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KING FORCE SECURITY HOLDINGS LIMITED

冠輝保安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08315)

PROFIT WARNING

This announcement is made by King Force Security 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 Group for the nine months ended 31 December 2015, the Group is expected to record a loss for the nine months ended 31 December 2015 as compared with the profit recorded for the corresponding period in 2014.

The expected loss was primarily attributable to (i) an increase in administrative expenses, being mainly legal and professional fee and consultation expenses in relation to the acquisition of Magn Investment Limited by the Group, when compared to its results for the nine months ended 31 December 2014; and (ii) the Group’s share of loss of its associated company, which will likely offset the overall positive result of the Group’s core business and result in an overall net loss for the Group on a consolidated basis for the nine months ended 31 December 2015. The said share of loss of associated company was primarily due to the upfront cost in research and development of software and mobile games. The revenue generated from the mobile game business was commenced to reflect in the financial statements of the associated company in December 2015.

The Company is still in the process of finalising the consolidated financial results of the Group for the nine months ended 31 December 2015. 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 Group, which have not been reviewed nor audited by the auditors of the Company as at the date of this announcement and may be subject to further adjustments.

Shareholders and potential investors are advised to peruse the financial results for the nine months ended 31 December 2015 with care when it is released. The third quarterly results announcement of the Group for the nine months ended 31 December 2015 shall prevail over the information contained hereon, and will be published in February 2016 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 Security Holdings Limited
Fu Yik Lung
Chairman and Executive Director

Hong Kong, 21 January 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 and Mr. Li Mingming; 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 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.