

Unless otherwise defined herein, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 13 August 2014 (the “Prospectus”) issued by King Force Security Holdings Limited (the “Company”).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus for detailed information about the Company and the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

KING FORCE SECURITY HOLDINGS LIMITED

冠輝保安控股有限公司

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

**Number of Placing Shares : 160,000,000 Placing Shares, comprising
112,000,000 New Shares and 48,000,000 Sale
Shares**

**Placing Price : HK\$0.385 per Placing Share, plus brokerage
of 1%, SFC transaction levy of 0.003% and
Stock Exchange trading fee of 0.005%**

Nominal value : HK\$0.01 per Share

Stock code : 8315

Sponsor



TC Capital Asia Limited
天財資本亞洲有限公司

Joint Bookrunners and Joint Lead Managers



東方滙財證券有限公司
ORIENT SECURITIES LIMITED



TC Capital Asia Limited
天財資本亞洲有限公司

- The Placing Price has been determined at HK\$0.385 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%).
- The net proceeds to be received by the Company from the Placing are estimated to be approximately HK\$33.5 million.
- The 160,000,000 Placing Shares offered under the Placing were slightly over-subscribed and have been conditionally allocated to a total of 147 selected individual, professional and institutional investors.
- Out of the 160,000,000 Placing Shares, 10,000,000 Placing Shares, 10,000,000 Placing Shares and 3,000,000 Placing Shares, representing approximately 6.25%, 6.25% and 1.88% of the total number of the Placing Shares and approximately 1.56%, 1.56% and 0.47% of the enlarged issued share capital of the Company immediately after the completion of the Placing, have been allocated to Mr. Vong Kuoc Meng, Mr. Ho Pui Tin Terence and Ms. Leung Po Hung Mabel respectively, who are connected clients (as defined under Note 2 to Rule 10.12(4) of the GEM Listing Rules) of Metro Capital Securities Limited, a distributor under the Placing.
- Save as disclosed above, the Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executives, Controlling Shareholders or substantial shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) or any person or group of persons as stated in notes 1 and 2 of Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee have, individually, been placed with more than 10% of the enlarged issued share capital of the Company immediately after the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after the completion of the Placing within the meaning of the GEM Listing Rules.
- The Directors confirm that immediately after completion of the Placing the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands will be owned by the three largest public Shareholders at the time of the Listing.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 20 August 2014. Shares will be traded in board lots of 8,000 Shares each. The stock code of the Shares is 8315.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING PRICE AND USE OF PROCEEDS

The Placing Price has been determined at HK\$0.385 per Placing Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%). The net proceeds to be received by the Company from the Placing are estimated to be approximately HK\$33.5 million. The Directors intend to apply the net proceeds from the Placing as follows:

- approximately HK\$2.1 million, representing approximately 6.4% of the estimated net proceeds, for the repayment of bank borrowings;
- approximately HK\$10.7 million, representing approximately 31.9% of the estimated net proceeds, for the recruiting and expanding the security guarding and patrol team;
- approximately HK\$12.7 million, representing approximately 37.8% of the estimated net proceeds, for the strengthening staff recruitment and training;
- approximately HK\$2.5 million, representing approximately 7.6% of the estimated net proceeds, for the expanding the sales and marketing department and uplifting marketing effort;
- approximately HK\$2.2 million, representing approximately 6.7% of the estimated net proceeds, for the continuing to increase operational efficiency and enhance quality of service; and
- approximately HK\$3.3 million, representing approximately 9.7% of the estimated net proceeds, for the additional general working capital of the Group.

LEVEL OF INDICATION OF INTERESTS UNDER THE PLACING

The 160,000,000 Placing Shares offered under the Placing were slightly over-subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 160,000,000 Placing Shares have been conditionally allocated to a total of 147 selected individual, professional and institutional investors. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Aggregate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing
Top placee	23,472,000	14.67%	3.67%
Top 5 placee	89,808,000	56.13%	14.03%
Top 10 placee	139,808,000	87.38%	21.85%
Top 25 placee	158,680,000	99.18%	24.79%

Number of Placing Shares allocated

Number of placees

8,000 to 80,000	126
80,001 to 800,000	4
800,001 to 8,000,000	7
8,000,001 and above	10
Total	<u>147</u>

Out of the 160,000,000 Placing Shares, 10,000,000 Placing Shares, 10,000,000 Placing Shares and 3,000,000 Placing Shares, representing approximately 6.25%, 6.25% and 1.88% of the total number of the Placing Shares and approximately 1.56%, 1.56% and 0.47% of the enlarged issued share capital of the Company immediately after the completion of the Placing, have been allocated to Mr. Vong Kuoc Meng, Mr. Ho Pui Tin Terence and Ms. Leung Po Hung Mabel respectively, who are connected clients (as defined under Note 2 to Rule 10.12(4) of the GEM Listing Rules) of Metro Capital Securities Limited, a distributor under the Placing.

Save as disclosed above, the Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executives, Controlling Shareholders or substantial shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) or any person or group of persons as stated to in notes 1 and 2 of Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee have, individually, been placed with more than 10% of the enlarged issued share capital of the Company immediately after the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after the completion of the Placing within the meaning of the GEM Listing Rules.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be owned by the three largest public Shareholders. The Directors confirm that immediately after completion of the Placing, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands will be owned by the three largest public Shareholders at the time of the Listing.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares in issue and to be issued on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for application monies paid. The Company will not issue temporary documents of title.

The share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on 19 August 2014 for credit to the relevant CCASS Participants' stock accounts designated by the Underwriter, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that Astrum (for itself and on behalf of the Underwriters) are entitled to terminate the Underwriting Agreement with immediate effect by giving notice in writing to the Company upon the occurrence of any of the events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" in the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be 20 August 2014. In the event that the Underwriting Agreement is terminated, an announcement will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kingforce.com.hk accordingly.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 20 August 2014. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.kingforce.com.hk. Shares will be traded in board lots of 8,000 Shares each. The stock code for the Shares is 8315.

By order of the Board
KING FORCE SECURITY HOLDINGS LIMITED
Fu Yik Lung
Chairman and Executive Director

Hong Kong, 19 August 2014

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; 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 and a copy of the Prospectus will remain on the HKEx website at <http://www.hkexnews.hk> and in the case of this announcement, on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company's website at www.kingforce.com.hk.