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兴证国际
INDUSTRIAL SECURITIES INTERNATIONAL

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 expected to record a net loss of approximately HK$462 million for the year ended 31 December 2019 as compared to net profit recorded in the last financial year.

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, which have not been audited or reviewed by the Company's auditors and have not been reviewed by the audit committee of the Company.

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 expected to record a net loss of approximately HK$462 million for the year ended 31 December 2019 (the "**Year**") as compared to net profit recorded in the last financial year. 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) an expected credit loss on accounts receivables arising from margin loan of the Group in 2019.

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, 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 audited consolidated financial results of the Group for the Year, and such results are subject to necessary adjustments. The audited consolidated financial results of the Group for the Year is expected to be published at the end of March 2020. Shareholders and potential investors are advised to pay attention to such consolidated financial results of the Group when published.

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, 20 March 2020

As at the date of this announcement, the Board comprises one non-executive Director, namely Mr. Huang Yilin (Chairman), four executive Directors, namely Mr. Li Baochen, 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.