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**KVB Kunlun**

**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: 8077)**

**FINAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of the GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on the GEM.**

*This announcement, for which the directors (the “Directors”) of KVB Kunlun Financial Group Limited (the “Company”, 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 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.*

**ANNUAL RESULTS**

The board of directors (the “Board”) of the Company announces the consolidated annual results of the Group for the year ended 31 December 2014, together with comparative figures for the corresponding year of 2013.

# **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2014*

		<b>2014</b>	2013
	<i>Note</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Leveraged foreign exchange and other trading income	3	<b>144,207</b>	135,543
Cash dealing income	3	<b>16,636</b>	11,505
Other income	4	<b>27,791</b>	29,671
		<hr/>	<hr/>
Total income		<b>188,634</b>	176,719
		<hr/>	<hr/>
Fees and commission expenses		<b>61,127</b>	57,768
Staff costs	5	<b>36,545</b>	30,819
Depreciation and amortisation		<b>3,138</b>	2,550
Lease payments under land and buildings		<b>6,462</b>	5,873
Administrative and other operating expenses	6	<b>33,645</b>	29,456
		<hr/>	<hr/>
Total expenses		<b>140,917</b>	126,466
		<hr/>	<hr/>
Operating profit		<b>47,717</b>	50,253
Finance cost		<b>(20)</b>	(123)
		<hr/>	<hr/>
Profit before tax		<b>47,697</b>	50,130
Income tax expense	7	<b>(12,616)</b>	(15,356)
		<hr/>	<hr/>
Profit for the year		<b>35,081</b>	34,774
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified to profit or loss</i>			
Currency translation difference		<b>(5,296)</b>	(1,764)
		<hr/>	<hr/>
Other comprehensive income for the year, net of tax		<b>(5,296)</b>	(1,764)
		<hr/>	<hr/>
Total comprehensive income for the year		<b>29,785</b>	33,010
		<hr/>	<hr/>
Earnings per share for profit			
attributable to the equity holders			
of the Company for the year			
– Basic (HK cents per share)	9	<b>1.75</b>	1.90
		<hr/>	<hr/>
– Diluted (HK cents per share)	9	<b>1.75</b>	1.90
		<hr/>	<hr/>
Dividends	8	<b>35,000</b>	39,500
		<hr/>	<hr/>

# CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	<i>Note</i>	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	7,062	6,301
Intangible assets	11	5,083	257
Deferred tax assets	17	947	413
		<u>13,092</u>	<u>6,971</u>
<b>Current assets</b>			
Tax prepayments		–	567
Other assets and prepayments	12	6,590	4,973
Amounts due from ultimate holding company		–	23
Amounts due from fellow subsidiaries		–	75
Derivative financial instruments	13	55,544	56,594
Balances due from agents	14	12,099	16,910
Cash and bank balances and client trust bank balances	15	539,185	483,880
<b>Total current assets</b>		<u>613,418</u>	<u>563,022</u>
<b>Total assets</b>		<u><b>626,510</b></u>	<u><b>569,993</b></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	20	20,000	20,000
Reserves		342,746	343,703
Retained earnings		29,977	18,396
<b>Total equity</b>		<u><b>392,723</b></u>	<u><b>382,099</b></u>

	<i>Note</i>	<b>2014</b> <b><i>HK\$'000</i></b>	2013 <i>HK\$'000</i>
<b>Current liabilities</b>			
Finance lease obligations	<i>16</i>	<b>41</b>	45
Current income tax liabilities		<b>7,358</b>	3,068
Other payables and accrued liabilities	<i>18</i>	<b>17,158</b>	12,189
Amounts due to fellow subsidiaries		<b>488</b>	312
Derivative financial instruments	<i>13</i>	<b>4,662</b>	2,579
Clients' balances	<i>19</i>	<b>203,874</b>	169,426
		<b>233,581</b>	187,619
<b>Non-current liabilities</b>			
Finance lease obligations	<i>16</i>	<b>73</b>	126
Deferred tax liabilities	<i>17</i>	<b>133</b>	149
		<b>206</b>	275
<b>Total liabilities</b>		<b>233,787</b>	187,894
<b>Total equity and liabilities</b>		<b>626,510</b>	569,993
<b>Net current assets</b>		<b>379,837</b>	375,403
<b>Total assets less current liabilities</b>		<b>392,929</b>	382,374

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

### 1.1 General information

The Company was incorporated in the Cayman Islands on 9 November 2010 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company's shares have been listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 3 July 2013.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of leveraged foreign exchange and other trading, cash dealing business, and other service.

The financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA. The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss, which carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Unless otherwise stated herein, all references to 2014 refer to the Group's fiscal year ended, or the date, as the context requires, 31 December 2014.

#### ***(a) Newly effective standards and amended standards for the financial year from 1 January 2014 that is applicable to the Group***

Amendment to HKAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities

Amendments to HKAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets

HK(IFRIC) 21, 'Levies'

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

- (b) *The following new standards and amendments to standards have been issued but are not effective for the financial year ended 31 December 2014 which are relevant to the Group but the Group has not early adopted*

HKFRS 9, 'Financial instruments' (effective from 1 January 2018)

HKFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2017)

Other HKFRSs that are applicable for the financial year beginning on or after 1 January 2014 have no significant impact on the Group.

### 3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of the other business segments. The Board of Directors considers the business from a geographical and product perspective.

Summary details of the business segments are as follows:

- (a) the margin dealing segments engage in the provision of leveraged foreign exchange and other trading services in Hong Kong and New Zealand;
- (b) the unleveraged cash dealing segment engages in the provision of non-leveraged foreign exchange trading services in New Zealand. Unleveraged cash dealing services were provided to corporate clients, in particular, those clients engaged in money changing business for the purpose of hedging their cash positions and meeting settlement obligations. The Group is rewarded by the spread between the price quoted to our clients and the price offered by our market makers; and
- (c) the investment sales segments engage in provision of sale and marketing functions to clients in New Zealand and Australia.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the years ended 31 December 2014 and 2013.

The segment information provided to the management for the reportable segments for the years ended 31 December 2014 and 2013 is as follows:

#### For the year ended 31 December 2014

	New Zealand Margin dealing HK\$'000	Hong Kong Margin dealing HK\$'000	New Zealand Cash dealing HK\$'000	New Zealand Investment sales HK\$'000	Australia Investment sales HK\$'000	Unallocated HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue and other income:								
Foreign exchange and other trading income earned from external customers	144,214	(7)	16,636	-	-	-	-	160,843
Inter-segment sales	-	45,657	-	6,687	16,311	-	(68,655)	-
Segment revenue	144,214	45,650	16,636	6,687	16,311	-	(68,655)	160,843
Other income	21,237	-	46	55	306	6,147	-	27,791
Total revenue and other income	<u>165,451</u>	<u>45,650</u>	<u>16,682</u>	<u>6,742</u>	<u>16,617</u>	<u>6,147</u>	<u>(68,655)</u>	<u>188,634</u>
Segment profit/(loss)	30,295	38,914	15,516	(1,575)	11,824	6,147		101,121
Other staff costs								(19,552)
Other unallocated administrative and operating expenses								(33,872)
Profit before tax								47,697
Income tax expense								(12,616)
Profit for the year								<u>35,081</u>
Other segment information:								
Depreciation and amortisation	115	264	57	161	133	2,408		3,138
Finance cost	18	-	-	-	2	-		20

For the year ended 31 December 2013

	New Zealand Margin dealing HK\$'000	Hong Kong Margin dealing HK\$'000	New Zealand Cash dealing HK\$'000	New Zealand Investment sales HK\$'000	Australia Investment sales HK\$'000	Unallocated HK\$'000	Elimination HK\$'000	Total HK\$'000
Segment revenue and other income:								
Foreign exchange and other trading income earned from external customers	135,549	(6)	11,505	–	–	–	–	147,048
Inter-segment sales	–	27,069	–	4,833	7,104	–	(39,006)	–
Segment revenue	135,549	27,063	11,505	4,833	7,104	–	(39,006)	147,048
Other income	24,903	–	108	67	14	4,579	–	29,671
Total revenue and other income	<u>160,452</u>	<u>27,063</u>	<u>11,613</u>	<u>4,900</u>	<u>7,118</u>	<u>4,579</u>	<u>(39,006)</u>	<u>176,719</u>
Segment profit/(loss)	52,080	21,309	6,169	(4,058)	(4,565)	4,579		75,514
Other staff costs								(17,323)
Other unallocated administrative and operating expenses								(8,061)
Profit before tax								50,130
Income tax expense								(15,356)
Profit for the year								<u>34,774</u>
Other segment information:								
Depreciation and amortisation	83	319	49	83	471	1,545		2,550
Finance cost	100	–	7	–	–	16		123

The Company is domiciled in Hong Kong. The entire Group's income from external customers is derived from its operations in New Zealand.

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
New Zealand	<u><b>160,843</b></u>	<u>147,048</u>



The locations of its non-current assets (excluding deferred tax assets) are as follows:

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Hong Kong	<b>3,651</b>	4,365
New Zealand	<b>6,064</b>	1,579
Australia	<b>2,430</b>	614
	<b>12,145</b>	6,558

None of the external customers contributes more than 10% of the Group's trading income individually in the respective years.

Information on segment assets and liabilities are not disclosed as this information is not presented to the Board of Directors as they do not assess performance of reportable segments using information on assets and liabilities.

#### **4 OTHER INCOME**

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Provision of management services	<b>2,019</b>	2,508
Fees and commission income	<b>23,686</b>	26,499
Interest income	<b>1,811</b>	1,525
Exchange gain/(losses), net	<b>22</b>	(1,371)
Gain on disposal of fixed assets	<b>–</b>	19
Others	<b>253</b>	491
	<b>27,791</b>	29,671

#### **5 STAFF COSTS**

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Staff costs (including directors' remuneration):		
Salaries and allowances	<b>31,300</b>	29,978
Pension scheme contributions	<b>906</b>	841
Staff option expenses ( <i>Note 22</i> )	<b>4,339</b>	–
	<b>36,545</b>	30,819

## 6 ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	2014 HK\$'000	2013 HK\$'000
Management fees paid to ultimate holding company	799	661
Management fees paid to fellow subsidiaries	361	328
Other office occupation expenses	1,619	1,618
Auditor's remuneration	2,648	2,150
Information services expenses	3,024	3,251
Professional and consultancy fee	8,656	8,109
Repair and maintenance (including system maintenance)	698	598
Marketing, advertising and promotion expenses	7,807	4,424
Travelling expenses	2,892	2,412
Entertainment expenses	1,089	1,009
Insurance	653	541
Others	3,399	4,355
	<b>33,645</b>	<b>29,456</b>

## 7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit during the year. Taxation on overseas profits has been calculated on the estimated assessable profit during the year at the rates of taxation prevailing in the countries in which the Group operates. The income tax expenses of the Group are charged at a tax rate of 28% in New Zealand and 30% in Australia in accordance with the local tax authorities.

	2014 HK\$'000	2013 HK\$'000
Current tax:		
Charge for the year	12,947	15,412
Over-provision in prior year	(20)	(30)
Others	301	—
Deferred tax:		
Charge for the year ( <i>Note 17</i> )	(612)	(26)
Income tax expense	<b>12,616</b>	<b>15,356</b>
	<b>2014 HK\$'000</b>	<b>2013 HK\$'000</b>
Profit before income tax	<b>47,697</b>	<b>50,130</b>
Tax at the Hong Kong statutory tax rate	7,870	8,271
Effect of different taxation rates in other countries	3,464	5,835
Income not subject to tax	(16,164)	(17,883)
Expenses not deductible for tax	16,243	19,131
Temporary differences not recognised	1,217	32
Utilization of previously unrecognised tax losses	(295)	—
Over-provision in prior year	(20)	(30)
Others	301	—
Income tax expense	<b>12,616</b>	<b>15,356</b>

## 8 DIVIDENDS

On 21 May 2013 and 3 June 2013, the Company declared a special dividend of HK\$1 and HK\$0.6 per ordinary share based on the outstanding shares at the respective dates of the shareholders meetings. The total special dividends of HK\$16,000,000 were paid to the then shareholders.

The Board of the Company resolved to declare a third quarterly dividend of HK0.675 cents per ordinary share in 2013. A total of HK\$13,500,000 was paid to the then shareholders.

On 5 May 2014, a final dividend in respect of the year ended 31 December 2013 of HK0.50 cents per ordinary share was approved by the Company's shareholders. The dividend of HK\$10,000,000 was paid to the then shareholders of the Company.

On 10 November 2014, the Board approved the payment of an interim dividend of 2014 of HK0.675 cents per ordinary share, amounting to a total dividend of HK\$13,500,000. The payment was made to the then shareholders of the Company on 26 November 2014.

A final dividend in respect of the year ended 31 December 2014 of HK1.075 cents per ordinary share, amounting to a total dividend of HK\$21,500,000 is recommended by the Directors at the meeting of the Board of Directors held on 31 March 2015. These financial statements do not reflect this dividend payable.

The proposed final dividend for the year ended 31 December 2014 is subject to the approval of the Company's shareholders at the forthcoming annual general meeting to be held on Wednesday, 6 May 2015.

## 9 EARNINGS PER SHARE

### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014 HK\$'000	2013 HK\$'000
Profit attributable to equity holders of the Company	35,081	34,774
Weighted average number of ordinary shares in issue	2,000,000,000	1,827,857,164
Basic earnings per share (HK cents)	1.75	1.90

### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit for the year attributable to equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares under the share option scheme into ordinary shares.

	2014 HK\$'000	2013 HK\$'000
Profit attributable to equity holders of the Company	35,081	34,774
Weighted average number of ordinary shares in issue	2,000,000,000	1,827,857,164
Adjustments for share options	4,798,894	—
Weighted average number of shares for the purpose of calculating diluted earnings per share	2,004,798,894	1,827,857,164
Diluted earnings per share (HK cents)	1.75	1.90

**10 PROPERTY, PLANT AND EQUIPMENT**

	<b>Furniture, fixtures and equipment <i>HK\$'000</i></b>	<b>Computer equipment <i>HK\$'000</i></b>	<b>Leasehold improvements <i>HK\$'000</i></b>	<b>Motor vehicles <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
As at 1 January 2013					
Cost	8,285	9,065	8,631	2,420	28,401
Accumulated depreciation	(6,975)	(8,298)	(5,731)	(1,503)	(22,507)
Net carrying amount	<u>1,310</u>	<u>767</u>	<u>2,900</u>	<u>917</u>	<u>5,894</u>
For the year ended 31 December 2013					
Opening net carrying amount	1,310	767	2,900	917	5,894
Exchange adjustments	(12)	(10)	(19)	(32)	(73)
Additions	740	994	231	946	2,911
Depreciation	(502)	(422)	(1,192)	(315)	(2,431)
Closing net carrying amount	<u>1,536</u>	<u>1,329</u>	<u>1,920</u>	<u>1,516</u>	<u>6,301</u>
As at 31 December 2013					
Cost	8,577	9,366	8,484	3,061	29,488
Accumulated depreciation	(7,041)	(8,037)	(6,564)	(1,545)	(23,187)
Net carrying amount	<u>1,536</u>	<u>1,329</u>	<u>1,920</u>	<u>1,516</u>	<u>6,301</u>
For the year ended 31 December 2014					
Opening net carrying amount	1,536	1,329	1,920	1,516	6,301
Exchange adjustments	(29)	9	4	(37)	(53)
Additions	456	1,665	1,285	–	3,406
Depreciation	(537)	(715)	(943)	(397)	(2,592)
Closing net carrying amount	<u>1,426</u>	<u>2,288</u>	<u>2,266</u>	<u>1,082</u>	<u>7,062</u>
As at 31 December 2014					
Cost	8,632	10,620	9,330	2,937	31,519
Accumulated depreciation	(7,206)	(8,332)	(7,064)	(1,855)	(24,457)
Net carrying amount	<u>1,426</u>	<u>2,288</u>	<u>2,266</u>	<u>1,082</u>	<u>7,062</u>

## 11 INTANGIBLE ASSETS

	<b>Computer software HK\$'000</b>
As at 1 January 2013	
Cost	6,636
Accumulated amortisation	<u>(6,307)</u>
Net carrying amount	<u><u>329</u></u>
For the year ended 31 December 2013	
Opening net carrying amount	329
Exchange adjustments	1
Additions	46
Amortisation	<u>(119)</u>
Closing net carrying amount	<u><u>257</u></u>
As at 31 December 2013	
Cost	6,522
Accumulated amortisation	<u>(6,265)</u>
Net carrying amount	<u><u>257</u></u>
For the year ended 31 December 2014	
Opening net carrying amount	257
Exchange adjustments	22
Additions	5,350
Amortisation	<u>(546)</u>
Closing net carrying amount	<u><u>5,083</u></u>
As at 31 December 2014	
Cost	11,610
Accumulated amortisation	<u>(6,527)</u>
Net carrying amount	<u><u>5,083</u></u>

## 12 OTHER ASSETS AND PREPAYMENTS

	2014 HK\$'000	2013 HK\$'000
Rental, utility and other receivables	2,817	3,167
Prepayments	1,321	1,553
Others	2,452	253
	<hr/>	<hr/>
Total	<b>6,590</b>	<b>4,973</b>
	<hr/> <hr/>	<hr/> <hr/>

The carrying amounts of the Group's other assets approximate to their fair values.

## 13 DERIVATIVE FINANCIAL INSTRUMENTS

	2014 HK\$'000	2013 HK\$'000
Current assets		
Derivative foreign exchange contracts	55,544	56,594
Current liabilities		
Derivative foreign exchange contracts	(4,662)	(2,579)
	<hr/>	<hr/>
Total	<b>50,882</b>	<b>54,015</b>
	<hr/> <hr/>	<hr/> <hr/>

The Group has trades in foreign currencies through its foreign currency margin trading business. In order to protect against exchange rate movements, the Group has entered into a number of foreign exchange and forward transactions with the Group's bankers to manage its net foreign currency exposure.

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2014 and 2013 are HK\$2,458,651,000 and HK\$2,584,207,000 respectively.

## 14 BALANCES DUE FROM AGENTS

	2014 HK\$'000	2013 HK\$'000
Balances due from:		
– securities agents	12,099	16,910
	<hr/>	<hr/>

The carrying amounts of the Group's balances due from agents approximate to their fair values. The balances due from agents are current in nature and ageing within 30 days.

**15 CASH AND BANK BALANCES AND CLIENT TRUST BANK BALANCES**

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Cash and bank balances	<b>318,649</b>	201,926
Fixed deposits with banks	<b>70,570</b>	157,046
Client trust bank balances	<b>149,966</b>	124,908
	<b>539,185</b>	483,880

The Group maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The Group is not allowed to use the clients' monies to settle its own obligations in the ordinary course of business, and therefore they are not included as cash and cash equivalents in the statement of cash flows.

As at 31 December 2014 and 2013, fixed deposits of HK\$45,497,000 and HK\$45,101,000 respectively are pledged to banks for banking facilities. No overdraft facility was utilised by the Group as at 31 December 2014 and 2013. No bank deposits are collateral deposits by the Group placed with market makers as at 31 December 2014 (2013: HK\$3,196,000).

**16 FINANCE LEASE OBLIGATIONS**

Lease liabilities are effectively secured as the rights to the lease asset revert to the lessor in the event of default.

	<b>2014</b> <b>HK\$'000</b>	2013 HK\$'000
Gross finance lease liabilities – minimum lease payments		
Not later than 1 year	<b>47</b>	56
Later than 1 year and no later than 5 years	<b>73</b>	131
	<b>120</b>	187
Future finance charges on finance leases	<b>(6)</b>	(16)
	<b>114</b>	171

The present value of finance lease liabilities is as follows:

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Not later than 1 year	<b>41</b>	45
Later than 1 year and no later than 5 years	<b>73</b>	126
	<b>114</b>	171

The Group leases various vehicles under non-cancellable finance lease agreements. The lease terms are 3 to 5 years and ownership of the assets lie within the Group.

## 17 DEFERRED TAXATION

The major components of deferred tax assets/(liabilities) recorded in the consolidated balance sheet and the movements during the year are as follows:

	<b>Employee benefits HK\$'000</b>	<b>Depreciation HK\$'000</b>	<b>Other temporary differences HK\$'000</b>	<b>Total HK\$'000</b>
At 1 January 2013	109	(182)	329	256
Exchange adjustments	(11)	13	(20)	(18)
(Charge)/credit for the year	67	20	(61)	26
At 31 December 2013	<b>165</b>	<b>(149)</b>	<b>248</b>	<b>264</b>
At 1 January 2014	<b>165</b>	<b>(149)</b>	<b>248</b>	<b>264</b>
Exchange adjustments	<b>(25)</b>	<b>13</b>	<b>(50)</b>	<b>(62)</b>
Credit for the year	<b>229</b>	<b>3</b>	<b>380</b>	<b>612</b>
At 31 December 2014	<b>369</b>	<b>(133)</b>	<b>578</b>	<b>814</b>

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legal right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same authority. The following amounts, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Deferred tax assets to be recovered after more than twelve months	<b>947</b>	413
Deferred tax liabilities to be settled after more than twelve months	<b>(133)</b>	(149)
	<b>814</b>	264



Deferred tax assets have not been recognised for the following:

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Unused tax losses	—	975
	—	975
	<u>          </u>	<u>          </u>

## 18 OTHER PAYABLES AND ACCRUED LIABILITIES

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
<b>The Group</b>		
Accrued rental benefit	<b>295</b>	648
Accruals	<b>4,707</b>	4,146
Commission payable	<b>7,385</b>	5,038
Employee entitlements	<b>1,862</b>	1,604
Deferred revenue	<b>1,043</b>	307
Other payables	<b>1,866</b>	446
	<u>          </u>	<u>          </u>
	<b>17,158</b>	12,189
	<u>          </u>	<u>          </u>

The carrying amounts of the Group's other payables approximate to their fair values.

## 19 CLIENTS' BALANCES

The balances represent margin deposits received from clients for their trading activities under normal course of business. The carrying amounts approximate to their fair values.

## 20 SHARE CAPITAL

	<b>2014</b> <b>HK\$'000</b>	2013 <i>HK\$'000</i>
Authorised:		
4,000,000,000 ordinary shares of HK\$0.01 each	<b>40,000</b>	40,000
	<u>          </u>	<u>          </u>
Issued and fully paid:		
2,000,000,000 ordinary shares of HK\$0.01 each	<b>20,000</b>	20,000
	<u>          </u>	<u>          </u>

The movements in issued share capital were as follows:

	Number of shares in issue	Issued share capital HK\$'000
As at 1 January 2013	10,000,000	100
Capitalisation issue ( <i>note (a)</i> )	1,646,655,000	16,467
Placing of new shares ( <i>note (b)</i> )	343,345,000	3,433
	<u>2,000,000,000</u>	<u>20,000</u>
As at 31 December 2013 and 31 December 2014	<u>2,000,000,000</u>	<u>20,000</u>

- (a) Pursuant to the written resolution passed by the shareholders on 3 June 2013, the directors were authorised to allot and issue a total of 1,646,655,000 shares by way of capitalisation of the sum of HK\$16,466,550 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 1,646,655,000 shares for allotment and issue to the then shareholders in proportion to their respective shareholdings.
- (b) On 3 July 2013, 343,345,000 shares of HK\$0.01 each of the Company were issued at premium at an issue price of HK\$0.452 each by way of the placing.

## 21 CAPITAL RESERVE

The balance represents the difference between the book value of the net assets of KVB Kunlun New Zealand Limited, KVB Kunlun Pty Limited and KVB Kunlun International (HK) Limited over the par value of the shares issued by LXL Capital II Limited, LXL Capital III Limited and LXL Capital IV Limited in exchange for these subsidiaries as if the current group structure had been in existence since 1 January 2011.

## 22 SHARE OPTION SCHEME

On 10 January 2014, the Board of Directors of the Company has granted 40,000,000 share options to 68 individuals for their subscription of new ordinary shares of HK\$0.01 per share of the Company.

These share options are exercisable at HK\$0.414 per share, with varying vesting period and validity from the date of grant. 40 out of 68 of the Grantees are granted share options which are exercisable for a period of three years and a vesting period of one year from the date of grant. 28 remaining Grantees are granted share options which are exercisable for a period of two years from the date of grant, with a vesting period of two years from the date of grant. All of the share options have no vesting condition. Among the 40,000,000 share options granted, 14,920,000 share options were granted to six Directors of the Company.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding are as follows:

Grantee	Date of grant	Outstanding at beginning of the period	Granted during the period	Forfeited during the period	Outstanding at end of the period	Exercise price HK\$	Exercise period
Liu Stefan	10 January 2014	–	9,520,000	–	9,520,000	0.414	10 January 2015 to 9 January 2018
Ng Chee Hung Frederick	10 January 2014	–	4,000,000	–	4,000,000	0.414	10 January 2015 to 9 January 2018
Stephen Gregory McCoy	10 January 2014	–	800,000	–	800,000	0.414	10 January 2015 to 9 January 2018
Zhao Guixin	10 January 2014	–	200,000	–	200,000	0.414	10 January 2015 to 9 January 2018
Corenlis Jacobus Keyser	10 January 2014	–	200,000	–	200,000	0.414	10 January 2015 to 9 January 2018
Lin Wenhui	10 January 2014	–	200,000	–	200,000	0.414	10 January 2015 to 9 January 2018
Employees of group companies	10 January 2014	–	19,290,000	(1,150,000)	18,140,000	0.414	10 January 2015 to 9 January 2018
Employees of group companies	10 January 2014	–	2,740,000	(470,000)	2,270,000	0.414	10 January 2016 to 9 January 2018
Consultants	10 January 2014	–	1,200,000	–	1,200,000	0.414	10 January 2015 to 9 January 2018
Consultants	10 January 2014	–	1,850,000	(100,000)	1,750,000	0.414	10 January 2016 to 9 January 2018
		<u>–</u>	<u>40,000,000</u>	<u>(1,720,000)</u>	<u>38,280,000</u>		

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. Details of the share options granted on 10 January 2014 was as follows:

Weighted average share option price at the grant date:	HK\$0.1227
Risk free interest rate:	1.154%
Expected volatility:	42.92%
Expected dividend yield:	1.96%
Expected exercise multiple:	Directors: 2.8x of exercise price Others: 2.2x of the exercise price

The measurement date of the share options was 10 January 2014, being the date of grant of the share options. The expected dividend yield is determined with reference to historical dividend payment history of comparable listed companies up to the measurement date. The expected volatility of share price is determined with reference to annualised historical weekly volatility of comparable listed companies' share prices as of the valuation date, as extracted from Bloomberg.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the audited consolidated results of the Group for the year ended 31 December 2014, together with the audited comparative figures for the corresponding year in 2013.

### BUSINESS REVIEW AND FINANCIAL PERFORMANCE

#### Business review

During the first eight months of 2014, the market was quiet and volatility hit historically low levels, while in the last four months of the year, due to economic and geopolitical factors, the market volatility rose significantly. The gold price was trading in the range of approximately US\$1,393/ounce to below US\$1,130/ounce. The AUD/USD dropped from 0.95 to 0.77 during the year, the lowest level since 2009. The EUR/USD dropped from 1.4 to 1.2 during the year; the unexpected large market volatility in the last four months has boosted the profit margin of the margin leveraged foreign trading business of the Group.

During the year under review, the Group launched a marketing campaign to expand its local market share in addition to its well-developed referral client base over the past years. Furthermore, the Group put in additional resources in marketing development after listing. As a result, the number of clients increased by 36.1% for the year under review compared with the year ended 31 December 2013.

During the year under review, the Group launched China Stock Index 300 (“CSI300”) and Australia Stock Market Index (“Aussie200”) and one new commodity under leveraged trading, namely Copper contracts for difference (“CFD”). A new currency pair “USDCNH” was also added to our currency trading list. This is in line with the market trend that investors invest in commodities and stock markets and currencies in a way to safeguard the value of their wealth. The net deposit of the margin leveraged trading clients of the Group has been increased 26.8% compared with the year ended 31 December 2013. This has also enhanced the Group’s leveraged margin trading profitability.

#### Total income

The total income of the Group increased by approximately 6.7% to approximately HK\$188.6 million for the year ended 31 December 2014 from approximately HK\$176.7 million for the year ended 31 December 2013.

#### A. *Leveraged foreign exchange and other trading income*

The leveraged foreign exchange and other trading income of the Group increased by approximately 6.4% to approximately HK\$144.2 million for the year ended 31 December 2014 from approximately HK\$135.5 million for the year ended 31 December 2013. This is mainly due to the higher trading volume during the year ended 31 December 2014 as compared to the year ended 31 December 2013.

## ***B. Cash dealing income***

The cash dealing income of the Group increased by approximately 44.6% from approximately HK\$11.5 million for the year ended 31 December 2013 to HK\$16.6 million for the year ended 31 December 2014. The increase was mainly attributable to the higher transaction volume for market maker hedge and natural hedge in the cash dealing service business.

## ***C. Other income***

Other income of the Group decreased by approximately 6.3% to approximately HK\$27.8 million for the year ended 31 December 2014 from approximately HK\$29.7 million for the year ended 31 December 2013.

The fees and commission income of the Group decreased from approximately HK\$26.5 million for the year ended 31 December 2013 to approximately HK\$23.7 million for the year ended 31 December 2014. The major component of fees and commission was the commission charged to the referred clients from leveraged forex and dealing counterparties based on the trading volume. The decrease was mainly due to the decrease in charging commission to clients referred by referrer parties during the year under review compared with the year ended 31 December 2013.

During the year ended 31 December 2014, the Group recorded an exchange gain of approximately HK\$0.02 million while there was an exchange loss of approximately HK\$1.4 million during the year ended 31 December 2013. This was mainly due to the period-end translation of monetary assets denominated in foreign currency into local reporting currency by KVB Kunlun New Zealand Limited, a wholly-owned subsidiary of the Company.

The management fee income of the Group decreased to approximately HK\$2.0 million for the year ended 31 December 2014 from approximately HK\$2.5 million for the year ended 31 December 2013. This is mainly due to the Group no longer receiving management fee income from KVB Kunlun Holdings Limited and its subsidiaries which do not belong to the Group (collectively, the “Non-Listed Group”) as a result of further business separation from the Non-Listed Group.

## **Fees and commission expenses**

The fees and commission expenses of the Group increased by approximately 5.8% to approximately HK\$61.1 million for the year ended 31 December 2014 from approximately HK\$57.8 million for the year ended 31 December 2013. The increase was mainly due to the increase in trading volume of the clients of the Group referred by referral parties.

## **Staff costs**

The staff cost of the Group increased by approximately 18.6% to approximately HK\$36.5 million for the year ended 31 December 2014 from approximately HK\$30.8 million for the year ended 31 December 2013. The increase was mainly due to staff share option expenses recorded.

## **Depreciation and amortization**

Depreciation and amortization increased by approximately 23.1% to approximately HK\$3.1 million for the year ended 31 December 2014 from approximately HK\$2.6 million for the year ended 31 December 2013. The increase was mainly due to the upgrade of our online trading platform and the newly capitalized office equipment and leasehold improvements for the period under review.

## **Lease payments under land and buildings**

Lease payments under land and buildings increased by approximately 10.0% to approximately HK\$6.5 million for the year ended 31 December 2014 from approximately HK\$5.9 million for the year ended 31 December 2013 this was mainly due to rent increase of the Beijing office and rent increase in Sydney & Melbourne office due to lease renewal in July & June 2014 with an increase in rent.

## **Administrative and other operating expenses**

The administrative and other operating expenses of the Group increased by approximately 14.2% to approximately HK\$33.6 million for the year ended 31 December 2014 from approximately HK\$29.5 million for the year ended 31 December 2013. This increase was primarily due to the increase in marketing expenses by approximately HK\$2.2 million during the year ended 31 December 2014 as compared with the year ended 31 December 2013 as the result of new marketing channels development.

## **Net profit and net profit margin**

For the reasons set forth above, the Group achieved net profit of approximately HK\$35.1 million for the year ended 31 December 2014 compared with the net profit of approximately HK\$34.8 million for the year ended 31 December 2013. The net profit margin for the year ended 31 December 2014 was approximately 18.6%.

In summary, the increase in profitability of the Group was primarily contributed by:

- higher trading volume resulting in higher leverage foreign exchange trading income in the last four months;
- higher transaction volume for market maker hedge and natural hedge resulting in higher cash dealing income.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the period under review, the operations of the Group have been financed principally by equity capital, cash generated by the Group's business operations and the cash and bank deposits.

## **GEARING RATIO**

The gearing ratio calculated on the basis of net debts (financial lease obligation and amounts due to fellow subsidiaries) over the total shareholders' fund as at 31 December 2014 was approximately 0.15% (2013: 0.13%).

## **FOREIGN CURRENCY EXPOSURE**

During the year under review, the Group recorded an exchange gain of approximately HK\$0.02 million (2013: approximately loss of HK\$1.4 million). This was mainly due to the month-end translation of monetary assets denominated in foreign currency into local reporting currency by the subsidiary of the Group in New Zealand. The main contributor to this result was the appreciation of USD and the exchange rate of USD/NZD changed from approximately 1.2165 as at 31 December 2013 to 1.2758 as at 31 December 2014.

The foreign currency risk is managed proactively by regular review of the currency positions in the basket of currency mix. In order to minimize the exposure of the Group to risk, the Group has hedge strategy based on prevailing market conditions and working capital requirements of sub-companies.

## **CAPITAL STRUCTURE**

During the year under review, the capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

## **NEW PRODUCTS AND SERVICES**

The Group launched a China Stock Index 300 (“CSI300”), Australia Stock Market Index (“Aussie200”) and one new commodity under leveraged trading, namely Copper contracts for difference (“CFD”). A new currency pair “USDCNH” was also added to the Group currency trading list during the year under review.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES DURING THE PERIOD UNDER REVIEW**

During the year ended 31 December 2014, the Group did not have any material acquisitions and disposals.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2014, the Group engaged a total of 64 employees (2013: a total of 55). Total staff costs including Directors’ remuneration for the period under review amounting to approximately HK\$36.5 million (2013: HK\$30.8 million). The Group’s remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees.

The Group provides retirement benefits in accordance with the relevant laws and regulations in the place where the staff is employed.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate.

## **CHARGES ON THE GROUP’S ASSETS AND CONTINGENT LIABILITIES**

As at 31 December 2014, certain bank balances of the Group amounting to approximately HK\$45.5 million were used to secure the banking facilities and the offices lease bonds.

As at 31 December 2014, the Group did not have any material contingent liabilities.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The future investment plans of the Group are detailed in the sub-section headed “Business objectives and future plans” in the prospectus of the Company dated 11 June 2013 (the “Prospectus”).

The Group's future investment plans are detailed in the prospectus "Business Objectives and Future Plans" section.

We plan to:

1. expand operations in the worldwide overseas Chinese and Japanese communities;
2. increase in the range of our financial services and products;
3. further upgrade our online trading platform; and
4. strategically grow through mergers and acquisitions.

The source of funding for these investment plans is from the net proceeds of the Placing of approximately HK\$125.3 million. Our Directors presently intend that the net proceeds will be applied as follows:

	<b>Intended amount HK\$</b>	<b>Intended usage up to 31 December 2014 HK\$</b>	<b>Actual approximate amount utilized up to 31 December 2014 HK\$</b>
Expansion of operations in the worldwide overseas Chinese and Japanese communities	36,000,000	18,500,000	12,558,000
Increase in the range of our financial services and products	35,000,000	5,000,000	—
Further upgrade of our online trading platform	28,000,000	18,000,000	7,656,076
Strategic growth through mergers and acquisitions	21,000,000	10,000,000	—

The new PRC subsidiary located in Zhuhai City Hengqin New District has been setup and the Group is expecting further progress in this new subsidiary in the coming year. The Group will continuously conduct studies on identifying hot spots to develop new branches or subsidiaries; and perform market studies to explore commercial viability for new products.

During the year under review, the Group had developed new financial services and products through internally generated funding.

The Group spent HK\$6.3 million in 2014 to revamp the network in order to keep on improving the efficiency, security, availability and manageability of the online trading platform.



## **INTERESTS OF THE COMPLIANCE ADVISER AND ITS DIRECTORS, EMPLOYEES AND ASSOCIATES**

As confirmed by Quam Capital Limited, the compliance adviser of the Company, none of Quam Capital Limited and its directors, employees and associates is materially interested in any contract or arrangement during the year under review, which is significant in relation to the business of the Group.

## **DIRECTORS' COMPETING INTERESTS**

During the year under review, none of the Directors or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the "Audit Committee") on 19 December 2012 with written terms of reference in compliance with the requirements as set out in Rule 5.28 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, nominate and monitor external auditors and provide advice and comments to the Directors.

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Lin Wenhui, Ms. Zhao Guixin and Mr. Cornelis Jacobus Keyser. Mr. Lin Wenhui is the chairman of the Audit Committee.

The Audit Committee has met with the external auditor of the Group to review the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of this announcement and financial statements of the Group for the year ended 31 December 2014.

## **DIVIDEND**

On 10 November 2014, the Board has resolved to pay an interim dividend of 2014 of HK0.675 cents per ordinary share and distributed to the shareholders on 26 November 2014. A total of HK\$13,500,000 was paid to the then shareholders.

The Board recommend the payment of a final dividend of HK1.075 cents per ordinary share to the shareholders. The final dividend, if approved by the shareholders at the forthcoming annual general meeting to be held on Wednesday, 6 May 2015, will be paid on Thursday, 21 May 2015 to the shareholders whose name appear on the register of members of the Company on Thursday, 14 May 2015.

The proposed declaration and payment of the final dividend for the year ended 31 December 2014 have been agreed by CITIC Securities pursuant to the terms of the Share Purchase Agreement (as defined below).

## **EVENTS AFTER THE REPORTING PERIOD**

On 29 January 2015, the controlling shareholder of the Company (the “Vendor”) and CITIC Securities Company Limited (“CITIC Securities”) entered into a conditional share purchase agreement (the “Share Purchase Agreement”) in relation to the sale and purchase of 1,200,000,000 shares of HK\$0.01 each in the share capital of the Company owned by the Vendor (each a “Sale Share”), pursuant to which CITIC Securities conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Shares, for a total consideration of HK\$780,000,000, equivalent to HK\$0.65 per Sale Share. The Sale Shares represent 60% of the then entire issued share capital of the Company. Completion of the Share Purchase Agreement (“Completion”) is expected to take place upon fulfilment of the conditions set out in the Share Purchase Agreement.

Immediately after the Completion, CITIC Securities will become the owner of the Sale Shares, representing 60% of the total issued share capital of the Company (assuming no further change to the issued share capital of the Company), and accordingly, CITIC Securities will be required to make an unconditional mandatory general cash offer at the price of HK\$0.65 per share (“Share Offer Price”), which is the same as the purchase price of each Sale Share, for all the issued shares of the Company (other than those already owned or agreed to be acquired by CITIC Securities and parties acting in concert with it) upon Completion (the “Share Offer”), and an offer for the cancellation of all the outstanding options under Rules 26.1 and 13.5 of the Takeovers Code (the “Option Offer”, together with the “Share Offer” referred to as the “Offers”). CITIC Securities Corporate Finance (HK) Limited will be making the Offers for and on behalf of CITIC Securities. Pursuant to a non-acceptance undertaking given by the Vendor to CITIC Securities pursuant to the Share Purchase Agreement, the Vendor will not accept the offer for 300,000,000 Shares held by the Vendor under the Share Offer.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 4 May 2015 to Wednesday, 6 May 2015, both days inclusive, during the period no transfers of shares of the Company will be registered. In order to qualify for attending and voting at the 2015 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Thursday, 30 April 2015.

The register of members of the Company will be closed from Tuesday, 12 May 2015 to Thursday, 14 May 2015, both days inclusive, during the period no transfers of shares of the Company will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Union Registrars Limited, at A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration by no later than 4:00 p.m. on Monday, 11 May 2015.

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions as set out in the Corporate Governance Code in Appendix 15 of the GEM Listing Rules throughout the year under review.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 31 March 2015

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

### ***Executive directors***

Mr. Liu Stefan  
Mr. Ng Chee Hung Frederick

### ***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

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquires, 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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Listed Company Information" page for at least seven days from the day of its posting and on the website of the Company at [www.kvblistco.com](http://www.kvblistco.com).*