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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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group for the three months ended 31 March 2019, it is expected that the Group would result in a substantial loss for the three months ended 31 March 2019 which was mainly attributable to the fair value loss on the embedded derivative portion of the convertible bonds issued in February 2018. In addition, based on the information currently available, the Board considers that such substantial loss was also attributable to the following factors:

- a reduction in leveraged foreign exchange and other trading income earned from external customers due to reduced volatility which led to decrease in trading volume of the Group’s customers in the first quarter of 2019; and
- increase in finance costs on the convertible bonds issued in February 2018.

If the market volatility and trading volume do not improve during the second quarter, the Group may result in a loss for the six months ending 30 June 2019 as compared to net profit for the six months ended 30 June 2018.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Company and it is not based on any figures or information that has been audited or reviewed by the Company's auditors or the audit committee of the Company. The information contained herein is not a forecast of the interim financial performance of the Group for the six months ending 30 June 2019. The Company's unaudited consolidated interim results for the six months ending 30 June 2019, which are expected to be announced by the end of August 2019, may be different from what are disclosed herein.

**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, 4 April 2019

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

***Executive Directors***

Mr. Liu Stefan  
Mr. Huang Songyuan  
Mr. Wong Yiu Kit, Ernest

***Non-executive Directors***

Mr. Stephen Gregory McCoy  
Mr. Li Jiong  
Mr. Xu Jianqiang

***Independent Non-executive Directors***

Ms. Zhao Guixin  
Mr. Cornelis Jacobus Keyser  
Mr. Lin Wenhui