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## **Central China Securities Co., Ltd.**

*(a joint stock company incorporated in 2002 in Henan Province, the People's Republic of China with limited liability under the Chinese corporate name "中原证券股份有限公司" and carrying on business in Hong Kong as "中州证券")*  
**(Stock Code: 01375)**

### **PROPOSED CHANGE OF AUDITORS**

In accordance with relevant requirements under the Notice of the Ministry of Finance on Printing and Distributing the Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Financial Enterprise (Caijin [2020] No. 6) (《財政部關於印發〈國有金融企業選聘會計師事務所管理辦法〉的通知》(財金[2020] 6號)), the term of appointment of an accounting firm by a financial enterprise shall not exceed five consecutive years in principle and the term of appointment of an accounting firm conforming to the requirements of such measures shall not exceed eight consecutive years. Since the period for providing auditing services to Central China Securities Co., Ltd. (the "**Company**") by ShineWing Certified Public Accountants (Special General Partnership) has exceeded the prescribed time limit, the Company is required to change the accounting firm in 2021. The board of directors of the Company ("**Board**") has resolved on 28 May 2021 to propose the appointment of Da Hua Certified Public Accountants (Special General Partnership) as the accounting firm of the Company for the year of 2021 with a term of one year to provide both domestic and overseas audit services under the China Accounting Standards for Business Enterprises.

The Company has communicated with ShineWing Certified Public Accountants (Special General Partnership) in advance in respect of the proposed change of auditors, and ShineWing Certified Public Accountants (Special General Partnership) has no objection to this. As confirmed by ShineWing Certified Public Accountants (Special General Partnership) to the Company in writing, there is no matter relating to the proposed cessation of re-appointment need to be brought to the attention of the shareholders of the Company. The Board also confirmed that, save as the reason disclosed above, there is no matter relating to the proposed change of auditors need to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere gratitude to ShineWing Certified Public Accountants (Special General Partnership) for its diligent work during the years of providing audit services for the Company.

As for the appointment of Da Hua Certified Public Accountants (Special General Partnership) as the auditing firm of the Company for the year of 2021, the audit and review fees will be RMB950,000 in total (including the interim review fee of RMB150,000, the audit fee of RMB600,000 for annual financial reports and special regulatory report, and audit fee of RMB200,000 for internal control), representing a decrease of 68% as compared with last year. The audit fee for the year of 2021 is determined by reference to the level of fees charged in the same industry, taking into account the nature of the audit services, the level of risk, the complexity and other factors. If there is an increase in the audit fee subsequently due to additional audit work or other reasons, it is proposed to the shareholders' general meeting of the Company that the Board be authorized to determine the adjustment of relevant audit fees.

The proposed change of auditors as mentioned above is subject to the approval of shareholders of the Company at the 2020 annual general meeting of the Company by way of ordinary resolution.

By order of the Board of  
**Central China Securities Co., Ltd.**  
**Jian Mingjun**  
*Chairman*

Henan, the PRC  
28 May 2021

*As at the date of this announcement, the Board comprises executive Directors Mr. JIAN Mingjun and Mr. CHANG Junsheng; non-executive Directors Mr. LI Xingjia, Mr. WANG Lixin, Mr. TIAN Shengchun, Mr. ZHANG Xiaoqi and Mr. LU Benson Cheng; independent non-executive Directors Mr. YUEN Chi Wai, Mr. NING Jincheng, Mr. YU Xugang and Ms. ZHANG Dongming.*