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)

UPDATE ON THE ACQUISITION OF 25% EQUITY INTEREST IN MAGN INVESTMENT LIMITED

Reference is made to the announcements of King Force Group Holdings Limited (formerly known as King Force Security Holdings Limited) (the "**Company**") dated 19 October 2015 and 24 November 2015 (the "**Announcements**") in relation to, among others, the acquisition of 25% equity interest in Magn Investment Limited and the issue of the Consideration Shares by the Company as consideration for the Acquisition. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as defined in the Announcements.

Pursuant to the Equity Transfer Agreement (as amended and supplemented by the Supplemental Agreement), the Vendor guaranteed to the Company that the 2016 Actual Profit of the Target Group shall be not less than the 2016 Guaranteed Profit of HK$20,000,000. In the event that the 2016 Actual Profit fails to meet the 2016 Guaranteed Profit, the Vendor shall indemnify the Company the amount of the 2016 Compensated Amount, being (2016 Profit Guarantee – 2016 Actual Profit) x 0.4425, by deducting the 2016 Compensated Amount from the aggregrate consideration of the Tranche A Consideration Shares and the Company shall issue the adjusted number of the Tranche A Consideration Shares to the Vendor.

For the six months ended 31 March 2016, the Target Group recorded a loss of approximately HK$1 million. As such, the Company shall not issue any Tranche A Consideration Shares to the Vendor.

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

Hong Kong, 29 June 2016

As at the date of this announcement, the executive Directors are Mr. Fu Yik Lung, Ms. Chung Pui Yee Shirley, Mr. Li Mingming and Mr. Chen Yunchuo; and the independent non-executive Directors are Ms. Au Man Yi, Mr. Ong Chi King and Mr. Xiong Hong.

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 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.