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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)

PROFIT WARNING

This announcement is made by King Force Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Company for the nine months ended 31 December 2017 (the “**Reporting Period**”), the Group is expected to record a decrease in revenue for approximately 20% and gross profit for approximately 44% in the Reporting period, respectively, as compared with the figures recorded in the last corresponding period. The Board considers such decrease was mainly due to: (i) the decrease in the number of manned security guarding service contracts and the service fees as a result of keen competition in the market; and (ii) the general decrease in the service fees charge by the Group as a result of keen competition in the market. In addition, the Group is also expected to record a significant increase in loss attributable to owners of the Company for the Reporting Period as compared with the figures recorded in the last corresponding period. Such significant increase was primarily attributable to: (i) the decrease in the Group’s gross profit; (ii) the decrease in the Group’s share of profit of its associated company due to a drop in turnover and the high operating costs of the associated company; and (iii) the increase in administrative expenses, including the increase in amortisation of intangible assets, depreciation of property, plant and equipment and staff costs including share option expenses recognised for the Reporting Period.

As at the date of this announcement, the Company is still in the course of finalising its unaudited consolidated results of the Group for the Reporting Period. The information contained in this announcement is only based on the information currently available and the preliminary review on the unaudited consolidated management accounts of the Company, which is subject to finalisation and other adjustments to the unaudited consolidated results of the Group for the Reporting Period, and has not been confirmed, reviewed or audited by the Company's auditor.

Shareholders and potential investors are advised to peruse the financial results for the Reporting Period with care when it is released. The interim results announcement of the Company for the Reporting Period shall prevail over the information contained herein, and will be published in February 2018 pursuant to the requirements of the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
King Force Group Holdings Limited
Chen Yunchuo
Chairman and Executive Director

Hong Kong, 1 February 2018

As at the date of this announcement, the executive Directors are Mr. Li Mingming, Mr. Cheng Rui, Ms. Li Liping and Mr. Chen Yunchuo; and the independent non-executive Directors are Mr. Xiong Hong, Mr. Wan Tat Wai David and Mr. Ho Yuk Ming Hugo.

This announcement, for which the Directors 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 Stock Exchange's website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.kingforce.com.hk.