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KING FORCE GROUP HOLDINGS LIMITED

冠輝集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 08315)

PROPOSED SHARE CONSOLIDATION PROPOSED CHANGE OF COMPANY NAME

AND

PROPOSED AMENDMENTS TO AND RESTATEMENT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION

PROPOSED SHARE CONSOLIDATION

The Board is putting forward a proposal to the Shareholders to effect the Share Consolidation, which involves the consolidation of every ten (10) issued and unissued Existing Shares with a par value of HK\$0.001 each into one (1) Consolidated Share with a par value of HK\$0.01 each. The existing board lot of 10,000 Shares will remain unchanged upon the Share Consolidation taking place.

PROPOSED CHANGE OF COMPANY NAME AND CONSEQUENTIAL AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

In light of the recent change in the controlling shareholder of the Company to Greatwalle Holding Limited, the Board is putting forward a proposal to change the English name of the Company from “King Force Group Holdings Limited” to “Greatwalle Inc.” and the Chinese name of the Company from “冠輝集團控股有限公司” to “長城匯理公司”. The Board also proposes to make consequential amendments to and restate the Memorandum and Articles of Association upon the proposed Change of Company Name has become effective.

GENERAL

The Company had previously proposed a change of company name and to consolidate its shares. The previous proposals were not approved by the then Shareholders during the extraordinary general meeting of the Company held on 20 April 2018, which was held prior to the mandatory conditional cash offers being made by Emperor Securities Limited for and on behalf of Greatwalle Holding Limited, the current controlling shareholder of the Company. In putting forward the current proposals, the Board has taken into account feedback received from the current Shareholders.

The Share Consolidation and the Change of Company Name will be proposed at the 2018 Second EGM for Shareholders' consideration and, if thought fit, approval. A circular in relation to the 2018 Second EGM containing, among others, further details of the proposed Share Consolidation, the proposed Change of Company Name and the notice convening the 2018 Second EGM is expected to be despatched to the Shareholders on or before 9 August 2018.

INTRODUCTION

The Board is putting forward proposals to the Shareholders to effect: (1) the Share Consolidation, which involves the consolidation of every ten (10) issued and unissued Existing Shares with a par value of HK\$0.001 each into one (1) Consolidated Share with a par value of HK\$0.01 each. The existing board lot of 10,000 Shares will remain unchanged upon the Share Consolidation taking place; (2) the Change of Company Name, whereby the English name of the Company is proposed to be changed from "King Force Group Holdings Limited" to "Greatwalle Inc." and the Chinese name of the Company is proposed to be changed from "冠輝集團控股有限公司" to "長城匯理公司"; and (3) to amend and restate the Memorandum and Articles of Association to reflect the Change of Company Name.

SHARE CONSOLIDATION

Effects of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 20,000,000,000 Existing Shares with a par value of HK\$0.001 each, of which 8,208,994,432 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the proposed Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$20,000,000 divided into 2,000,000,000 Consolidated Shares with a par value of HK\$0.01 each, of which 820,899,443 Consolidated Shares will be in issue assuming no Shares are repurchased or issued by the Company and no Options are exercised from the date hereof until the effective date of the Share Consolidation. The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Memorandum and Articles of Association.

Conditions of the Share Consolidation

The Share Consolidation is conditional on:

- (a) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the 2018 Second EGM;
- (b) the listing division of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares; and
- (c) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if any.

Subject to the fulfilment of the above conditions, it is expected that the Share Consolidation will become effective on 5 September 2018, which is the next Business Day immediately following the date of the 2018 Second EGM.

Application for the listing of the Consolidated Shares

An application will be made by the Company to the listing division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal in is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, arising from the Share Consolidation, will not be allotted to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Exchange of Share certificates

Subject to the Share Consolidation becoming effective, which is expected to be at 9:00 a.m. on 5 September 2018, the Shareholders may, from 5 September 2018 to 15 October 2018 (both days inclusive), submit certificates of the Existing Shares (which is in yellow colour) to the Registrar to exchange, at the expense of the Company, for new certificates of the Consolidated Shares (on the basis of ten (10) Existing Shares for one (1) Consolidated Share) (which will be in green colour). Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.5 (or such higher amount as may from time to time be allowed or not prohibited under the GEM Listing Rules) each, payable by Shareholders to the Registrar. The address of the Company's branch share registrar, Tricor Investor Services Limited, is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Board lots

The existing board lot of 10,000 Shares will remain unchanged upon the Share Consolidation becoming effective. The value of the current board lot, based on the closing price of HK\$0.04 per Existing Shares as at the last trading day before date of this announcement, was HK\$400. Upon the Share Consolidation becoming effective, the expected value of each board lot of 10,000 Consolidated Shares, based solely on the closing price of the Existing Shares as at the last trading day before date of this announcement, is expected to be HK\$4,000.

Arrangement on odd lots trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Emperor Securities Limited to stand in the market to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on 19 September 2018 to 4:00 p.m. on 11 October 2018 (both days inclusive).

Holders of odd lots of Consolidated Shares should note that the matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Shareholders are also recommended to consult with their professional advisers if they are in any doubt regarding the arrangement on odd lots trading.

Trading Arrangement for the Consolidated Shares

Subject to the Share Consolidation becoming effective, the arrangements for dealing in the Consolidated Shares are expected to be as follows:

- (a) from 9:00 a.m. on Wednesday, 5 September 2018, the original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares will be temporarily closed and a temporary counter for trading in the Consolidated Shares in board lot of 1,000 Consolidated Shares (in the form of existing Share certificates) will be set up and opened;

- (b) from 9:00 a.m. on Wednesday, 19 September 2018, the original counter for trading in the Consolidated Shares in board lot of 10,000 Consolidated Shares (in the form of new Share certificates) will be re-opened;
- (c) during the period from Wednesday, 19 September 2018 to Thursday, 11 October 2018 (both dates inclusive), there will be parallel trading at the above two counters; and
- (d) the temporary counter for trading in board lot of 1,000 Consolidated Shares (in the form of existing Share certificates) will be closed after the close of trading at 4:00 p.m. on Thursday, 11 October 2018. Thereafter, trading will only be in board lots of 10,000 Consolidated Shares in the form of new Share certificates representing the Consolidated Shares while the existing Share certificates for the Existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes. However, such certificates will remain effective as documents of title on the basis of ten (10) Existing Shares for one (1) Consolidated Share.

Adjustments in relation to the outstanding Options

As at the date of this announcement, the Company has no outstanding options, convertible securities options or warrants in issue which confer any rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case maybe.

Reasons for the proposed Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Also, the “Guide of Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 3 July 2018 states that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000. In view of the recent trading prices of the Shares at a level less than HK\$0.1 and the board lot value being less than HK\$2,000 each, the Board considers that the proposed Share Consolidation would enable the Company to avoid the market price of the Shares being traded near the extremities as prescribed under the GEM Listing Rules. It is also believed that the adjusted Share price as a result of the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Company more attractive to a broader range of investors.

Subject to prevailing market conditions, the Group may consider fund raising activities after the completion of the Share Consolidation to replenish its general working capital and also to grasp any new opportunities that may arise to achieve expansion of the Group's business, such as opportunities in the investment industry. Save for the foregoing, the Group currently does not have any plan, and has not entered into any agreement or arrangement to carry out any other share consolidation, share sub-division or change in board lot size in the twelve months immediately following the date of this announcement.

Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Event	Date
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Latest date and time for lodging transfer documents	4:30 p.m. on 22 August 2018
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Closure of register of members	from 23 August 2018 to 4 September 2018 (both days inclusive)
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Latest date and time for lodging form of proxy for the 2018 Second EGM	11:00 a.m. on 2 September 2018
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Expected date and time of the 2018 Second EGM	11:00 a.m. on 4 September 2018
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Announcement of the poll results of the 2018 Second EGM	4 September 2018
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Register of members re-opens	5 September 2018
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The following events are conditional on the results of the 2018 Second EGM and therefore the dates are tentative:

Effective date for the Share Consolidation	5 September 2018
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First day of free exchange of existing certificates for new Share certificates for the Consolidated Shares.	5 September 2018
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Dealing in the Consolidated Shares commences	9:00 a.m. on 5 September 2018
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Original counter for trading in the Existing Shares in board lot of 10,000 Shares temporarily closes	9:00 a.m. on 5 September 2018
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Temporary counter for trading in the Consolidated Shares in board lot of 1,000 Consolidated Shares (in the form of existing Share certificates) opens.	9:00 a.m. on 5 September 2018
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Original counter for trading in the Consolidated
Shares in board lot of 10,000 Consolidated Shares
(in the form of new Share certificates) re-opens. 9:00 a.m. on 19 September 2018

Parallel trading in the Consolidated Shares in the
form of new Share certificates and existing Share
certificates commences 9:00 a.m. on 19 September 2018

Designated broker starts to stand in the market
to provide matching services for odd lots of
Consolidated Shares 9:00 a.m. on 19 September 2018

Temporary counter for trading in board lot of
1,000 Consolidated Shares (in the form of existing
Share certificates) closes 4:00 p.m. on 11 October 2018

Parallel trading in Consolidated Shares in the form
of new Share certificates and existing Share
certificates closes 4:00 p.m. on 11 October 2018

Designated broker ceases to stand in the market
to provide matching services for odd lots of
Consolidated Shares 4:00 p.m. on 11 October 2018

Free exchange of existing Share certificates
for new Share certificates ends 4:00 p.m. on 15 October 2018

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the English name of the Company from “King Force Group Holdings Limited” to “Greatwalle Inc.” and the Chinese name of the Company from “冠輝集團控股有限公司” to “長城匯理公司”.

Conditions of the Change of Company Name

The Change of Company Name will be subject to the fulfilment of the following conditions:

- (a) the passing of a special resolution by the Shareholders to approve the Change of Company Name at the 2018 Second EGM; and
- (b) the Registrar of Companies in the Cayman Islands approving the Change of Company Name.

Subject to the satisfaction of the above conditions, the Change of Company Name will take effect from the date of entry of the new dual foreign names of the Company on the register maintained by the Registrar of Companies in the Cayman Islands in place of the existing name. The Company will then carry out all necessary filing procedures with the Registrar of Companies in Hong Kong regarding the Change of Company Name.

Reasons for the proposed Change of Company Name

The Company is an indirect subsidiary of Great Walle Investment, which is primarily focused on investments. The Board considers that the Change of Company Name will symbolise a new start and reflect the current status of the Group and its direction of future development. The Board believes that the new English and Chinese names of the Company will provide the Company with a new corporate image and a linkage with Great Walle Investment, which is an established investment fund in the PRC, and which will also allow the Company to better explore possible business opportunities in the investment industry. As such, the Board believes that the proposed Change of Company Name is in the best interests of the Company and the Shareholders as a whole.

Effects of the proposed Change of Company Name

The proposed Change of Company Name will not affect any of the rights of the Shareholders or the Company's daily business operation and its financial position.

All existing share certificates in issue bearing the existing name of the Company shall continue to be evidence of title to such securities, and the existing share certificates will continue to be valid for trading, settlement and registration purposes subject to the effects of the Share Consolidation to these share certificates as set out in the section headed "Share Consolidation – Exchange of Share certificates" in this announcement.

Other than the exchange of the share certificates in connection with the Share Consolidation, there will not be any separate arrangements for free exchange of the existing Share certificates of the Company for new Share certificates under the new name of the Company. New Share certificates of the Company will be issued under the new name of the Company after the Change of Company Name has become effective.

Subject to the confirmation of Stock Exchange, the English and Chinese stock short names of the Company for trading in the shares of the Company on the Stock Exchange will also be changed after the proposed Change of Company Name has become effective. An announcement will be made in this connection in due course.

CONSEQUENTIAL AMENDMENTS TO AND RESTATEMENT OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In connection with the proposed Change of Company Name, the Board proposes to make consequential amendments to the Memorandum and Articles of Association. The proposed amendments to amend the Memorandum and Articles of Association will replace all references therein to “King Force Group Holdings Limited 冠輝集團控股有限公司” with “Greatwalle Inc. 長城匯理公司”, and the Memorandum and Articles of Association will be restated upon the proposed Change of Company Name has become effective.

The proposed amendments to and restatement of the Memorandum and Articles of Association are subject to: (a) the passing of a special resolution by the Shareholders to approve the Change of Company Name at the 2018 Second EGM, (b) the new dual foreign names of the Company being entered into the Registrar of Companies in the Cayman Islands, and (c) the passing of a special resolution by the Shareholders to approve the amendments to and restatement of the Memorandum and Articles of Association at the 2018 Second EGM.

GENERAL

The Company had previously proposed a change of Company name and to consolidate its shares. The previous proposals were not approved by the then Shareholders during the extraordinary general meeting of the Company held on 20 April 2018, which was held prior to the mandatory conditional cash offers being made by Emperor Securities Limited for and on behalf of Greatwalle Holding Limited, the current controlling shareholder of the Company. In putting forward the current proposals, the Board has taken into account further feedback received from the current Shareholders.

The Share Consolidation, the Change of Company Name and the amendments to and restatement of the Memorandum and Articles of Association will be proposed at the 2018 Second EGM for the Shareholder’s consideration, and, if thought fit, approval. A circular in relation to the 2018 Second EGM containing, among others, further details of the above matters and the notice convening the 2018 Second EGM is expected to be despatched to the Shareholders on or before 9 August 2018.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“2018 Second EGM”	the extraordinary general meeting of the Company to be held on Tuesday, 4 September 2018 to approve the Share Consolidation, the Change of Company Name and the amendments to and restatement of the Memorandum and Articles of Association;
“Board”	the board of Directors;

“Business Day(s)”	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are generally open for the transaction of normal business;
“Change of Company Name”	the change of the English name of the Company from “King Force Group Holdings Limited” to “Greatwall Inc.” and the Chinese name of the Company from “冠輝集團控股有限公司” to “長城匯理公司”;
“Company”	King Force Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM;
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited;
“Consolidated Share(s)”	ordinary Shares with a par value of HK\$0.01 each in the share capital of the Company after the Share Consolidation becoming effective;
“Director(s)”	the director(s) of the Company;
“Existing Share(s)”	ordinary Share(s) with a par value of HK\$0.001 each in the share capital of the Company prior to the Share Consolidation becoming effective;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Great Walle Investment”	深圳長城匯理投資股份有限公司 (Shenzhen Great Walle Investment Corp., Ltd.)*;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	The Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Memorandum and Articles of Association”	the Memorandum and Articles of Association of the Company, as amended and restated from time to time;

“Option(s)”	the options granted or to be granted by the Company to the grantees under the Share Option Scheme to subscribe for Shares;
“Registrar”	Tricor Investor Services Limited, the address of which is at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case maybe;
“Share Consolidation”	the consolidation of every ten (10) Existing Shares with a par value of HK\$0.001 each in the issued and unissued share capital of the Company into one (1) Consolidated Share with a par value of HK\$0.01 each in the issued and unissued share capital of the Company;
“Share Option Scheme”	the share option scheme adopted by the Company on 31 July 2014;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

* *for identification purposes only*

By Order of the Board of
King Force Group Holdings Limited
Pang Xiaoli
Chairman and executive Director

Hong Kong, 7 August 2018

As at the date of this announcement, the executive Directors are Ms. Pang Xiaoli, Mr. Hon Hoi Chuen, Ms. Lin Shuxian and Mr. Li Mingming; and the independent non-executive Directors are Ms. Guan Yan, Mr. Zhao Jinsong and Mr. Li Zhongfei.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.kingforce.com.hk.