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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)**

## **VOLUNTARY ANNOUNCEMENT LEGAL PROCEEDINGS COMMENCED BY THE COMPANY**

Reference is made to the announcements dated 19 October 2016, 27 January 2017 and 14 February 2017 (collectively the “**Announcements**”) of King Force Group Holdings Limited (the “**Company**”) in relation to the acquisition of 100% of the issued share capital of China Bei Dou Communications Technology Group Limited (“**China Bei Dou**”). Unless otherwise stated herein, defined terms used in this announcement shall have the same meaning used in the Announcements.

Despite repeated requests, Bei Dou Jiuyi (as defined below) has yet to provide the Company with the documents showing its successful pass of the annual inspection and qualification renewal check regarding its Bei Dou Civil Operation Services Branch Qualification\* (北斗民用分理運營服務試驗資質) (the “**Qualification**”). As such, Bei Dou Zhongshan (a subsidiary of the Company) has filed a civil petition statement (the “**Petition**”) on 12 June 2017 at the First People’s Court in Zhongshan City, Guangdong Province (“**Zhongshan First People’s Court**”) against Bei Dou Jiuyi Information Technology Industry (Beijing) Limited\* (北斗九億信息科技產業（北京）有限公司) (“**Bei Dou Jiuyi**”), claiming that Bei Dou Jiuyi has breached the business cooperation agreement entered into by Bei Dou Zhongshan and Bei Dou Jiuyi on 15 June 2015 (the “**Agreement**”), and seeking the court for an order against Bei Dou Jiuyi to, inter alia, return the consideration under the Agreement in the amount of RMB15,000,000 paid by Bei Dou Zhongshan together with interests. The Company has received the notice of acceptance of a case issued by Zhongshan First People’s Court on 15 June 2017.

Under the Agreement, Bei Dou Jiuyi made representations on the legality, truthfulness and completeness of the Qualification and also undertook that the business relevant to the Qualification operated by Bei Dou Zhongshan will run smoothly. On 25 January 2017, the Company found on the official website of CNAGA (“**Website**”) that the Qualification held by Bei Dou Jiuyi has been suspended and Bei Dou Jiuyi was required to carry out remedial works within six months (Details are set out in the Company’s announcement dated 27 January 2017). According to the notice as set out in the Website, the Qualification will be renewed if Bei Dou Jiuyi successfully carries out the remedial works and pass the Annual Check of CNAGA. However, up to the date of the filing of

the Petition, Bei Dou Jiuyi still failed to provide the Company with necessary documents showing the Annual Check and the renewal of the Qualification having been passed. Based on the above, Bei Dou Zhongshan decided to commence the above litigation petition against Bei Dou Jiuyi for remedies.

Meanwhile, the Company is in the process of negotiating about potential cooperation with a target company holding same qualification as Bei Dou Jiuyi. The PRC legal advisers have been appointed by the Company for conducting review and investigation against this target company.

The Company shall keep its shareholders further informed of any material development on the above mentioned legal proceeding and potential cooperation. Further announcement(s) will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

\* *For identification purposes only.*

By order of the Board  
**King Force Group Holdings Limited**  
**Chen Yunchuo**  
*Chairman*

Hong Kong, 16 June 2017

*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.*

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