China Industrial Securities International Financial Group Limited

興證國際金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6058)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on an initial assessment of the Group's unaudited consolidated management accounts, the Group is recorded a net loss for the ten months ended 31 October 2019 as compared to a net profit for the ten months ended 31 October 2018.

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

This announcement is made by China Industrial Securities International Financial Group 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 (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 of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on an initial assessment of the Group's unaudited consolidated management accounts, the Group is recorded a net loss for the ten months ended 31 October 2019 as compared to a net profit for the ten months ended 31 October 2018. The net loss is mainly attributable to (i) the Hong Kong economy suffered the worst performance since the 2009 economic recession this year, and has already slipped into a technical recession since the third quarter. The Hong Kong economy faces major challenges, the capital market continues downturn with a decline in trading volume, resulting in a decline in the revenue of the Company's brokerage business; and (ii) After a regular review on the client's margin account portfolio and financial position, the Company has made an impairment provision of HK$383.6290 million for the relevant margin loan based on the impairment management method and the expected credit loss model.

As a result of the above-mentioned factors, the Group is also expected to record a net loss for the year ending 31 December 2019. The Company will make further announcement in respect of the financial position of the Group as and when appropriate.

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

By Order of the Board
China Industrial Securities International Financial Group Limited
Huang Yilin
Chairman

Hong Kong, 7 November 2019

As at the date of this announcement, the Board comprises a non-executive Directors, namely Mr. Huang Yilin (Chairman), four executive Directors, namely Mr. Huang Jinguang, Mr. Wang Xiang, Ms. Zeng Yanxia and Ms. Zhang Chunjuan, and three independent non-executive Directors, namely Ms. Hong Ying, Mr. Tian Li and Mr. Qin Shuo.