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恒投證券
HENGTOU SECURITIES

(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "恒泰证券股份有限公司" and carrying on business in Hong Kong as "恒投證券" (in Chinese) and "HENGTOU SECURITIES" (in English))

(the "**Company**")
(Stock Code: 01476)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Group and a preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, the Group is expected to record a loss attributable to the Shareholders for the year ended 31 December 2018 of approximately RMB672.36 million, while the profit attributable to the Shareholders for the year ended 31 December 2017 of the Group was approximately RMB706.20 million.

The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, which has not been reviewed or audited by the auditors of the Company nor approved by the audit committee of the Company.

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

This announcement is made by the Company (together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 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 of the Laws of Hong Kong).

The board of directors (the "**Board**") 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 Group and a preliminary assessment by the Company on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, the Group is expected to record a loss attributable to the Shareholders for the year ended 31 December 2018 of approximately RMB672.36 million, while the profit attributable to the Shareholders for the year ended 31 December 2017 of the Group was approximately RMB706.20 million. The Board considers that the expected loss was mainly due to the continued downturn volatilities in the entire Chinese stock market in 2018 with significant declines in major indexes. As a result, the Company's proprietary business suffered relatively significant losses. The Group will further promote business transformation and comprehensively strengthen its risk prevention and control capabilities. In respect of the proprietary business, greater efforts will be made in forward-looking research, the position structure will be adjusted on a dynamic basis, and the allocation of trading position will be optimized so as to overcome the adverse impacts from market volatility.

The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2018, which has not been reviewed or audited by the auditors of the Company nor approved by the audit committee of the Company. The actual financial results of the Company for the year ended 31 December 2018, which may be different from what is disclosed in this announcement, will be audited by the auditors of the Company and will be disclosed in the annual results announcement of the Company for the year ended 31 December 2018, which is expected to be published before the end of March 2019.

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
Pang Jiemin
Chairman

Beijing, the PRC
30 January 2019

As at the date of this announcement, the Board comprises Mr. Pang Jiemin and Mr. Wu Yigang as executive Directors; Mr. Zhang Tao, Mr. Sun Chao, Ms. Dong Hong and Ms. Gao Liang as non-executive Directors; Ms. Zhou Jianjun, Dr. Lam Sek Kong and Mr. Lv Wendong as independent non-executive Directors.