

**KVB KUNLUN FINANCIAL GROUP LTD:
A SMALLISH COMPANY, GOING UP AGAINST THE BIG BOYS**

Then, Again, Little Fishes Can Be Sweet

KVB Kunlun Financial Group Ltd () (Code: 8077, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) describes itself as being a '*financial investment services corporation*', specialising in serving the overseas Chinese and Japanese communities in New Zealand, Australia and the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

However, truth be known, this Company is heavily weighted to foreign-exchange dealings where, for the 24 months, ended December 31, 2012, it has generated the lion's share of its total revenue.

The Company published its Placing Prospectus on June 11, 2013, when it determined to try to have Placed a total of 343,345,000, one-cent Shares at the Placing Price of 45.20 cents Per Placing Share.

The Placing Shares are not underwritten and the Placing is managed by the Joint Lead Managers – Cinda International Securities Ltd () and Quam Securities Company Ltd () – on a '*best-efforts basis*'.

Page 40 of the Placing Prospectus states:

'Should the amount of the gross proceeds raised under the Placing be less than HK\$155,191,940 (being 343,345,000 Placing Shares times the Placing Price of HK\$0.452 per Placing Share), the Placing will not proceed.'

The present timetable for this Company is that, on July 2, 2013, Management will announce the allotment of Placing Shares; and, dealing in the Shares will commence one day later, that is Wednesday, July 3, 2013.

The reason for the Placing of Shares is given at Page 324 of the Placing Prospectus where it is stated that the Company feels that going public '*will enhance our capital base and provide us with additional working capital to implement the future plans ...*'.

Based on the Placing Price Per Share of 45.20 cents, it is estimated that the Company will bag about \$HK125.30 million.

That amount of money will be used, over the next 30 months, for the following purposes:

- Expansion of operations in the worldwide overseas Chinese and Japanese communities – about \$HK36 million;
- Increase in the range of the Company's financial services and products – \$HK35 million;
- Further upgrade of the Company's online trading platform – \$HK28 million; and,
- Strategic growth through mergers and acquisitions – \$HK21 million.

The History and an Overview

KVB Kunlun Financial's history can be traced back to 2001 when Mr Li Zhi Da () and his wife – Ms Tsui

Wang () – incorporated KVB Kunlun New Zealand Ltd, founded on September 6, 2001. This company today, is a wholly owned subsidiary of KVB Kunlun Financial Group Ltd.

Ms Tsui Wang died in October 2011 ... [CLICK TO ORDER FULL ARTICLE](#)

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