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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)

INSIDE INFORMATION

IDENTIFICATION AND DISENGAGEMENT OF PRC DOMESTIC CLIENTS

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 (Cap. 571 of the Laws of Hong Kong).

As a holder of the Australian Financial Services License, the Group received a letter (the “**Letter**”) from Australian Securities and Investments Commission (“**ASIC**”) dated 18 April 2019 to its licensees which reminded licensees that they were obliged to comply with applicable laws of foreign jurisdictions, and recommended that licensees should seek legal advice to ensure that the products and services they offer to their clients comply with applicable foreign laws.

Certain subsidiaries of the Group hold Australian and New Zealand financial services licenses, and as at the date of this announcement, the online forex margin trading platform of the Group’s Australian and New Zealand subsidiaries is targeted towards, among others, ethnic Chinese, thus there exists a number of clients with Chinese names (“**Existing Ethnic Chinese Clients**”). In view of the Letter, the board of directors (the “**Board**”) of the Company has sought legal advice from its lawyer as to the laws of the People’s Republic of China (the “**PRC**”).

In line with the advice from the Company's legal advisers on the PRC laws, a detailed survey of the Group's Existing Ethnic Chinese Clients will be conducted with a view to identifying anyone who is, or who may possible be, classified as a PRC domestic client. Any person identified as an actual or potential PRC domestic client will then be disengaged as soon as possible ("**Identification and Disengagement of PRC Domestic Clients**"). The Board believes the commencement of the Identification and Disengagement of PRC Domestic Clients will ensure the Group's legal compliance and is in the interests of the Company and its shareholders as a whole, but there may be negative effects on the results of the Group.

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, 31 May 2019

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

Executive Directors

Mr. LIU Stefan (*Chief Executive Officer*)
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