鲁证期货
LUZHENG FUTURES

LUZHENG FUTURES Company Limited
魯証期貨股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01461)

PROFIT WARNING

This announcement is made by LUZHENG FUTURES Company Limited (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 (within the meaning of the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the 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 information currently available to the Company and the preliminary assessment on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, the Company expects the Group to record a decrease of approximately 55% to 60% in net profit attributable to the Shareholders for the six months ended 30 June 2019 as compared to the corresponding period in 2018. The current period's expected decrease in business performance was mainly due to the following factors: (i) the downward adjustment of market interest rates and the changes in the fee cut policies of the exchanges during the six months ended 30 June 2019, resulting in a significant decline in the income of futures companies. Meanwhile, due to the restrictions on the basic resources of the exchanges' programmatic trading, the Company's programmatic trading has shrunk significantly as compared with last year, resulting in further decline in income; (ii) a significant swing in the Company's investment income as a result of the changes in the fair value of the financial instruments held by the Company; and (iii) in response to the internationalization of the futures market of the Mainland China, the Company has been actively expanding its international footprints, and new establishments have increased the operating costs in the short term. The Company will further make great efforts in developmental innovation and transformation, strengthen the risk control, optimize and improve the Company's profit structure to overcome the adverse impact of market volatility on the Company's operations.

The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2019, which has not been reviewed or audited by the auditors of the Company and approved by the audit committee of the Company. The Group's actual financial results for the six months ended 30 June 2019, which may be different from what is disclosed in this announcement, will be reviewed by the auditors of the Company and will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2019, which is expected to be published before the 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
LUZHENG FUTURES Company Limited
CHEN Fang
Chairman

Jinan, the PRC
30 July 2019

As at the date of this announcement, the Board consists of Mr. CHEN Fang and Mr. LIANG Zhongwei as executive directors; Mr. YIN Ge, Mr. LI Chuanyong and Mr. LIU Feng as non-executive directors, and Mr. GAO Zhu, Mr. YU Xuehui, Mr. WANG Chuanshun and Mr. LI Dapeng as independent non-executive directors.