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Victory Securities (Holdings) Company Limited

勝利證券(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8540)

PROFIT WARNING

This announcement is made by Victory Securities (Holdings) Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, including the unaudited consolidated management accounts for the year ended 31 December 2018, the Group is expected to record a significant decrease in its net profit for the year ended 31 December 2018 by approximately 65% as compared to that for the year ended 31 December 2017.

The Board considers the expected significant decreases in the Group’s net profit for the year ended 31 December 2018 is mainly attributable to:

- (1) substantial decrease in revaluation gain from investment properties;
- (2) increase in provision for loss on guaranteed contracts pursuant to the “loss protection” clause in the asset management agreements;
- (3) increase in foreign exchange losses mainly from assets denominated in Reminbi due to depreciation of RMB; and

- (4) fair value loss on financial assets at fair value through profit or loss recorded for the year ended 31 December 2018, as compared to a fair value gain in financial assets at fair value through profit or loss for the corresponding period due to sluggish performance in the Hong Kong stock market in the second half of the year 2018.

The information contained in this announcement represents only a preliminary assessment by the Board based on information currently available to the Company including the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 which have not been audited or reviewed by the Company's auditors and have not been reviewed by the audit committee of the Company. As at the date of this announcement, the Company is in the process of finalising the unaudited consolidated financial results of the Group for the year ended 31 December 2018, and such results are subject to necessary adjustments. The unaudited consolidated financial results of the Group for the year ended 31 December 2018 will be published in March 2019. Shareholders and potential investors are advised to pay attention to such consolidated financial results of the Group when published.

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

By Order of the Board
Victory Securities (Holdings) Company Limited
Chan Pui Chuen
Executive Director and Joint Company Secretary

Hong Kong, 22 February 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Kou Kuen, Mr. Chiu Che Leung, Stephen, Mr. Chan Pui Chuen and Ms. Yao Yunzhu, one non-executive Director, namely Mr. Chan Ying Kit (Chairman) and three independent non-executive Directors, namely Mr. Leung Kwong Kin, Mr. Liu Chun Ning Wilfred and Dr. Yan Ka Shing.

This announcement, for which the Directors 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, having made all reasonable enquiries, 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 “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.victorysec.com.hk).