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)

INSIDE INFORMATION – PROFIT WARNING
IN RELATION TO THE FIRST QUARTERLY RESULTS OF
THE COMPANY FOR THE THREE MONTHS ENDED 31 MARCH 2014

This announcement is made by KVB Kunlun Financial Group Limited ("**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**") and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Based on preliminary review by the board ("**Board**") of directors ("**Directors**") of the Company on the unaudited management accounts of the Group, the Board wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that the Group is expected to record a net loss for the three months ended 31 March 2014, which is mainly due to (i) a reduction in leveraged foreign exchange and other trading income earned from external customers due to reduced market volatility compared to the three months ended 31 March 2013; (ii) the incurrence of significant amount of marketing expenses during the three months ended 31 March 2014; and (iii) the incurrence of the expenses in relation to the grant of share options of the Company pursuant to the share option scheme of the Company on 10 January 2014. The Board considered that the incurrence of the marketing expenses was to further enhance the corporate image and business development of the Group in order to generate further income in the future, which is in the interest of the Company and its shareholders as a whole in the long run.

This announcement is only based on the preliminary review and assessment by the Board of the unaudited management accounts of the Group, which have not been confirmed nor audited by the Company's auditors. The Company is in the process of finalising the unaudited first quarterly results of the Group for the three months ended 31 March 2014. The unaudited first quarterly results announcement of the Group for the three months ended 31 March 2014 is expected to be published on or about 5 May 2014.

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

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

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Hong Kong, 17 April 2014

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 GEM Listing Rules 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 website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at 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.