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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)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 25 March 2015.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of King Force Security Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 25 March 2015.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 13 April 2015 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings indicated that as at 25 March 2015, 18 Shareholders held an aggregate of 151,296,000 shares of the Company (the “**Shares**”), representing 23.64% of the issued Shares. Such shareholding, together with 480,000,000 Shares (representing 75% of the issued Shares) held aggregately by two substantial Shareholders, namely Optimistic King Limited and Gloria Power Limited, represented 98.64% of the issued Shares as at 25 March 2015. Therefore, only 8,704,000 Shares (representing 1.36% of the issued Shares) were held by other Shareholders.

As disclosed in the SFC Announcement, as at 25 March 2015, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(shares)</i>	% of total number of issued Shares <i>(%)</i>
Optimistic King Limited <i>(Note 1)</i>	348,000,000	54.38
Gloria Power Limited <i>(Note 2)</i>	132,000,000	20.62
A group of 18 shareholders	151,296,000	23.64
Other shareholders	8,704,000	1.36
	<u>640,000,000</u>	<u>100.00</u>

Note 1: Optimistic King Limited is wholly and beneficially owned by Mr. Fu Yik Lung, the chairman and an executive Director of the Company.

Note 2: Gloria Power Limited is wholly and beneficially owned by Mr. Chiu Chun Keung.

The Company was listed on the Growth Enterprise Market (the “**GEM**”) of the Stock Exchange on 20 August 2014 by way of placing a total of 160,000,000 Shares, representing 25% of the issued Shares, at HK\$0.385 per Share. Share price closed at HK\$1.68 on the first day of trading, representing an increase of 336% from the placing price.

As disclosed in the SFC Announcement, since 4 March 2015, the closing price of the Shares surged substantially by 269% from HK\$2.13 on 3 March 2015 to HK\$7.85 on 10 April 2015, which represented an increase of 1,939% from the placing price of HK\$0.385 in August 2014.

The board of directors (the “**Board**”) of the Company wishes to clarify that the above information is extracted from the SFC Announcement and that the Board has not verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the information above except for the shareholding of Optimistic King Limited and Gloria Power Limited set out in the table above, the respective closing prices of the Shares on 3 March 2015 and 10 April 2015, the 269% increase of closing price from HK\$2.13 on 3 March 2015 to HK\$7.85 on 10 April 2015, the 1,939% increase of the placing price from HK\$0.385 in August 2014 to the closing price of HK\$7.85 on 10 April 2015.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares are held in public hands as at 25 March 2015 and the date of this announcement and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the GEM.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board
King Force Security Holdings Limited
Fu Yik Lung
Chairman and Executive Director

Hong Kong, 13 April 2015

As at the date of this announcement, the executive Directors are Mr. Fu Yik Lung, Ms. Liu Lai Ying and Ms. Chung Pui Yee Shirley; the non-executive Director is Mr. Zhang Chengzhou and the independent non-executive Directors are Mr. Law Yiu Sing, 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 Stock Exchange's website (www.hkexnews.hk) and will also be published on the Company's website (www.kingforce.com.hk).