 million profit and partly set off by the significant deterioration in engineering services segment result to S$0.2 million profit.

Other Gains and Losses

Other gains and losses has significantly changed from a net losses of approximately S$2.6 million for the six months ended 31 December 2017 to that of approximately S$1.8 million net gain for the six months ended 31 December 2018. This is primarily attributable to the fair value gain on held for trading investment of approximately S$2.2 million taken place in the six months ended 31 December 2018 compared to the fair value loss of S$2.6 million in the six months ended 31 December 2017.

Administrative Expenses

Administrative expenses for the six months ended 31 December 2018 decreased by 20.8% to approximately S$1.7 million (six months ended 31 December 2017: S$2.2 million) which was attributable to the decrease in legal and professional fees.

Share of Results of Joint Ventures

The Group's share of results of joint ventures decreased by 91.0% to approximately S$112,000 (six months ended 31 December 2017: S$1.2 million) during the period under review. The decrease in profits contributed from joint ventures is mainly attributable to less work done to secured projects during the six months ended 31 December 2018.

Taxation

There was a net income tax expense of approximately S$1.5 million for the six months ended 31 December 2018 compared to approximately S$182,000 for the six months ended 31 December 2017 due to increase in profit in solar power business in PRC.

Liquidity, Financial Resources and Gearing

As at 31 December 2018, net current assets of the Group was approximately S$60.4 million (30 June 2018: S$58.2 million). Besides, the Group maintained cash and cash equivalents of approximately S$13.9 million (30 June 2018: S$14.7 million), of which approximately 10.5% was in Hong Kong dollars, 88.5% was in Singapore dollars and 1.0% was in other currencies (30 June 2018: 10.1% was in Hong Kong dollars and 88.3% was in Singapore dollars).

The Group's gearing ratio was 18.5% (30 June 2018: n/a), which was calculated on the basis of net debt over equity attributable to owners of the Company. Net debt is calculated as trade and other payables less cash and cash equivalents.

On 20 June 2017, the Company entered into a placing agreement (the "**2017 Placing Agreement**") with Pinestone Securities Limited, pursuant to which Pinestone Securities Limited has conditionally agreed, as agent of the Company, to procure on a best effort basis, not less than six placees to subscribe for up to 152,000,000 placing shares at the placing price of HK$0.266 per placing share (the "**2017 Placing**"). The 2017 Placing was completed on 6 July 2017 and 152,000,000 placing shares with an aggregate nominal value of HK$1,520,000 were allotted and issued by the Company to not less than six placees who were professional, institutional or other investors, who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons.

The placing price of HK$0.266 per placing share represents: (i) a discount of approximately 8.28% to the closing price of HK$0.29 per share as quoted on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 20 June 2017, being the date of the 2017 Placing Agreement; and (ii) a discount of approximately 9.83% to the average closing price of HK$0.295 per share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the 2017 Placing Agreement. The net placing price of the 2017 Placing was approximately HK$0.261 per placing share.

The 2017 Placing was conducted by the Company to raise additional funding for the business operations of the Group and strengthen the financial position of the Group, and enlarge the shareholders' base, which may in turn enhance the liquidity of the shares of the Company. The net proceeds from the 2017 Placing in the amount of approximately HK$39.7 million was previously intended to be applied as to HK$20 million to finance the acquisition of properties situated in Taiwan and the remaining balance as general working capital. As disclosed in the announcement of the Company dated 12 January 2018, the acquisition of properties in Taiwan has lapsed and all the net proceeds from the 2017 Placing would be applied as general working capital of the Group.

On 14 February 2018, the Company entered into a placing agreement (the "**2018 Placing Agreement**") with RIFA Securities Limited, pursuant to which RIFA Securities Limited agreed to place 197,600,000 new shares of the Company to not less than six placees on a best effort basis at a placing price of HK$0.195 per placing share (the "**2018 Placing**"). The 2018 Placing was completed on 5 March 2018 and 197,600,000 new shares of the Company with an aggregate nominal value of HK$1,976,000 were allotted and issued by the Company to not less than six placees who were independent individuals, corporations and/or institutional investors, who and whose ultimate beneficial owners were third parties independent of and not connected with the Company and its connected persons.

The placing price of HK$0.195 represents (i) a discount of approximately 4.88% to the closing price of HK$0.205 per share as quoted on the Stock Exchange on 14 February 2018, being the date of the 2018 Placing Agreement; and (ii) a discount of approximately 4.41% to the average closing price of HK$0.204 per share of the Company as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to date of the 2018 Placing Agreement. The net placing price for the 2018 Placing was approximately HK$0.192 per placing share.

The 2018 Placing was conducted by the Company to raise additional funding for the business operations of the Group and strengthen the financial position of the Group for future development. The net proceeds amounting to approximately HK$38.0 million arising from the 2018 Placing was applied as general working capital of the Group.

The Company has utilised approximately 91.5% of the net proceeds resulting from the 2017 Placing and 2018 Placing as to (i) approximately 7.8% in human resources; (ii) approximately 4.0% in office utilities; (iii) approximately 11.7% in other general expenses; (iv) approximately 37.7% for working capital in respect of trading in consumer products and accessories; and (v) approximately 30.3% for working capital in respect of solar power business as of the period ended 31 December 2018.

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

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

The Group's business mainly operates in Singapore, PRC and Hong Kong. Accordingly, its revenue and transactions arising from its operations were generally settled in Singapore dollars, Renminbi and United States dollars and Hong Kong dollars. As a result, fluctuations in the value of Hong Kong dollars/United States dollars and Renminbi against Singapore dollars could adversely affect the cash and cash equivalent which is reported in Singapore dollars. During the six months ended 31 December 2018, the Group did not experience in any material difficulties or impacts on its operations or liquidity as a result of currency exchange fluctuation.

The Group did not use any financial instruments for hedging purposes during the six months ended 31 December 2018 and there was no hedging instrument outstanding as at 31 December 2018. The Group will continue to monitor closely the exchange rate risk arising from its existing operations and new investments in future. The Group will further implement the necessary hedging arrangement to mitigate any significant foreign exchange risk when and if appropriate.

Charge on Assets

As at 31 December 2018 and 30 June 2018, the Group had no charges on its assets.

Capital Expenditure and Commitments

During the six months ended 31 December 2018, the Group had capital expenditure of approximately S$346,000 (2017: S$65,000).

As at 31 December 2018, the Group had no material capital commitment contracted for but not provided in the condensed consolidated financial statements (30 June 2018: S$14.2 million (equivalent to RMB69 million) in respect of acquisition of a company).

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

As at 31 December 2018, the Group held certain listed securities as held-for-trading investments.

The Group identified its investments based on the share price performance and future prospect of the investments. For the six months ended 31 December 2018, the Group did not receive any dividend income (six months ended 31 December 2017: Nil) from investment in listed securities and made a fair value gain of S$2.2 million (six months ended 31 December 2017: fair value loss of S$2.6 million) on held-for-trading investments. This fair value gain is mainly the combination effect of: (i) increase in share price of 125% of Chi Ho Development Holdings Limited ("**Chi Ho**"); (ii) decrease in share price of 24.7% of Li Bao Ge Group Limited ("**Li Bao Ge**"); (iii) decrease in the share price of Pinestone Capital Limited ("**Pinestone**") of 22.8%; (iv) increase in share prices of 12.7% of SingAsia Holdings Limited ("**SingAsia HLDG**"); (v) decrease in share price of 58.5% of China Baoli Technologies Holdings Limited ("**China Baoli**") during the six months ended 31 December 2018.

* The unofficial English translations are for identification purposes only.

Details of all the held-for-trading investments were set out in note 19 to the condensed consolidated financial statements.

China Baoli is principally engaged in mobile technologies business, tourism and hospitality business, gamma ray irradiation services, and securities trading and investment. Although China Baoli recorded a loss for the financial year ended 31 March 2018 and for the six months ended 30 September 2018, they are committed to identifying and evaluating appropriate opportunities to invest in, thereby continuously improving its market competitiveness and maintaining its overall performance. Their goal is to generate stable fee based income and performance based revenue.

Pinestone is a Hong Kong-based financial services provider principally engaged in provision of securities brokerage services, securities-backed lending services as well as placing and underwriting services. The total comprehensive income for the financial year ended 31 December 2017 of Pinestone is approximately HK$14.1 million, which has decreased by approximately HK$13.5 million compared to that of the previous year. Pinestone continued to record a profit of HK$3.2 million for the six months ended 30 June 2018. Pinestone will continue to cultivate client relationship, strengthen the financial positions, and explore business opportunities to maximize the long-term return for the shareholders. Being optimistic in the securities industry in Hong Kong, the Company is positive towards the prospect of Pinestone.

Li Bao Ge is principally engaged in the operation of a chain of Chinese restaurants in Hong Kong and the PRC. The total comprehensive income for the financial year ended 31 December 2017 of Li Bao Ge is approximately HK$24.4 million, which has increased by approximately HK$14.9 million compared to that of the previous year. Li Bao Ge recorded losses of HK$50.5 million for the six months ended 30 June 2018 and the Group had disposed a substantial part of its holding in Li Bao Ge for the financial year ended 30 June 2018.

SingAsia HLDG is principally engaged in the provision of manpower, outsourcing, recruitment, trading and cleaning services. Although SingAsia HLDG recorded a loss for the financial year ended 31 July 2018, the Company believes that the strength of its customer relationship will enable it to maintain and potentially expand their market share and grow business widely and regionally, the Company is positive towards the prospect of SingAsia HLDG .

Chi Ho is an established main contractor for the provision of renovation and maintenance works, alteration and addition works, and fitting-out works in Hong Kong. Chi Ho is responsible for the overall management, implementation and supervision of projects. Chi Ho focuses on the management of projects, development of work programmes, procurement of works materials, operation of site works, co-ordination with the customers or their consultants and quality control of the works carried out by the employees and the subcontractors. The total comprehensive income for the financial year ended 31 March 2018 of Chi Ho is approximately HK$23.1 million, which has increased by approximately HK$10.6 million compared to that of the previous year. Chi Ho continued to record a profit of HK$7.0 million for the six months ended 30 September 2018.

The Company holds positive views towards the prospect of the above listed companies.

Save for those disclosed above, note 19 to the condensed consolidated financial statements of this Interim Report, interests in joint ventures and interests in an associate, there were no other significant investments held, nor were there any material acquisitions or disposals of subsidiaries during the period under review.

Contingent Liabilities

Save as disclosed in note 24 to the condensed consolidated financial statements, the Group had no other contingent liabilities as at 31 December 2018.

Employment and Remuneration Policy

As at 31 December 2018, the total number of employees of the Group was 136 (30 June 2018: 106). During the period under review, employees costs (including Directors' emoluments) amounted to approximately S$2.7 million (six months ended 31 December 2017: S$2.7 million). Remuneration of the employees which included salary and discretionary bonus was based on the Group's results and individual performance. Medical and retirement benefits schemes were made available to qualified personnel.

Prospects

On 31 May 2018, the China National Development and Reform Commission, the Ministry of Finance and the National Energy Administration jointly released a 2018 Photovoltaic Power Generation Notice ("**New Policy**"). After the release of the New Policy, although the industry experienced some adjustment, it is expected that it will lead to a sustainable development after the market consideration. In addition, the fierce competition in public housing development in Singapore and the uncertainty of the upcoming development of the trade war between US and PRC might bring challenges to the Group.

Looking forward, the Group will continue to use our best endeavour to enhance and expand its principal businesses and seek for good business opportunities so as to enhance the value of the shareholders of the Company.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Six months ended 31 December 2018 S$ Unaudited	2017 S$ Unaudited
REVENUE	6	60,946,138	19,127,403
Cost of sales		(54,021,080)	(17,561,292)
Gross profit		6,925,058	1,566,111
Other gains and (losses)	7	1,788,394	(2,620,528)
Administrative expenses		(1,712,658)	(2,162,159)
Other expenses		(126,640)	(147,983)
Finance costs	8	(5,376)	(3,768)
Share of results of joint ventures		112,245	1,242,178
Share of results of an associate		(11,236)	21,673
PROFIT (LOSS) BEFORE TAX	9	6,969,787	(2,104,476)
Income tax expense	10	(1,531,448)	(182,019)
PROFIT (LOSS) FOR THE PERIOD		5,438,339	(2,286,495)
ATTRIBUTABLE TO			
Owners of the parent		3,652,440	(2,481,470)
Non-controlling interests		1,785,899	194,975
		5,438,339	(2,286,495)
PROFIT (LOSS) FOR THE PERIOD		5,438,339	(2,286,495)
Exchange differences on translation of foreign operations		(1,732,925)	57,708
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD		3,705,414	(2,228,787)
ATTRIBUTABLE TO			
Owners of the parent		1,950,936	(2,424,822)
Non-controlling interests		1,754,478	196,035
		3,705,414	(2,228,787)
Earnings (Loss) per share attributable to ordinary equity holders of the parent			
Basic and diluted (S cent)	11	0.31	(0.25)

Condensed Consolidated Statement of Financial Position

	Notes	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
NON-CURRENT ASSETS			
Goodwill	13	14,098,570	14,679,058
Interests in joint ventures		2,351,007	2,738,762
Interests in an associate		468,476	479,712
Plant and equipment	14	620,706	424,185
Trade and other receivables	15	2,058,645	2,096,300
Total non-current assets		19,597,404	20,418,017
CURRENT ASSETS			
Gross amount due from customers for contract work in progress	16	–	744,104
Inventories	17	8,646	9,956
Loan receivables		2,095,660	–
Trade receivables, deposits and other receivables	15	61,047,904	50,577,838
Prepayments	18	134,344	3,324,082
Held-for-trading investments	19	12,091,565	8,450,399
Cash and cash equivalents		13,898,761	14,703,511
Total current assets		89,276,880	77,809,890
CURRENT LIABILITIES			
Gross amount due to customers for contract work in progress	16	162,186	–
Income tax payable		1,917,741	5,347,239
Trade and other payables	20	26,754,901	14,308,345
Total current liabilities		28,834,828	19,655,584
NET CURRENT ASSETS		60,442,052	58,154,306
TOTAL ASSETS LESS CURRENT LIABILITIES		80,039,456	78,572,323

Condensed Consolidated Statement of Financial Position

	Notes	**31 December 2018 S$ Unaudited**	30 June 2018 S$ Audited
NON-CURRENT LIABILITY			
Deferred tax liabilities		**30,222**	30,222
Total non-current liability		**30,222**	30,222
NET ASSETS		**80,009,234**	78,542,101
EQUITY			
Share capital	*21*	**2,000,400**	2,000,400
Reserves		**67,678,516**	67,197,813
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**69,678,916**	69,198,213
Non-controlling interests		**10,330,318**	9,343,888
TOTAL EQUITY		**80,009,234**	78,542,101

Condensed Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent								
	Share capital S$ Unaudited	Share premium S$ Unaudited	Statutory surplus reserve S$ Unaudited	Exchange fluctuation reserve S$ Unaudited	Accumulated losses S$ Unaudited	Merger reserves S$ Unaudited	Total S$ Unaudited	Non-controlling interests S$ Unaudited	Total Equity S$ Unaudited
At 1 July 2018 (audited)	2,000,400	95,244,635	1,586,657	(870,925)	(26,522,907)	(2,239,647)	69,198,213	9,343,888	78,542,101
Adjustments due to adoption of new Standards	–	–	–	(8,666)	(1,461,567)	–	(1,470,233)	(768,048)	(2,238,281)
At 1 July 2018 (adjusted)	2,000,400	95,244,635	1,586,657	(879,591)	(27,984,474)	(2,239,647)	67,727,980	8,575,840	76,303,820
Profit for the period	–	–	–	–	3,652,440	–	3,652,440	1,785,899	5,438,339
Other comprehensive expense for the period:									
Exchange differences on translation of foreign operations	–	–	–	(1,701,504)	–	–	(1,701,504)	(31,421)	(1,732,925)
Total comprehensive income (expense) for the period	–	–	–	(1,701,504)	3,652,440	–	1,950,936	1,754,478	3,705,414
Transfer from retained profits to statutory surplus reserve	–	–	73,193	–	(73,193)	–	–	–	–
At 31 December 2018 (unaudited)	2,000,400	95,244,635	1,659,850	(2,581,095)	(24,405,227)	(2,239,647)	69,678,916	10,330,318	80,009,234
At 1 July 2017 (audited)	1,396,622	82,336,712	1,295,091	(1,505,080)	(24,391,195)	(2,239,647)	56,892,503	8,145,116	65,037,619
Loss for the period	–	–	–	–	(2,481,470)	–	(2,481,470)	194,975	(2,286,495)
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	56,648	–	–	56,648	1,060	57,708
Total comprehensive income (expense) for the period	–	–	–	56,648	(2,481,470)	–	(2,424,822)	196,035	(2,228,787)
Issue of shares	269,080	6,780,518	–	–	–	–	7,049,598	–	7,049,598
At 31 December 2017 (unaudited)	1,665,702	89,117,230	1,295,091	(1,448,432)	(26,872,665)	(2,239,647)	61,517,279	8,341,151	69,858,430

Condensed Consolidated Statement of Cash Flows

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from (used in) operations	**3,971,644**	(5,655,724)
Interest received	**48,473**	28,216
Overseas tax paid	**(4,831,587)**	(124,774)
Net cash flows used in operating activities	**(811,470)**	(5,752,282)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received from joint ventures	**500,000**	–
Purchase of items of plant and equipment	**(345,780)**	(65,094)
Proceeds on disposal of plant and equipment	**–**	3,355
Net cash flows generated from (used in) investing activities	**154,220**	(61,739)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issue of shares	**–**	7,049,598
Net cash flows generated from financing activity	**–**	7,049,598
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(657,250)**	1,235,577
Effects of currency translation on cash and cash equivalents	**(147,500)**	(662,325)
Cash and cash equivalents at beginning of period	**14,703,511**	17,165,860
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**13,898,761**	17,739,112
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks and on hand	**13,898,761**	17,739,112

Notes to the Condensed Consolidated Financial Statements

1. CORPORATE AND GROUP INFORMATION

Kingbo Strike Limited (the "**Company**") was incorporated in the Cayman Islands on 19 June 2013 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company's registered office address is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under the Companies Ordinance (Chapter 622 of the laws of Hong Kong) on 5 September 2013 and the principal place of business in Hong Kong is at Room 1011, 10th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of electrical engineering services in Singapore; design, supply and installation of solar photovoltaic parts and equipment in the People's Republic of China (the "**PRC**") and trading of consumer products and accessories in Hong Kong (the "**Trading Business**").

Information about major subsidiaries

Particulars of the Company's major subsidiaries as at 31 December 2018 are as follows:

Name	Place of incorporation and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company				Principal activities
			31 December 2018		30 June 2018		
			Direct	Indirect	Direct	Indirect	
Strike Electrical Engineering Pte Ltd ("**Strike Singapore**")	Singapore	S$1,510,000	100	–	100	–	Electrical works and general building engineering services
Capital Asia Investment Limited	Hong Kong	HK$1	–	100	–	100	Investment holding and trading business
Marvel Skill Holdings Limited	British Virgin Islands ("**BVI**")	US$50,000	100	–	100	–	Investment holding
Kahuer Holding Co., Limited	BVI	US$50,000	–	60	–	60	Investment holding
Loydston International Limited	Hong Kong	HK$500,000	–	60	–	60	Investment holding

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about major subsidiaries *(Continued)*

Name	Place of incorporation and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 31 December 2018 Direct	Indirect	30 June 2018 Direct	Indirect	Principal activities
開合新能源(盱眙)有限公司[1,2] (Kaihe New Energy (Xuyi) Company Limited) ("**Kaihe New Energy (Xuyi)**")	PRC	RMB6,824,178	–	60	–	60	Supply and installation of solar photovoltaic parts and equipments
萊斯頓新能源(鎮江)有限公司[1,2] Loydston New Energy (Zhenjiang) Company Limited ("**Loydston New Energy**")	PRC	US$10,000,000[3]	–	60	–	60	Supply and installation of solar photovoltaic parts and equipments
華輝新能源(淮安)有限公司[1,2,4] Huahui New Energy (Huaian) Company Limited ("**Huahui New Energy**")	PRC	US$5,000,000[5]	–	60	–	60	Supply and installation of solar photovoltaic parts and equipments
Mega Ascent Trading Limited	HK	HK$1	–	100	–	100	Trading business
Kingbo Finance Limited	Hong Kong	HK$1	–	100	–	100	Provision of Finance

Notes:

1 Registered as a wholly-foreign-owned enterprise under PRC law.
2 The unofficial English translations are for identification purposes only.
3 The amount is registered share capital but not paid up as at 31 December 2018.
4 Newly incorporated on 14 March 2018 as a non-wholly owned subsidiary of the Company.
5 The amount is registered share capital but not fully paid up as at 31 December 2018.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors of the Company, principally affected the results or assets of the Group.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2018 (the "**Interim Financial Statements**") have been prepared in accordance with International Accounting Standards ("**IASs**") 34 Interim Financial Reporting issued by the International Accounting Standard Board ("**IASB**").

The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at and for the year ended 30 June 2018.

Basis of consolidation

The Interim Financial Statements comprise the financial statements of the Company and its subsidiaries for the six months ended 31 December 2018. The financial statements of the subsidiaries used in the preparation of the Interim Financial Statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

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

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

3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared under the historical cost convention except for held-for trading investment (Note 19). These financial statements are presented in Singapore dollars ("**S$**").

Other than change in accounting policies resulting from application of new and amendments and interpretation to IFRSs, the accounting policies and methods of computation used in the preparation of condensed consolidated financial statements for the six months ended 31 December 2018 are the same as those applied in the preparation of the Group's annual financial statements for the year ended 30 June 2018.

Application of new and amendments and interpretation of IFRSs

In the current period, the Group has applied, for the first time, the following new and amendments and interpretations to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers
Amendments to IFRS 40	Transfers of Investment Property
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 1 included in Annual Improvements 2014-2016 Cycle	First-time Adoption of International Financial Reporting Standards
Amendments to IAS 28 included in Annual Improvements 2014-2016 Cycle	Investments in associates and Joint Ventures

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which result in changes in accounting policies, amounts reported and/or disclosures, the impact of the adoption of IFRS 9 Financial Instruments have been summarised below. The other new or amended IFRSs that are effective from 1 July 2018 did not have any material impact on the Group's accounting policies.

3.1. Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments"

During the six months ended 31 December 2018, the Group has applied IFRS 9 and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9. (i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 July 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018). The difference between carrying amounts as at 30 June 2018 and the carrying amounts as at 1 July 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 "Financial Instruments: Recognition and Measurement".

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

3.1. Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" *(Continued)*

3.1.1 Key changes in accounting policies resulting from application of IFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under IAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual) terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("**FVTPL**"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("**OCI**") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

3.1. Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" *(Continued)*

3.1.1 Key changes in accounting policies resulting from application of IFRS 9 *(Continued)*

Classification and measurement of financial assets (Continued)

The directors of the Company reviewed and assessed the Group's financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 3.1.2.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade receivables, other receivable and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets, including those with significant financing component. The ECL on these assets are assessed individually for debtors with significant balances, or collectively using a provision matrix for debtor which shared credit risk characteristics by reference to part default experience of the debtor, adjusted for factors in relation to general economic conditions of the industry and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

3.1. Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" *(Continued)*

3.1.1 Key changes in accounting policies resulting from application of IFRS 9 *(Continued)*

Significant increase in credit risk (Continued)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

As at 1 July 2018, the directors of the Company reviewed and assessed the Group's existing financial assets measured at amortised cost for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9, and concluded that no expected credit loss allowance are recognised by the Group as at 1 July 2018 as the amount is not material.

Notes to the Condensed Consolidated Financial Statements

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

3.1. Impacts and changes in accounting policies of application on IFRS 9 "Financial Instruments" *(Continued)*

3.1.2 Key changes in accounting policies resulting from application of IFRS 9

The table below illustrates the classification and measurement of financial assets under IFRS 9 at the date of initial application, 1 July 2018:

	Balance as at 1 July 2018 Under IAS 39 S$	Balance as at 1 July 2018 Under IFRS 9 S$
Trade and other receivables (non-current assets)	**2,096,300**	**2,058,645**
Trade and other receivables (current assets)	**50,577,838**	**47,812,100**

3.2. Impact of issued not yet effective IFRSs

The Group has not applied the following IFRSs that have been issued but are not yet effective in the six months ended 31 December 2018:

IFRS 16	Leases[1]
IFRIC 23	Uncertainty over Income Tax treatments[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycles[1]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
IFRS 17	Insurance Contracts[2]
Amendments to IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2019

2 Effective for annual periods beginning on or after 1 January 2021

3 No mandatory effective date get determined but available for adoption

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

5. SEGMENT INFORMATION

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

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

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

(c) trading of consumer products and accessories ("**Trading business**").

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

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

Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Notes to the Condensed Consolidated Financial Statements

5. SEGMENT INFORMATION *(Continued)*

Six months ended 31 December 2018

	Engineering services S$ Unaudited	Solar power business S$ Unaudited	Trading business S$ Unaudited	Total S$ Unaudited
Segment revenue:				
Sales to external customers	1,475,195	59,470,943	–	60,946,138
Segment results:	201,902	5,979,876	–	6,181,778
Unallocated gains				2,141,962
Corporate and other unallocated expenses				(1,353,953)
Profit before tax				6,969,787
Segment assets:	18,572,421	74,095,380	–	92,667,801
Corporate and other unallocated assets				16,206,483
Total assets				108,874,284
Segment liabilities:	4,628,774	23,826,173	–	28,454,947
Corporate and other unallocated liabilities				410,103
Total liabilities				28,865,050

Notes to the Condensed Consolidated Financial Statements

5. SEGMENT INFORMATION *(Continued)*

Six months ended 31 December 2017

	Engineering services S$ Unaudited	Solar power business S$ Unaudited	Trading business S$ Unaudited	Total S$ Unaudited
Segment revenue:				
Sales to external customers	9,585,012	6,986,748	2,555,643	19,127,403
Segment results:	1,617,182	656,906	24,371	2,298,459
Unallocated gains				10,094
Corporate and other unallocated expenses				(4,413,029)
Loss before tax				(2,104,476)

At 30 June 2018

	Engineering services S$	**Solar power business S$**	**Trading business S$**	**Total S$**
Segment assets:	**21,441,908**	**61,339,719**	**5,006,968**	**87,788,595**
Corporate and other unallocated assets				**10,439,312**
Total assets				**98,227,907**
Segment liabilities:	**7,458,195**	**11,798,406**	**–**	**19,256,601**
Corporate and other unallocated liabilities				**429,205**
Total liabilities				**19,685,806**

5. SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
Revenue		
Singapore	**1,475,195**	9,585,012
Mainland China	**59,470,943**	6,986,748
Hong Kong	**–**	2,555,643
	60,946,138	19,127,403

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

(b) Non-current assets

	31 December	30 June
	2018	2018
	S$	S$
	Unaudited	Audited
Singapore	**5,233,929**	200,354
Mainland China	**14,100,778**	3,439,648
Hong Kong	**262,697**	14,681,715
	19,597,404	18,321,717

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

Notes to the Condensed Consolidated Financial Statements

6. REVENUE

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

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
Contract revenue	**1,475,195**	9,585,012
Net invoiced value of goods and services	**59,470,943**	9,542,391
	60,946,138	19,127,403

7. OTHER GAINS AND (LOSSES)

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
Foreign exchange differences	**(172,014)**	(49,440)
Bank interest income	**23,105**	28,216
Interest on loan receivables	**25,368**	–
Incentives from the Singapore Government *(Note)*	**4,353**	8,286
Fair value gain (loss) on held-for-trading investments	**2,198,946**	(2,609,398)
Gain on disposal of plant and equipment	**15,480**	–
Others	**(306,844)**	1,808
	1,788,394	(2,620,528)

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

Notes to the Condensed Consolidated Financial Statements

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
Bank charges	**(5,376)**	(3,768)

9. PROFIT (LOSS) BEFORE TAX

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

		Six months ended 31 December	
		2018	2017
		S$	S$
		Unaudited	Unaudited
(a)	Auditors' remuneration	**139,711**	300,291
	Depreciation of plant and equipment	**127,052**	113,337
	Gain on disposal of plant and equipment	**15,480**	–
	Cost of goods and services provided	**52,955,598**	17,561,292
	Minimum lease payments under operating leases	**335,781**	336,103
	Employee benefits	**2,736,251**	2,736,802
(b)	Employee benefits (including Directors' remuneration):		
	– Directors' fees	**233,948**	251,849
	– Salaries, wages and bonuses	**2,411,015**	2,393,927
	– Defined contribution retirement plans	**91,288**	91,026
		2,736,251	2,736,802
(c)	Fair value (gain) loss on held-for-trading investments	**(2,198,946)**	2,609,398

Notes to the Condensed Consolidated Financial Statements

10. INCOME TAX EXPENSE

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
Current – Singapore		
– Charge for the period	**(16,319)**	(12,829)
Current – others (the PRC and Hong Kong)		
– Charge for the period	**(1,515,129)**	(169,468)
Deferred	**–**	278
– Tax charge for the period	**(1,531,448)**	(182,019)

The Company's profit is not subject to any tax in its country of incorporation, the Cayman Islands. No Hong Kong profits tax has been provided (six months ended 31 December 2017: Nil) since no assessable profit arose in Hong Kong during the reporting periods.

The assessable profit arising from the subsidiary in Singapore is taxed at a statutory tax rate of 17%, and on the other hand, the assessable profit arising from the subsidiaries in the PRC is subject to the PRC corporate income tax at a rate of 25%.

11. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

The weighted average number of equity shares refers to shares in issue during the period. The Group had no potentially dilutive ordinary shares (six months ended 31 December 2017: Nil) in issue during the period.

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

	Six months ended 31 December	
	2018	2017
	S$	S$
	Unaudited	Unaudited
Earnings (Losses)		
Profit (Loss) attributable to equity holders of the Company, used in the basic and diluted earnings (loss) per share calculation	**3,652,440**	(2,481,470)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings (loss) per share calculation	**1,185,600,000**	983,869,565
Basic and diluted earnings (loss) per share (S cent)	**0.31**	(0.25)

12. DIVIDEND

No dividend was declared for the six months ended 31 December 2018 (six months ended 31 December 2017: Nil).

13. GOODWILL

	S$ Unaudited
Cost	
As at 1 July 2017	57,510,423
Exchange realignment	725,984
As at 30 June 2018 and 1 July 2018	58,236,407
Exchange realignment	(2,049,200)
As at 31 December 2018	56,187,207
Accumulated impairment loss	
As at 1 July 2017	41,219,140
Impairment loss recognised during the year	1,792,785
Exchange realignment	545,424
As at 30 June 2018 and 1 July 2018	43,557,349
Exchange realignment	(1,468,712)
As at 31 December 2018	42,088,637
Net carrying amount as at 31 December 2018	14,098,570

13. GOODWILL *(Continued)*

Impairment assessment

Goodwill acquired through business combinations is allocated to solar power cash-generating unit ("**CGU**") for impairment testing. The recoverable amount of the CGU to which the goodwill was allocated has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a four-year period approved by senior management. The Group has appointed an independent professional valuer to perform a value-in-use calculation for impairment assessment on the CGU. Key input in the valuation is as follows:

The pre-tax discount rate applied to the cash flow projections is 22.74% (30 June 2018: 21.89%). The projected sales for the forecasted was prepared base on (i) budgeted sales for the year ended 30 June 2019; and (ii) prudent annualised growth rate of 3% per year for the year ended 30 June 2020 onward (30 June 2018: 3%).

As the recoverable amount of the CGU attributable to the owners of the Company as measured on value-in-use basis as at 31 December 2018 is higher than the carrying amount of S$14,098,570, it is therefore considered that there is no impairment loss on the net carrying amount of goodwill as at 31 December 2018.

14. PLANT AND EQUIPMENT

	S$ Unaudited
Net carrying amount at 1 July 2018	**424,185**
Additions	**345,780**
Disposal	**(23,167)**
Depreciation	**(127,052)**
Exchange realignment	**960**
Net carrying amount at 31 December 2018	**620,706**
Net carrying amount at 1 July 2017	611,236
Additions	65,094
Written off	(3,355)
Depreciation	(113,337)
Exchange realignment	(8,742)
Net carrying amount at 31 December 2017	550,896

Notes to the Condensed Consolidated Financial Statements

15. TRADE AND OTHER RECEIVABLES

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Trade receivables, net of loss allowance (non-current):		
Retention sum receivables	2,058,645	2,096,300
Trade receivables, net of loss allowance (current):		
Third parties	53,538,687	39,332,270
Retention sum receivables	6,378,099	10,623,263
	59,916,786	49,955,533
Other receivables, net of loss allowance (current):		
Due from a joint venture *(Note 23(b))*	500,000	–
Deposits	140,595	146,005
Others	490,523	476,300
	1,131,118	622,305
Total trade receivables, deposits and other receivables (current)	61,047,904	50,577,838

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

Trade receivables (excluding retention sum receivables) are non-interest bearing and ranged from of 30 to 180 days.

Notes to the Condensed Consolidated Financial Statements

15. TRADE AND OTHER RECEIVABLES *(Continued)*

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

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Less than 30 days	**14,973,526**	17,415,110
31 to 60 days	**24,864,915**	18,461,728
61 to 90 days	**12,947,344**	–
More than 90 days	**752,902**	3,455,432
	53,538,687	39,332,270

16. GROSS AMOUNT DUE (TO) FROM CUSTOMERS FOR CONTRACT WORK IN PROGRESS

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	**94,853,528**	93,514,105
Less: Progress billings	**(95,015,714)**	(92,770,001)
	(162,186)	744,104
Presented as:		
Gross amount due (to) from customers for contract work in progress	**(162,186)**	744,104

As at 31 December 2018 and 30 June 2018, there were no advances received from customers for contract work in progress.

17. INVENTORIES

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Raw materials	**8,646**	9,956

Notes to the Condensed Consolidated Financial Statements

18. PREPAYMENTS

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Prepayments	**134,344**	3,324,082

19. HELD-FOR-TRADING INVESTMENTS

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Listed securities held-for-trading, at fair value:		
Equity securities listed in Hong Kong	**12,091,565**	8,450,399

The above equity investments at 31 December 2018 and 30 June 2018 were classified as held-for-trading investments and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

Stock code	Company name	Percentage of shareholding as at 31 December 2018	Percentage of shareholding as at 30 June 2018	Market value as at 31 December 2018 S$	Approximate percentage to the Group's net assets as at 31 December 2018	Market value as at 30 June 2018 S$	Approximate percentage to the Group's net assets as at 30 June 2018	Change in fair value of held-for-trading investments for the periods ended 31 December 2018 S$	Change in fair value of held-for-trading investments for the periods ended 31 December 2017 S$
164	China Baoli Technologies Holdings Limited	0.068%	0.071%	106,538	0.13%	363,626	0.46%	(258,151)	(297,528)
197	Heng Tai Consumables Group Limited	-	–	-	-	–	–	-	272,570
804	Pinestone Capital Limited	0.843%	0.843%	1,004,974	1.26%	1,216,364	1.55%	(216,411)	(1,218,749)
1869	Li Bao Ge Group Limited	0.104%	0.104%	39,136	0.05%	57,719	0.07%	(18,801)	(2,371,997)
8293	SingAsia Holdings Limited	0.114%	–	1,573,317	1.97%	–	–	173,965	–
8423	Chi Ho Development Holdings Limited	1.863%	1.863%	9,367,600	11.70%	6,812,690	8.67%	2,518,344	1,006,306
				12,091,565	15.11%	8,450,399	10.75%	2,198,946	(2,609,398)

The market value of the Group's listed equity investments as at the date of approval of these financial statements was approximately S$6,717,000.

Notes to the Condensed Consolidated Financial Statements

20. TRADE AND OTHER PAYABLES

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Trade payables:		
Third parties	19,353,677	4,962,939
Retention sum payables	–	580,608
	19,353,677	5,543,547
Accruals for project costs	4,188,464	5,661,266
Other payables:		
Accrued liabilities	485,147	724,859
GST/VAT payable	2,476,875	1,412,526
Due to a joint venture *(Note 23(b))*	–	900,000
Others	250,738	66,147
	3,212,760	3,103,532
Total trade and other payables	26,754,901	14,308,345

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

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

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Trade payables:		
Less than 90 days	19,304,751	4,962,939
91-180 days	48,926	–
	19,353,677	4,962,939

21. SHARE CAPITAL AND SHARE PREMIUM

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Issued and fully paid:		
1,185,600,000 (30 June 2018: 1,185,600,000) ordinary shares of HK$0.01 each (30 June 2018: HK$0.01 each)	**2,000,400**	2,000,400

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

	Number of shares in issue Unaudited	**Issued share capital** S$ Unaudited	**Share premium account** S$ Unaudited	**Total** S$ Unaudited
At 1 July 2018 and 31 December 2018	1,185,600,000	2,000,400	95,244,635	97,245,035

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets and liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

At 31 December 2018 (Unaudited)

	Financial assets at fair value through profit of loss	Financial assets at amortised cost	
	Held-for-trading S$	Loans and receivables S$	Total S$
Held-for-trading investments	12,091,565	–	12,091,565
Loan receivables	–	2,095,660	2,095,660
Trade receivables, deposits and other receivables	–	63,106,549	63,106,549
Cash and cash equivalents	–	13,898,761	13,898,761
	12,091,565	79,100,970	91,192,535

Financial liabilities

	Financial liabilities at amortised cost S$
Trade and other payables (excluding GST payable and accrued liabilities)	23,792,879

At 30 June 2018 (Audited)

Financial assets

	Financial assets at fair value through profit of loss	Financial assets at amortised cost	
	Held-for-trading S$	Loans and receivables S$	Total S$
Held-for-trading investments	8,450,399	–	8,450,399
Trade receivables, deposits and other receivables	–	52,674,138	52,674,138
Cash and cash equivalents	–	14,703,511	14,703,511
	8,450,399	67,377,649	75,828,048

Financial liabilities

	Financial liabilities at amortised cost S$
Trade and other payables (excluding GST payable and accrued liabilities)	12,170,960

Notes to the Condensed Consolidated Financial Statements

23. RELATED PARTY TRANSACTIONS

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

		Six months ended 31 December	
		2018	2017
	Notes	**S$**	S$
		Unaudited	Unaudited
Sub-contractor fees charged by			
– joint ventures	*(i)*	**56,665**	2,064,693
Operating expenses recharged by			
– a related company	*(ii)*	**6,462**	6,788
Rental expense charged by			
– a related company	*(iii)*	**111,720**	111,720
Secretarial fees charged to			
– joint ventures	*(iv)*	**1,200**	1,200
– an associate	*(iv)*	**–**	600
Sales of raw materials to			
– joint ventures	*(v)*	**–**	(2,560)

Notes:

(i) During the reporting period, Strike Electrical Engineering Pte. Ltd. ("**Strike Singapore**"), a wholly owned subsidiary of the Company in Singapore, had subcontracted some electrical engineering works to the joint ventures.

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

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

(iv) During the reporting period, Strike Singapore provided secretarial services to the joint ventures and an associate.

(v) Strike Singapore sold raw material to the joint ventures.

23. RELATED PARTY TRANSACTIONS *(Continued)*

(b) Outstanding balances with related parties:

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Due from (to) a joint venture	500,000	(900,000)

(c) Commitment with related parties

(i) The lease agreement for the lease of office premises entered into between Strike Singapore and Victrad was expired on 30 June 2018 and subsequently renewed for another 1 year after the financial year end.

(ii) The lease agreement for the lease of workers dormitory units entered into between Strike Singapore and Victrad was expired on 30 June 2018 and subsequently renewed for another 1 year after the financial year end.

(iii) The amount of total rental expenses charged by Victrad during the year is included in Note 23(a)(iii) to the consolidated financial statements. The operating lease commitments in respect of the above leases with Victrad as at the reporting date, which fall due within one year, amounted to S$111,720 (30 June 2018: Nil).

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

	Six months ended 31 December	
	2018 S$ Unaudited	2017 S$ Unaudited
Directors' fees	233,948	251,849
Salaries and bonuses	462,298	487,156
Pension scheme contributions	33,531	34,440
	729,777	773,445
Related parties		
Remuneration paid to close family members of key management personnel	–	2,660

24. CONTINGENT LIABILITIES

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

	31 December 2018 S$ Unaudited	30 June 2018 S$ Audited
Guarantees:		
Security bonds to the Singapore Government in relation to foreign workers	**155,000**	390,000

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 reporting periods, the Group has hired certain foreign workers and has arranged for an insurance company to provide insurance guarantees with the Singapore Government. The Directors believe that no foreign workers of the Group have breached the relevant regulations during the reporting periods. Accordingly, the Group has not provided for any provision in relation to such law.

25. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information was approved and authorised for issue by the Board on 26 February 2018.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

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

The Company has applied the principles of Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and complied with all applicable code provisions of the CG Code throughout the six months ended 31 December 2018, save and except for the deviations from code provisions A.2.1.

Code provision A.2.1

Code provision A.2.1 of the CG Code stated that the roles of chairman and managing director should be separate and should not be performed by the same individual. On 13 February 2017, Mr. Yeo Jiew Yew ("**Mr. Yeo**") retired and did not offer himself for re-election as an executive Director and also ceased to be the managing director (the "**Managing Director**") of the Group. As the Company did not appoint any person to replace Mr. Yeo as the Managing Director, this deviates from code provision A.2.1 of the CG Code.

The chairman of the board (the "**Board**") of directors of the Company, Mr. Liu Yancheng is responsible for the general operations of the Board and the overall strategy of the Group whereby the ex-Managing Director, Mr. Yeo, who remains as the director of Strike Singapore continues to be responsible for the overall management, strategic planning and business development of the Group's business operations in Singapore. The roles and functions of Mr. Yeo for the Group thereby has not changed subsequent to his retirement as the Managing Director. The Board therefore considers that this structure would not impair the balance of power and authority between the directors and the management of the Group.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of practice for carrying out securities transactions by the Directors. After specific enquiry with all members of the Board, the Company confirmed that all Directors have fully complied with the relevant standards stipulated in the Model Code during the six months ended 31 December 2018.

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

As at 31 December 2018, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive have taken or deemed to have taken under such provisions of the SFO); (ii) recorded in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long Positions in Shares and Underlying Shares of the Company

Director	Capacity/Nature	Number of shares held/ interested in	Percentage of interest in the Company
Mr. Liu Yancheng	Beneficial owner	7,600,000	0.64%
	Interest of spouse *(Note 1)*	5,000,000	0.42%
Mr. Yao Runxiong	Beneficial owner	3,980,000	0.34%
	Interest of spouse *(Note 2)*	18,630,000	1.57%

Notes:

1. 5,000,000 shares of the Company are legally and beneficially owned by Ms. Zhang Juanying, the spouse of Mr. Liu Yancheng. Mr. Liu Yancheng is therefore deemed to be interested in the 5,000,000 shares of the Company for the purposes of the SFO.

2. 18,630,000 shares of the Company are legally and beneficially owned by Ms. Zhuang Yanzhu, the spouse of Mr. Yao Runxiong. Mr. Yao Runxiong is therefore deemed to be interested in the 18,630,000 shares of the Company for the purposes of the SFO.

Save as disclosed above, as at 31 December 2018, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SHARE OPTION SCHEME

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

There were no share options granted under the scheme since its adoption.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the above "SHARE OPTION SCHEME", at no time during the six months ended 31 December 2018 was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate, and none of the Directors and chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

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

As at 31 December 2018, the Company has not been notified by any person or entity who had or was deemed to have interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of SFO.

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

During the six months ended 31 December 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended 31 December 2018.

AUDIT COMMITTEE

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

The Audit Committee has reviewed with senior management the accounting principles and practices adopted by the Group and also discussed the financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Company for the six months ended 31 December 2018.

By Order of the Board
Kingbo Strike Limited
Liu Yancheng
Chairman

Hong Kong, 26 February 2019