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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 six months ended 30 June 2019 (the “**Relevant Period**”), it is expected that the Group would result in a substantial loss for the Relevant Period as compared to the net profit for the six months ended 30 June 2018. Based on the information currently available to the Board, the Board considers that such substantial loss was mainly 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 Relevant Period;
- regulatory authorities in different countries, including Australia and Hong Kong, tightened the regulations on leveraged foreign exchange trading which led to investors’ re-consideration on their investment portfolio; and
- the global economy has entered a synchronized slowdown during the Relevant Period which affect investors’ attitude towards investment in leveraged foreign exchange and commodity products.

This announcement is a preliminary assessment made by the management of the Company based on the internal unaudited management accounts of the Group for the Relevant Period, which have not been audited or reviewed by the Company's independent auditor, nor have been confirmed by the audit committee of the Company. The Company is in the process of finalising the results for the Relevant Period for the review by the audit committee of the Company. The interim results announcement for the Relevant Period is to be published not later than end of August 2019.

Shareholders 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, 17 July 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. Yuan Feng (*Deputy Chief Executive Officer*)
Mr. Huang Songyuan
Mr. Wong Yiu Kit, Ernest (*Chief Financial Officer*)

Non-executive Directors

Mr. Li Jiong (*Chairman*)
Mr. Stephen Gregory McCoy
Mr. Xu Jianqiang

Independent Non-executive Directors

Mr. Wu Jianfeng
Mr. Christopher Wesley Satterfield
Ms. Hu Zhaoxia
Mr. Jin Shaoliang