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If you have sold or transferred all your shares in **KVB Kunlun Financial Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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: 6877)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES;**
- (2) RE-ELECTION OF RETIRING DIRECTOR;**
- (3) PROPOSED APPOINTMENT OF DIRECTORS; AND**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of KVB Kunlun Financial Group Limited (the “Company”) to be held on Monday, 21 May 2018 at 10:30 a.m. (Hong Kong time) at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong, Hong Kong is set out on pages 15 to 19 of this circular.

A form of proxy is also enclosed. Whether or not you intend to attend and vote at the annual general meeting of the Company, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the annual general meeting of the Company or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting of the Company, or any adjourned meeting thereof (as the case may be), should you so wish. In such event, the form of proxy shall be deemed to be revoked.

18 April 2018

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“2017 Annual Report”	the annual report of the Company for the financial year ended 31 December 2017
“AGM”	the annual general meeting of the Company to be held on Monday, 21 May 2018, at 10:30 a.m. (Hong Kong time) at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong, the notice of which is set out on pages 15 to 19 of this circular
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	KVB Kunlun Financial Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of Stock Exchange
“Directors”	the directors of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise the power of the Company to allot and issue Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	13 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of AGM”	the notice of the AGM as set out on pages 15 to 19 of this circular
“PRC”	the People’s Republic of China
“Registrar”	Union Registrars Limited, the branch share registrar and transfer office of the Company in Hong Kong, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Remuneration Committee”	the remuneration committee by the Company
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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: 6877)

Executive Director:

Mr. Liu Stefan (*Chief Executive Officer*)

Non-executive Directors:

Mr. Li Zhi Da (*Chairman*)

Mr. Stephen Gregory McCoy

Independent Non-executive Directors:

Ms. Zhao Guixin

Mr. Cornelis Jacobus Keyser

Mr. Lin Wenhui

Registered Office:

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman

KY1-1111

Cayman Islands

***Head Office and Principal Place
of Business:***

Suites 7501 & 7508, 75/F,
International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong

18 April 2018

To the Shareholders:

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF RETIRING DIRECTOR;
(3) PROPOSED APPOINTMENT OF DIRECTORS; AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to, among other things, (a) grant to the Directors the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (b) re-elect the retiring Director; and (c) proposed appointment of Directors.

LETTER FROM THE BOARD

REFRESHMENT OF THE GENERAL MANDATES

On 10 May 2017, resolutions were passed by the then Shareholders granting general mandates to the Directors to exercise the powers of the Company: (i) to issue new shares of the Company; (ii) to repurchase shares of the Company; and (iii) to extend the general mandate granted to the Director to issue shares by the nominal amount of shares repurchased. The above mentioned mandates will lapse at the conclusion of the AGM.

To facilitate future allotment and issue of shares by the Directors on behalf of the Company, it is proposed that at the AGM, separate ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors (i) the Issue Mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of such resolution; (ii) the Repurchase Mandate to repurchase Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of such resolution; and (iii) the Extension Mandate to extend the Issue Mandate by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate.

The relevant resolutions are set out as resolutions numbered 9 to 11 in the notice of AGM. The Issue Mandate, Repurchase Mandate and Extension Mandate, if granted at the AGM, will be valid up to (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or the laws of the Cayman Islands or any other applicable laws to be held; or (iii) the passing of an ordinary resolution by the members of the Company in general meeting revoking or varying the authority given to the Directors by this resolution, whichever occurs first.

As at the Latest Practicable Date, a total of 2,033,290,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 406,658,000 Shares representing 20% of the aggregate nominal amount of the issued share capital of the Company as the date of the AGM.

EXPLANATORY STATEMENT

The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions relating to the proposed Repurchase Mandate at the AGM.

RE-ELECTION OF RETIRING DIRECTOR

As at the Latest Practicable Date, the Board comprised one executive Director, namely Mr. Liu Stefan, two non-executive Directors, namely Mr. Li Zhi Da and Mr. Stephen Gregory McCoy, and three independent non-executive Directors, namely Ms. Zhao Guixin, Mr. Cornelis Jacobus Keyser and Mr. Lin Wenhui. In accordance with article 84 of the Articles, Mr. Li Zhi Da and Mr. Cornelis Jacobus Keyser will retire by rotation at the AGM. Mr. Li Zhi Da, being eligible, will not offer himself for re-election at the AGM. Mr. Cornelis Jacobus Keyser, being eligible, will offer himself for re-election as Director at the AGM.

LETTER FROM THE BOARD

The biographical detail of the retiring Director proposed for re-election at the AGM is set out in Appendix II to this circular.

PROPOSED APPOINTMENT OF DIRECTORS

The Board proposed to appoint (a) Mr. Huang Songyuan as an executive Director; (b) Mr. Wong Yiu Kit Ernest as an executive Director; (c) Mr. Li Jiong as non-executive Director; and (d) Mr. Xu Jianqiang as a non-executive Director. According to the Articles, the proposed appointment are subject to the approval by the Shareholders by way of separate ordinary resolutions at the AGM.

The biographical details of the proposed appointment of Directors at the AGM are as set out in the Appendix III to this circular.

AGM

A notice of the AGM is set out on pages 15 to 19 of this circular. At the AGM, resolutions will be proposed to approve, among other things:

- (i) the re-election of the retiring Director;
- (ii) the proposed appointment of Directors; and
- (iii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate.

A form of proxy is enclosed with this circular. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Registrar as soon as practicable and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 16 May 2018 to Monday, 21 May 2018, 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 2018 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Registrar for registration by no later than 4:00 p.m. (Hong Kong time) on Tuesday, 15 May 2018.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the resolutions proposed in the Notice of AGM, including, among others, the granting of the Issue Mandate, the Repurchase Mandate and Extension Mandate, the re-election of the retiring Director and proposed appointment of Directors are in the best interests of the Company as well as to the Shareholders. Accordingly, the Director recommend you to vote in favour of the relevant resolutions as set out in the notice of AGM.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

This explanatory statement contains the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, there were 2,033,290,000 Shares in issue. Assuming that no further Shares will be issued or repurchased before the date of the AGM, exercise in full of the Repurchase Mandate could result in up to 203,329,000 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

The Repurchase Mandate, if granted at the AGM, will be valid up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

3. SOURCE OF FUNDING

In repurchasing Shares, the Company may only apply funds legally available for such purpose, in accordance with its Articles and the laws of Cayman Islands, including funds from the Company's available cash flow or working capital facilities. The Company may not repurchase its own securities on the main board of Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. EFFECT OF EXERCISING THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Group for the year ended 31 December 2017 contained in 2017 Annual Report) in the event that the proposed repurchases in the Repurchase Mandate were to be exercised in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

As at the Latest Practicable Date and to the best of the knowledge of the Directors who have made all reasonable enquiries, none of the Directors nor their respective close associates (as defined in the Listing Rules) has any present intention, in the event that the resolution relating to the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or has undertaken not to do so.

6. EFFECT OF TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights in the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as the Directors were aware, the Repurchase Mandate, if granted and exercised in full, would not give rise to any obligation on any existing Shareholder to make a mandatory general offer under the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such extent that may result in a public shareholding of less than 25%, the prescribed minimum percentage of the Shares in issue required by the Stock Exchange to be held by the public.

7. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

	Highest traded price HK\$	Lowest traded price HK\$
2017		
April	0.500	0.400
May	0.465	0.415
June	0.450	0.350
July	0.420	0.360
August	0.850	0.330
September	1.030	0.550
October	0.770	0.600
November	0.830	0.540
December	0.910	0.580
2018		
January	0.650	0.550
February	0.580	0.485
March	0.540	0.435
April (up to the Latest Practicable Date)	0.465	0.450

8. REPURCHASE IN THE PAST SIX MONTHS

During the previous six months preceding the Latest Practicable Date, the Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise).

9. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) has notified the Company that he/she has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and the Company is authorised to make purchases of the Shares.

The biographical detail of the retiring Director proposed for re-election at the AGM are summarized in this appendix as required by the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolutions relating to the re-election:

Mr. Cornelis Jacobus KEYSER, aged 60, has been appointed as an independent non-executive Director since 15 April 2011. Mr. Keyser first joined the Group in December 2003 as a senior consultant. In June 2005, he was appointed as the joint Group managing director (group operations and treasury) and managing director (designate proposed banking division) and held that position until he left the Group in April 2008. Since March 2003, Mr. Keyser has been a director of Keyser Merchant & Capital Finance (New Zealand) Limited which is engaged in the provision of consultation services and he is responsible for managing all aspects of such company and acts as a consultant. From July 1999 to August 2002, Mr. Keyser held the position of group treasurer to Gensec Ltd. and Gensec Bank. From September 1996 to March 1997, Mr. Keyser worked at the Swabou Building Society Group of Companies as the group managing director and was responsible for the operations of the group. From May 1990 to August 1992, Mr. Keyser was appointed the managing director of Keyser Trading (Pty) Limited and from September 1992 to June 1999, he was appointed the managing director of Keyser Merchant and Capital Finance (Pty) Limited. Mr. Keyser is a chartered member of the Institute of Directors in New Zealand Inc. and a member of the Australian Institute of Company Directors. Mr. Keyser has over 25 years of experience in the financial industry. Mr. Keyser obtained his bachelor's degree in industrial psychology, his honours degree in economics (Cum laude) and his master's degree in economics (Cum laude) from the Rand Afrikaans University in April 1981, April 1982 and April 1983, respectively.

As at the Latest Practicable Date, Mr. Keyser has 1,000,000 underlying Shares attached to the share options granted by the Company. Save as disclosed above, Mr. Keyser does not have, and is not deemed to have, any other interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO and does not hold or has not held any directorship in other listed companies in Hong Kong or overseas in the past three years.

Mr. Keyser has entered into a fresh letter of appointment with the Company for a term of three years commencing from 15 April 2017 and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Keyser is currently entitled to a director's fee of HK\$240,000 per annum. The remuneration package of Mr. Keyser was recommended by the Remuneration Committee and determined by the Board with the authorisation given by the Shareholders at the annual general meeting, with reference to prevailing market conditions and his roles and responsibilities.

In relation to the re-election of Mr. Keyser as Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters that need to be brought to the attention of the Shareholders.

The biographical details of the proposed appointment of Directors at the AGM are summarized in this appendix as required by the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolutions relating to the appointment:

Mr. HUANG Songyuan (黃頌源先生), aged 41, is the director of global margin business of the Group responsible for the management of investment business of the Group, including foreign exchange, commodities and equities business. He is currently one of the responsible officers of KVB Kunlun International (HK) Limited (“KVB HK”) and KVB Kunlun Pty Limited (“KVB AU”), and a director and managing principal of KVB Kunlun New Zealand Limited (“KVB NZ”), KVB HK, KVB AU and KVB NZ, all of which are subsidiaries of the Company. Mr. Huang joined the Group in August 2002 as an executive accountant of KVB NZ and was responsible for general accounting duties, book-keeping and financial reports. Mr. Huang was the manager of treasury strategy of KVB NZ and was responsible for the implementation of its dealing system and the day-to-day running of its global forex dealing operations and all its associated financial management.

Mr. Huang obtained his bachelor’s degree in accounting from the Sun Yat-Sen University (中山大學) in June 1999, his master’s degree in international business from the Auckland Institute of Studies at St. Helens, New Zealand in December 2000 and his graduate diploma in commerce from the University of Auckland in May 2002. Mr. Huang became a chartered financial analyst of the CFA Institute in September 2006. Mr. Huang has been a member of the Institute of Directors in New Zealand since 2015.

Subject to the approval by the Shareholders of the proposed appointment of Mr. Huang as an executive Director at the AGM, Mr. Huang will enter into a service agreement with the Company for a term of service commencing from the date of his appointment until 20 May 2021 and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Huang will be entitled to a director’s fee of HK\$240,000 per annum. The remuneration package of Mr. Huang was recommended by the Remuneration Committee and determined by the Board with the authorisation given by the Shareholders at the annual general meeting, with reference to prevailing market conditions and his role and responsibilities.

As at the Latest Practicable Date, Mr. Huang has 10,350,000 underlying Shares attached to the share options granted by the Company. Save as disclosed above, Mr. Huang does not have, and is not deemed to have, any interest in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO, nor any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company, and does not hold or has not held any directorships in other listed companies in Hong Kong or overseas in the past three years.

In relation to the proposed appointment of Mr. Huang as an executive Director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters that need to be brought to the attention of the shareholders of the Company.

Mr. WONG Yiu Kit, Ernest (黃耀傑先生) aged 50, is the Chief Financial Officer and the Company Secretary of the Company. Mr. Wong has been the President and Group Chief Financial Officer of KVB Kunlun Holdings Limited, a substantial Shareholder of the Company within the meaning of Part XV of SFO since November 2011. He is also a director of KVB HK. Mr. Wong has extensive experience in venture capital, corporate finance, business development, legal, IT, financial and general management

Currently he is an independent non-executive director of Renheng Enterprise Holdings Limited (HKEx Stock Code: 3628), HongDa Financial Holding Limited (HKEx Stock Code: 1822), Legend Strategy International Holdings Group Company Limited (HKEx Stock Code: 1355), Progressive Path Group Holdings Limited (HKEx Stock Code: 1581), China Regenerative Medicine International Limited (HKEx Stock Code: 8158) and Common Splendor International Health Industry Group Limited (HKEx Stock Code: 286). Besides, Mr. Wong has also served as a director of Adamas Finance Asia (London Stock Code: ADAM, listed on London AIM market (previously known as China Private Equity Investment Holdings Limited (“CPE”)).

Previously he was an executive director and the chief financial officer of CPE. He was in charge of the private equity investment, portfolio management, corporate finance activities including fund raising and initial public offering, financial management, legal services, IT and company secretarial work. Before that, Mr. Wong was the chief financial officer for Hong Kong Applied Science and Technology Research Institute Company Limited (“ASTRI”) and held management responsibilities for its overall financial, legal, IT, business development and corporate finance functions. Before joining ASTRI, Mr. Wong was the vice president for Vertex Management Pte Ltd. (now known as Vertex Venture Holdings Ltd.), focusing on venture investment in communications, IT and electronics sectors. Previously, he also held management positions at Guangdong Investment Ltd., Transpac Capital Limited and Accenture.

Mr. Wong earned his Bachelor of Business Administration degree from the University of Hong Kong, received his Master of Science in investment management from the Hong Kong University of Science and Technology and Master of Science in Electronic Engineering from the Chinese University of Hong Kong. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, United Kingdom and the Institute of Chartered Accountants in England and Wales. He is also a charter-holder of Chartered Financial Analyst, United States of America and a member of the Hong Kong Security Institute.

Subject to the approval by the Shareholders of the proposed appointment of Mr. Wong as an executive Director of the Company at the AGM, Mr. Wong will enter into a service agreement with the Company for a term of service commencing from the date of his appointment until 20 May 2021 and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Wong will be entitled to a director’s fee of HK\$240,000 per annum. The remuneration package of Mr. Wong was recommended by the Remuneration Committee and determined by the Board with the authorisation given by the Shareholders at the annual general meeting, with reference to prevailing market conditions and his role and responsibilities.

As at the Latest Practicable Date, Mr. Wong has 2,050,000 underlying Shares attached to the share options granted by the Company. Save as disclosed above, Mr. Wong does not have, and is not deemed to have, and other interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO, nor any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company, and does not hold or has not held any directorships in other listed companies in Hong Kong or overseas in the past three years.

In relation to the proposed appointment of Mr. Wong as an executive Director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

Mr. LI Jiong (李罔先生), aged 48, concurrently serves as the director of CITIC Securities Overseas Investment Company Limited which is a substantial Shareholder of the Company within the meaning of Part XV of the SFO and CITIC Securities International USA, LLC., as well as a chief treasury officer and person-in-charge of the treasury department of CITIC Securities Company Limited (“CITIC Securities”, a shareholder of CITIC Securities Overseas Investment Company Limited). After Mr. Li joined CITIC Securities in 1996, he had served as the manager of the international cooperation division of the information centre of China International Trust Investment Corporation (renamed to CITIC Group Corporation), manager of development department of CITIC International Cooperation Co., Ltd., manager of the bond department, deputy general manager of the treasury department and person-in-charge of the treasury department of CITIC Securities. Mr. Li obtained a bachelor’s degree in International Finance from the University of International Business and Economics in 1992 and a master’s degree in MBA from Tsinghua University in 2000.

Subject to the approval by the Shareholders of the proposed appointment of Mr. Li as a non-executive Director of the Company at the AGM, Mr. Li will enter into a letter of appointment with the Company for a term of service commencing from the date of his appointment until 20 May 2021 and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Li will be entitled to a director’s fee of HK\$120,000 per annum. The remuneration package of Mr. Li was recommended by the Remuneration Committee and determined by the Board with the authorisation given by the Shareholders at the annual general meeting, with reference to prevailing market conditions and his roles and responsibilities.

As at the Latest Practicable Date, Mr. Li does not have, and is not deemed to have, any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Li does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company, and does not hold or has not held any directorships in other listed companies in Hong Kong or overseas in the past three years.

In relation to the proposed appointment of Mr. Li as a non-executive director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. XU Jianqiang (許建強先生) aged 37, currently serves as the second-in-command of the equity derivative business line of CITIC Securities. After Mr. Xu joined CITIC Securities in August 2005, he had served as an analyst of the research department, product development manager of the equity derivative business line, trading supervisor of the equity derivatives business lines and supervisor of the equity derivative business of CITIC Securities International Company Limited. Mr. Xu obtained a bachelor's degree in Mathematics and Applied Mathematics from Peking University in 2003 and a master's degree in Mathematics from the University of British Columbia in 2005.

Subject to the approval by the Shareholders of the proposed appointment of Mr. Xu as a non-executive Director of the Company at the AGM, Mr. Xu will enter into a letter of appointment with the Company for a term of service commencing from the date of his appointment until 20 May 2021 and is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. Mr. Xu will be entitled to a director's fee of HK\$120,000 per annum. The remuneration package of Mr. Xu was recommended by the Remuneration Committee and determined by the Board with the authorisation given by the Shareholders at the annual general meeting, with reference to prevailing market conditions and his roles and responsibilities.

As at the Latest Practicable Date, Mr. Xu does not have, and is not deemed to have, any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Xu does not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company, and does not hold or has not held any directorships in other listed companies in Hong Kong or overseas in the past three years.

In relation to the proposed appointment of Mr. Xu as a non-executive Director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of KVB Kunlun Financial Group Limited (“Company”) will be held on Monday, 21 May 2018, at 10:30 a.m. (Hong Kong time) at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong for the following purposes:

1. To receive and adopt the audited consolidated financial statements, directors’ report and independent auditor’s report of the Company for the year ended 31 December 2017;
2. To re-elect Mr. Cornelis Jacobus Keyser as an independent non-executive director of the Company;
3. Mr. Huang Songyuan as an executive director of the Company.
4. Mr. Wong Yiu Kit Ernest as an executive director of the Company.
5. Mr. Li Jiong as a non-executive director of the Company.
6. Mr. Xu Jianqiang as a non-executive director of the Company.
7. To authorise the board of directors to fix the remuneration of the directors.
8. To re-appoint PricewaterhouseCoopers as the auditors of the Company and to authorise the board of directors to fix their remuneration.

By way of special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

9. **“THAT:**
 - (a) subject to paragraph (c) of this resolution below, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong (“Stock Exchange”), the exercise by the directors of the Company during the Relevant Period (as

NOTICE OF ANNUAL GENERAL MEETING

hereinafter defined in this resolution) of all the powers of the Company to allot, issue or deal with unissued shares in the share capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined in this resolution); or
 - (ii) any share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or
 - (iv) the exercise of rights of subscription or conversion under the terms of any warrants or convertible bonds issued by the Company or any securities which are convertible into shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the laws of the Cayman Islands or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the members of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

10. **“THAT:**

- (a) subject to paragraph (b) of this resolution below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to repurchase its own shares on the Stock Exchange or any other stock exchange on which shares in the capital of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company on the Stock Exchange or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority granted to the directors of the Company pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the laws of the Cayman Islands or any other applicable laws to be held; and
- (iii) the passing of an ordinary resolution by the members of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

11. “**THAT** conditional upon the passing of resolution no. 9 and resolution no. 10 above, the general mandate granted to the directors of the Company pursuant to resolution no. 10 above and for the time being in force to exercise the powers of the Company to allot, issue or deal with unissued shares of the Company and to make or grant offers, agreements and options which would or might require the exercise of such power, be and is hereby extended by the aggregate nominal amount of shares in the share capital of the Company repurchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the Company of the powers of the Company to purchase such shares, provided that such amount of shares shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

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

Hong Kong, 18 April 2018

Registered office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Suites 7501 & 7508, 75/F,
International Commerce Centre,
1 Austin Road West, Kowloon,
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote on his behalf. A proxy need not be a member of the Company.
2. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
3. To be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Whether or not you propose to attend the meeting in person, you are strongly urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the meeting and voting in person if you so wish. In the event that you attend the meeting after having lodged the form of proxy, it will be deemed to have been revoked.

NOTICE OF ANNUAL GENERAL MEETING

5. The register of members of the Company will be closed from Wednesday, 16 May 2018 to Monday, 21 May 2018, 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 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. (Hong Kong time) on Tuesday, 15 May 2018.
6. In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, all resolutions to be proposed at the meeting convened by this notice will be voted on by way of poll.

As at the date of this notice, the Board comprises the following Directors:

Executive Director:

Mr. Liu Stefan (*Chief Executive Officer*)

Non-executive Directors:

Mr. Li Zhi Da (*Chairman*)

Mr. Stephen Gregory McCoy

Independent Non-executive Directors:

Ms. Zhao Guixin

Mr. Cornelis Jacobus Keyser

Mr. Lin Wenhui