

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: 8315

First Quarterly Report
2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This report, for which the directors (the “Directors”) of King Force Security Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM (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 report 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 report misleading.

The board of Directors (the "Board") announces the unaudited condensed consolidated results of the Group for the three months ended 30 June 2015, together with the unaudited comparative figures for the respective corresponding periods in 2014 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 JUNE 2015

	Notes	For the three months ended 30 June	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Revenue	4	36,049	29,976
Cost of services rendered		(29,364)	(24,232)
Gross profit		6,685	5,744
Other income	5	11	209
Administrative expenses		(5,850)	(2,139)
Other operating expenses		-	(3,569)
Operating profit		846	245
Finance costs	6	-	(114)
Profit before income tax	7	846	131
Income tax expense	8	(310)	(600)
Profit/(loss) for the period		536	(469)
Other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to owner of the Company		536	(469)
Earnings/(loss) per share for profit/(loss) attributable to owners of the Company - Basic and Diluted (HK cents)	10	0.08	(0.09)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 30 JUNE 2015**

	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
As at 1 April 2014	8		2	19,704	19,714
Loss and total comprehensive income for the period		–		(469)	(469)
As at 30 June 2014 (unaudited)	8		2	19,235	19,245
As at 1 April 2015	6,400	39,008	(5,270)	15,630	55,768
Profit and total comprehensive income for the period	–	–	–	536	536
As at 30 June 2015 (unaudited)	6,400	39,008	(5,270)	16,166	56,304

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 JUNE 2015

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

King Force Security Holdings Limited was incorporated in the Cayman Islands on 2 January 2014 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company's registered office is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company's principal place of business is located at Suites 2001-2006, 20th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activity of the Company and its subsidiaries is the provision of security guarding services.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on the GEM (the "Reorganisation"), the Company became the holding company of the companies now comprising the Group on 29 July 2014. The shares of the Company were listed on the GEM on 20 August 2014. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus of the Company dated 13 August 2014 ("Prospectus").

Since the companies now comprising the Group were under the common control of the controlling shareholder both before and after the Reorganisation, the interim financial information of the Group has been prepared using the principles of merger accounting.

The unaudited condensed consolidated statements of profit or loss and other comprehensive income, unaudited condensed consolidated statements of changes in equity of the Group for the three months ended 30 June 2015, include the results of all companies now comprising the Group as if the current structure had been in existence throughout the respective period.

No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

BASIS OF PREPARATION

These unaudited condensed consolidated financial statements for the three months ended 30 June 2015 are prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Chapter 18 of the GEM Listing Rules. The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2015.

These unaudited condensed consolidated financial statements for the three months ended 30 June 2015 have been prepared under historical cost convention, except for certain financial instruments which are measured fair value. These condensed consolidated financial statements for the three months ended 30 June 2015 are presented in Hong Kong dollars ("HK\$").

These unaudited condensed consolidated financial statements for the three months ended 30 June 2015 were approved for issue by the Board of the Company on 14 August 2015.

2. NEW AND REVISED HKFRSs ISSUED

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 April 2015. The application of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years. The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of these new and revised HKFRSs will have no material impact on the unaudited condensed consolidated financial statements.

3. SEGMENT INFORMATION

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is defined on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive directors in order to allocate resources and assess performance of the segment. During the year, executive directors regularly review revenue and operating results derived from provision of security guarding services and consider as one single operating segment.

The Company is an investment holding company and the principal place of the Group's operation is in Hong Kong. For the purpose of segment information disclosures under HKFRS 8, the Group regarded Hong Kong as its country of domicile. All the Group's non-current assets are principally attributable to Hong Kong, being the single geographical region.

The geographical location of customers is based on the location at which the services are provided. The total revenue from external customers is wholly sourced from Hong Kong.

Information about major customers

There is no single customer contributed to 10% or more revenue to the Group's revenue for the periods ended 30 June 2014 and 2015.

4. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of service rendered, after the allowance for discounts from the principal activity of the Group during the period.

5. OTHER INCOME

	Three months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Bank interest income	—*	—
Other interest income	11	—
Sundry income	—	209
	11	209

* Represents amount less than HK\$1,000

6. FINANCE COSTS

	Three months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest charges on:		
Bank borrowings, which contain a repayment on demand clause, wholly repayable within five years	—	98
Finance leases	—	16
	—	114

7. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Three months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Cost of services rendered	29,364	24,232
Depreciation and amortisation:		
– Owned assets	763	235
– Leased assets	–	112
	763	347
Write-off of property, plant and equipment	–	4
Listing expense ²	–	3,569
Operating lease charges in respect of:		
– Rented premises	143	24
– Office equipment	330	9
	473	33
Employee benefits expenses (including director's remuneration):		
Salaries, allowances and benefits in kind included in		
– Cost of services rendered	27,660	23,105
– General and administrative expenses	1,227	800
Retirement benefits – Defined contribution plans ¹ included in		
– Cost of services rendered	1,294	1,109
– General and administrative expenses	25	30
	30,206	25,044

¹ no forfeited contributions available for offset against existing contributions during the period

² included in "other operating expenses" in the unaudited condensed consolidated statement of profit or loss and other comprehensive income

8. INCOME TAX EXPENSE

	Three months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Current tax		
– Hong Kong Profits Tax		
– charged for the year	310	600

Hong Kong Profits Tax has been provided at the rate of 16.5% (three months ended 30 June 2014: 16.5%) on the Group's estimated assessable profits for the period.

9. DIVIDEND

The Board did not recommend a payment of interim dividend for the three months ended 30 June 2015 (three months ended 30 June 2014: nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the three months ended 30 June 2015 is based on the profit attributable to the owners of the Company amounting to HK\$536,000 (three months ended 30 June 2014: loss of HK\$469,000), and on the basis of the weighted average number of shares of 640,000,000 in issue (three months ended 30 June 2014: 528,000,000 shares of the Company in issue, being the number of shares in issue immediately after the completion of the Reorganisation as if these shares had been issued) throughout the period.

No diluted earnings per share is calculated for the three months ended 30 June 2015 and 2014 as there were no dilutive potential ordinary shares in existence.

BUSINESS REVIEW

Overview

The Group is principally engaged in the provision of manned security guarding services and it is licensed to provide security guarding services in Hong Kong under Type I security work in accordance with the Security Company License regime. The Group operates under the name "KING FORCE" and the services it offers aim to protect the safety and assets of its customers. The security guarding services offered by the Group include patrolling, access control at the lobby entrance, making entrance records of visitors and stopping trespassers, handling and reporting complaints. The Group also provides guarding and personal escorting services and crowd management services in various events, occasions, exhibitions, ceremonies and press conferences. With over nine years of experience in manned security guarding services in Hong Kong, the Group has established goodwill in its security guarding services. The Group is dedicated to providing quality manned security guarding services and it is accredited with ISO 9001:2008 (quality management system standard) for its design and provision of security guarding services awarded by the Hong Kong Quality Assurance Agency. To ensure its quality of services, the Group provides guidance and trainings to its security guards and conducts supervision on its security guards. With continued effort, the Group has established a broad customer base. For the three months ended 30 June 2015, the Group had 474 customers, including property management companies, schools, warehouse operators, property redevelopers and construction companies.

FINANCIAL REVIEW

Revenue

For the three months ended 30 June 2014 and 2015, the Group's revenue was principally generated from the provision of manned security guarding services in Hong Kong. The following table sets forth the breakdown of the Group's revenue by types of contracts for the three months ended 30 June 2014 and 2015:

	Three months ended 30 June			
	2015		2014	
	HK\$'000	Percentage	HK\$'000	Percentage
Manned security guarding services				
– Fixed	30,864	85.7%	24,608	82.1%
– Temporary	845	2.3%	980	3.3%
– Event	4,340	12.0%	4,388	14.6%
Total	36,049	100.0%	29,976	100.0%

Note: Fixed positions refer to contracts for terms equal to over 6 months while for temporary positions refer to contracts for terms less than 6 months.

The Group's overall revenue increased by approximately HK\$6.0 million or 20% from HK\$30.0 million for the three months ended 30 June 2014 to approximately HK\$36.0 million for the three months ended 30 June 2015. The decrease in revenue is mainly due to (i) the increase in the number of fixed manned security guarding service contracts of 3.3%; (ii) the decrease in the number of temporary manned security guarding service contracts of 3.0%; and (iii) the general increase in the service fees charged by the Group as a result of the increase in the guard costs and administrative fees as general inflation.

Cost of services rendered

For the three months ended 30 June 2014 and 2015, cost of services rendered, which mainly consists of direct guard cost, was approximately HK\$24.2 million and HK\$29.4 million, respectively, representing approximately 80.9% and 81.4% of the Group's revenue, respectively. Such increase was primarily attributable to the expansion of the Group with more guards as well as the increase in salaries to attract staff in view of the shortage of guards and high staff turnover rate in the security guarding service industry. Meanwhile, the size of the Group's operation department was also expanded by hiring additional patrol officers and control officers.

As at 30 June 2015, the Group had a total of 1,134 employees, of which 1,087 were full-time and part-time guards providing manned security guarding and related services.

Gross profit

The Group's gross profit increased by approximately HK\$0.9 million or 16.4% from approximately HK\$5.7 million for the three months ended 30 June 2014 to approximately HK\$6.7 million for the three months ended 30 June 2015 while the Group's gross profit margin decreased from approximately 19.1% for the three months ended 30 June 2014 to approximately 18.5% for the three months ended 30 June 2015. The decrease in gross profit margin was mainly due to (i) the presence of a particular event manned security services contract with relatively high margin during the three months ended 30 June 2014; and (ii) the services fees charged in 2015 was relatively stable while the average actual hourly wage of guards kept growing.

Administrative expenses

The Group's administrative expenses increased by approximately HK\$3.7 million or 173.6% from approximately HK\$2.1 million for the three months ended 30 June 2014 to HK\$5.9 million for the three months ended 30 June 2015. The increase in the Group's administrative expenses were mainly due to the increase in the operation scale, advertisement expenses and legal and professional fee upon the listing of the Company's shares on the GEM (the "Listing").

Finance costs

The Group's finance costs decreased by approximately HK\$0.1 million or 100% from HK\$0.1 million for the three months ended 30 June 2014 to HK\$0 million for the three months ended 30 June 2015. The decrease in the finance costs was mainly due to the repayment of the Group's bank borrowing during the year ended 31 March 2015.

Profit for the period

Profit attributable to owners of the Company for the period amounted to approximately HK\$0.5 million, when compared to the loss attributable to owners of the Company of approximately HK\$0.5 million for the three months ended 30 June 2014. The increase in the Group's profit for the period was mainly due to the increase in the gross profit and the absence of the listing expense in the 3 months ended 30 June 2015 while partly offset by the increase in administrative expense as discussed above.

Services Contracts

During the three months ended 30 June 2015, the Group had entered into 283 new or renewed contracts, of which 251, 13 and 19 are fixed, temporary and event security guarding services contracts respectively. As at 30 June 2015, the Group had a total number of 455 unexpired security guarding services contracts.

OUTLOOK

The Listing of the Company on 20 August 2014 (the "Listing Date") marked an important milestone in the history of the Group and opened up new opportunities for the Group's development in the future.

The Group intends to achieve expansion in business, in particular the fixed manned security contracts which provide stable and regular income streams, with a strategy by ensuring a quality pool of guards are available at their expense, broadening its customer base with improved branding and image of the Group, and increasing its profitability of all types of services provided by way of better pricing due to higher service quality.

The Group intends to achieve expansion in business and maintain its competitiveness in the security guarding services industry in Hong Kong by recruiting and expanding the security guarding and patrol team, strengthening staff recruitment and in-house training, expanding the sales and marketing department and uplifting marketing effect, and increasing of operational efficiency and enhancing quality of service.

To cope with the business objective and expansion of the Group, the Group has expanded its operation team by having additional patrol officers and control officers and recruited an in-house trainer in September 2014, who is mainly responsible for the internal training of its guard. In December 2014, the Group appointed a new general manager with extensive experience in the Hong Kong Police Force. The Directors consider this can further enhance the Group's reputation by improving its quality of manned security guarding services. Meanwhile, the Group plans to recruit additional operation managers to supervise its guards and to strengthen and expand its business in the security services industry.

In December 2014, the Group has commenced the operation of its new recruitment centre in Wanchai. The Group considers that the establishment of the recruitment centre in Wanchai will facilitate the recruitment of guards for the guarding post located in the Hong Kong Island in view of the difficulties in recruiting guards according to the Group's experience. Further, the Group also plans to invest more resources in job advertisements, participation in employment fairs, recruitment websites and referrals from external training centre to facilitate the recruitment of staff.

In April 2015, the Group has entered into a software leasing agreement with an independent third party to develop and lease the using right of a mobile app system with global positioning system and radio-frequency identification technology that can be used for the purpose of keeping track of security guards, reporting complaints and incidents, and allowing employees to check their own rosters and salary payment records. The Directors consider the system will allow the Group to keep track of and manage the sizeable work force more efficiently and reduce the manpower for administrative purpose. As at the date of this report, the function of keeping track of security guards has commenced.

In April 2015, the Group has entered into a subscription agreement with MAGN Investment Limited ("MAGN"), pursuant to which the Group conditionally agreed to subscribe 20% of the enlarged issued shares of MAGN. MAGN is an investment holding company of Shenzhen Weiyohui Information Technology Co., Limited*, which is principally engaged in the research and development and sales of computer and mobile software and other IT solution. As one of the conditions precedent, the Group agreed to establish a joint venture with MAGN, as to research and develop security system software for intelligence building automation system. With such move, the Group will be able to cope with the growing trend of intelligence building automation system in Hong Kong. As at the date of this report, the transaction contemplated under the subscription agreement has not been completed and the establishment of the said joint venture is under progress.

The Group will also continue to strengthen its efforts in promoting its reputation and corporate image and use its best endeavours in identifying new business opportunities and achieving satisfactory returns for the shareholders of the Company.

* For identification purpose only

DISCLOSURE OF ADDITIONAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long positions in the Shares

Name	Capacity/nature	Number of Shares held/interested	Percentage of shareholding
Mr. Fu Yik Lung ("Mr. Fu") (Note 1)	Interest of controlled corporation	348,000,000	54.375%
Ms. Liu Lai Ying ("Ms. Liu") (Note 2)	Interest of spouse	348,000,000	54.375%

Notes:

- Optimistic King Limited ("Optimistic King") holds 348,000,000 Shares. Mr. Fu beneficially owns the entire issued share capital of Optimistic King. Therefore, Mr. Fu is deemed, or taken to be, interested in all the Shares held by Optimistic King for the purpose of the SFO. Mr. Fu is the sole director of Optimistic King.
- Ms. Liu is the spouse of Mr. Fu. Accordingly, Ms. Liu is deemed or taken to be interested in all the Shares in which Mr. Fu is interested in for the purpose of the SFO.

Long position in the share of associated corporations

Name of Director	Name of associated corporation	Capacity/nature	Number of Shares held/interested	Percentage of shareholding
Mr. Fu	Optimistic King	Beneficial owner	1	100%
Ms. Liu (Note)	Optimistic King	Interest of spouse	1	100%

Note: Ms. Liu is the spouse of Mr. Fu. Accordingly, Ms. Liu is deemed or taken to be interested in such share in Optimistic King in which Mr. Fu is interested in for the purpose of the SFO.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.47 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2015, the interest and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name	Capacity/nature	Number of Shares held /interested	Percentage of shareholding
Optimistic King (<i>Note 1</i>)	Beneficial owner	348,000,000	54.375%

Notes:

1. The entire issued share capital of Optimistic King is owned by Mr. Fu. Mr. Fu is also the sole director of Optimistic King.

Save as disclosed above, as at 30 June 2015, the Company had not been notified of any interests or short positions of substantial shareholders or other persons in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date and up to the date of this report.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding Directors' securities transactions from the Listing Date up to the date of this report.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

As the Company was listed on 20 August 2014, the Company was not required to comply with the requirements under the code provisions set out in Appendix 15 – Corporate Governance Code (the "Code") to the GEM Listing Rules or the continuing obligations requirements of a listed issuer pursuant to the GEM Listing Rules prior to the Listing Date.

The Directors consider that since the Listing Date and up to the date of this report, the Company has applied the principles and complied with all the applicable code provisions set out in the Code.

INTEREST OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, TC Capital Asia Limited (the "Compliance Adviser"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 11 August 2014, none of the Compliance Adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "Audit Committee") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Ms. Au Man Yi (chairman of the Audit Committee), Professor Lam Sing Kwong Simon and Mr. Ong Chi King, all of which are independent non-executive Directors.

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, this report and the first quarterly results announcement of the Group for the three months ended 30 June 2015. The condensed consolidated financial results for the three months ended 30 June 2015 are unaudited, but have been reviewed by the Audit Committee.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float since the Listing Date as required under the GEM Listing Rules.

DIRECTORS' AND MANAGEMENT SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Each of the Directors or the controlling shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interest in any company that competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the three months ended 30 June 2015.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates during the three months ended 30 June 2015.

CHANGE IN INFORMATION OF DIRECTORS

The followings are the changes in the information of Directors since the annual report of the Company dated 26 June 2015:

Mr. Ong Chi King was appointed as an independent non-executive director of Wan Kei Group Holdings Limited with effect from 17 June 2015, the shares of which were listed on the Main Board of the Stock Exchange (Stock code: 1718) on 11 August 2015.

EVENT AFTER THE PERIOD

In the extraordinary general meeting of the Company convened on 14 August 2015, the shareholders of the Company have passed the ordinary resolution in relation to (i) the subdivision of each (1) of the existing issued and unissued shares of HK\$0.01 each in the share capital of the Company into ten (10) subdivided shares of HK\$0.001 each; and (ii) subject to and upon the share subdivision becoming effective, change of the board lot size from 8,000 shares to 10,000 shares. The aforesaid share subdivision and change of board lot size will become effective on Monday, 17 August 2015. For details, please refer to the announcement and the circular of the Company dated 15 July 2015 and 30 July 2015 respectively.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2015 and up to the date of this report.

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

Hong Kong, 14 August 2015

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