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KVB KUNLUN FINANCIAL GROUP LIMITED

昆侖國際金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 6877)

PROFIT WARNING

This announcement is made by KVB Kunlun Financial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Based on the preliminary review by the board of directors (the “**Board**”) of the Company on the unaudited management accounts of the Group for the year ended 31 December 2017 (the “**Relevant Year**”), the Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a decrease in net profit for the Relevant Year as compared to the net profit recorded for the year ended 31 December 2016. Such decrease in net profit recorded for the Relevant Year was mainly attributable to (i) the increase in referral fees and other charges mainly caused by the increased commission rebate to external parties; (ii) the decrease in cash dealing income which was mainly attributable to decline in trading volume in cash dealing business and revaluation loss on open positions as at 31 December 2017; and (iii) the increase in administrative expenses mainly due to increased marketing expenses, customer handling fee expenses and computer services expenses as the Group expanded its business operation.

This announcement is a preliminary assessment made by the management of the Company based on the internal unaudited management accounts of the Group for the Relevant Year, which have not been audited or reviewed by the Company’s independent auditor, nor have been confirmed by the audit committee of the Company. The Company is in the process of finalising the results for the Relevant Year for review by the independent auditor and the audit committee of the Company. The annual results announcement for the Relevant Year is to be published no later than 31 March 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
KVB Kunlun Financial Group Limited
Liu Stefan
Executive Director

Hong Kong, 6 February 2018

As at the date of this announcement, the directors of the Company are as follows:

Executive Director

Mr. Liu Stefan

Non-executive Directors

Mr. Li Zhi Da

Mr. Stephen Gregory McCoy

Independent Non-executive Directors

Ms. Zhao Guixin

Mr. Cornelis Jacobus Keyser

Mr. Lin Wenhui