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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  
INVESTMENT COOPERATION OF AN ASSOCIATE**

The Board announces that on 30 March 2016, the associates of the Company, Timing Advertisement and MAGN Cultural entered into the Agreement with Mr. Chen and 深圳市前海成長一號投資基金企業(有限合伙)(Shenzhen Qianhai Growth No. 1 Investment Fund (Limited Partnership)\*) (the “Growth Fund”), pursuant to which Growth Fund agreed to invest RMB80 million in the mobile game 鬼吹燈3D (Ghost blows 3D\*) (the “Project”) operated by MAGN Cultural in return for the profit to be generated by the Project. Principal terms of the Agreement are set out as follows:

**Date**

30 March 2016

**Parties**

Timing Advertisement;  
MAGN Cultural;  
Mr. Chen; and  
Growth Fund.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Growth Fund and its ultimate beneficial owner(s) are Independent Third Parties.

**Subject Matter**

Pursuant to the Agreement, Growth Fund agreed to invest a total amount of RMB80 million in the Project operated by MAGN Cultural by way of several installments of loan (the “Loan”). The number of installments, interest rate, and time of withdrawal and repayment of the Loan shall be subject to further agreement among the parties. The purpose of the Loan is limited for the marketing, publication and operation of the Project.

**Right of Information and Supervision**

During the term of the Loan, Growth Fund shall have the right of information and supervision of the Project.

## Financial Guarantee

After 12 months from the withdrawal date of the first installment of the Loan (the “Consolidation Date”), MAGN Cultural shall ensure that: (i) for each of the first three months from the Consolidation Date, the Project shall maintain a daily current assets of not less than RMB20 million; and (ii) for the fourth month from the Consolidation Date, the Project shall maintain a daily current assets of not less than RMB50 million.

Should the Project fails to meet with the aforesaid guarantee, MAGN Cultural and/or Mr. Chen shall be responsible for making up the remaining balance by cash by the end of the relevant month.

## Expiry and Profit Sharing

After 24 months from the withdrawal date of the first installment of the Loan (the “Expiry Date”), the investment under the Agreement shall expire and Growth Fund shall inform MAGN Cultural the repayment dates of the outstanding installments of Loan by written notice, or MAGN Cultural may make early repayment of the outstanding Loan upon approval of Growth Funds.

MAGN Cultural shall calculate the profit of the Project entitled to Growth Fund in accordance with the following formula:

Profit entitled to Growth Fund = RMB80 million x 10% + Net profit of the Project as at the base date x 12% + RMB50,000

The base date for calculating the profit entitled to Growth Fund shall be two months prior to the date after the Expiry Date and all outstanding Loan (together with the interest accrued) has been repaid to Growth Fund.

## DEFINITIONS

The following terms have the following meanings when used in this announcement, unless the context otherwise requires:

“Agreement”	the cooperation investment agreement dated 30 March 2016 entered into among Timing Advertisement, MAGN Cultural, Mr. Chen and Growth Fund
“Board”	the board of Directors
“Company”	King Force Group Holdings Limited, a company incorporated in the Cayman Islands and the issued shares of which are listed on the GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of the Securities on the GEM
“Growth Fund”	深圳市前海成長一號投資基金企業(有限合伙) (Shenzhen Qianhai Growth no.1 Investment Fund (Limited Partnership)*), a limited partnership established in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of and not connected with any member of the Company, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates (as defined in the GEM Listing Rules)
“MAGN Cultural”	深圳市新動文化傳播有限公司 (Shenzhen MAGN Cultural Media Co., Limited*) (formerly known as 深圳市新動廣告有限公司 (Shenzhen MAGN Advertisement Co., Limited)), a company established in the PRC and a wholly-owned subsidiary of Timing Advertisement
“Mr. Chen”	陳運遑 (Chen Yunchuo*), holder of approximately 73.8674% equity interest in Timing Advertisement
“PRC”	the People’s Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Timing Advertisement”	深圳市題名廣告有限公司 (Shenzhen Timing Advertisement Co., Limited*) a company established in the PRC and is an associate indirectly controlled as to 45% equity interest by the Company through the VIE Contracts as disclosed in the announcement of the Company dated 24 November 2015
“%”	per cent

By order of the Board  
**King Force Group Holdings Limited**  
**Fu Yik Lung**  
*Chairman*

Hong Kong, 31 March 2016

*As at the date of this announcement, the executive Directors are Mr. Fu Yik Lung, Ms. Liu Lai Ying, Ms. Chung Pui Yee Shirley, Mr. Li Mingming and Mr. Chen Yunchuo; and the independent non-executive Directors are Ms. Au Man Yi, Professor Lam Sing Kwong, Simon and Mr. Ong Chi King.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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](http://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](http://www.kingforce.com.hk).*

*\* For identification purpose only*