



中州证券

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



2018

Environmental, Social and Governance Report

About the Report

Brief Introduction

The Report of Central China Securities Co., Ltd. (CCSC) for 2018 is the third Environmental, Social and Governance Report (the "ESG Report") issued by CCSC (which carries out business in the name of 中原证券股份有限公司 in mainland China) (hereinafter the "Company") and its subsidiaries (the "Group"). Based on the principles of materiality, quantification, balance and consistency, the report details the practice and performance of CCSC in the field of environmental, social and governance responsibilities in 2018. This report has been prepared by the Company in both Chinese and English languages. In the event of any discrepancies between the English version and the Chinese version, the Chinese version shall prevail.

Time Frame

The time frame is from January 1, 2018 to December 31, 2018 (the "Reporting Period"). In order to enhance the comparability and completeness of the report, some of the contents are appropriately traced back to previous years.

Release Cycle

This report is an annual ESG report. The last report was issued in July 2018.

Report Scope

The ESG Report covers the operations of CCSC, its operating subsidiaries in the People's Republic of China and in Hong Kong SAR and other regions.

Preparation Basis

The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide ("the ESG Reporting Guide") of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

Data Source and Reliability Guarantee

The data sources used in the ESG Report include open data of government departments, relevant statistical reports of CCSC, third-party questionnaires, administrative documents, reports and third-party evaluation interviews. The CCSC guarantees that there are no false records, misleading statements or major omissions in the ESG Report.

The currencies in this report are all in RMB except for special marks.

Reference

For the convenience of expression and reading, Central China Securities Co., Ltd. in this report is also referred to as CCSC, Our Group, the Company or We.

Report Acquisition

This report is available in PDF format:

HKEXnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>)

Official website (<http://www.ccnew.com>)

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Be a Pragmatic Enterprise

Incorporated at the end of 2002, Central China Securities Co., Ltd., since inception, with the philosophy of "Kindness, Integrity, Persistence, Pragmatism", gradually improved the business system, extended the business scope and enhanced the comprehensive strength. With influence, popularity and reputation in the industry continuously strengthened, we have been a comprehensive securities company with relatively strong competitiveness.

Since 2014, CCSC has entered the fast lane of development. The Company has completed the listing and placing of new shares in Hong Kong, and the A-share listing successively. It has become the eighth securities company in China to realize the listing in both mainland and Hong Kong, and the first A+H financial enterprise in Henan Province, achieving a landmark leap in its history.

The year 2018 marked the Company's deepening reform and new layout. Facing the complicated and changeable economic situation at home and abroad, the fluctuations and risks of the securities market, the Company calmly coped with them and kept pace with changes. It grasped the strategic opportunity period brought by the deep adjustment of the industry and completed the all-round reform of most business lines such as investment banks, proprietary trading and capital management, and has effectively attracted a large number of high-end talents to join us. The significantly improved professional services, effectively stimulated endogenous motivation of employees, greatly enhanced ability of compliance and risk control gradually brought the effect of reform into full play. Business units and subsidiaries like brokerage, investment banking, fixed income investment, Central China Blue Ocean Investment Management Company Limited (hereinafter referred to as "Central China Blue Ocean"), Zhongding Kaiyuan Venture Capital Management Co., Ltd. (hereinafter referred to as "ZDKY Venture Capital") and Henan Central China Micro-lending Company Limited. (hereinafter referred to as "Central China Micro-lending") have performed well, especially Central China Equity Exchange Co., Ltd. (hereinafter referred to as "Equity Exchange Co.") realized a total number of over 4,500 listed companies. The Party building and honest administration has been further improved. The work of poverty alleviation has been fully affirmed by all sectors of society, which explains the Company's consistent corporate responsibility.

In 2018, the Company thoroughly implemented the spirit of the Nineteenth National Congress of the Communist Party of China (the "CPC"), and resolutely focused on the "Three Major Battles"

related to the decisive victory in building a moderately prosperous society in all respects, and supervised the effective implementation of central decision-making and deployment. First is to prevent and mitigate major risks. In view of potential business risk incidents, special working groups were formed in coordination with compliance, risk control, auditing and other departments to find out the root causes of the problems, clarify responsibilities and promote the establishment or improvement of relevant business norms. Second, efforts in poverty alleviation are strengthened. We have been to Shangcai County and Luochen Village Luochen Township, Guangshan County, Xinyang City many times to support poverty alleviation and helped to study and formulate eight major measures for local development. Third, the concept of green development is firmly advocated. We have developed the concept of green development, strictly supervised the EIA of investment banking projects, and attached priority to the policy compliance of pollution prevention and control in undertaking projects, taking practical actions to participate in the battle of pollution prevention and control.

In 2018 we started the strategic positioning of "Second Take-off". With the far-reaching significance being attached to the strategic position of China's capital market, the reform blueprint of top-level design is clearly displayed, and a series of market-oriented reform measures have been launched one after another. The securities industry is facing unprecedented opportunities. At the same time, the reform in the Company's various businesses will be fully demonstrated in 2019, yielding positive results.

Under the guidance of Xi Jinping's socialist ideology with Chinese characteristics in the new era, we will continue to strengthen the Party's construction, accelerate reform and opening-up, constantly improve the level of professional services, comprehensively speed up the development of various businesses, gradually form business characteristics, shape the core competitiveness, make every effort to create good business performance, and strive to achieve the bumper harvest in terms of Party building and business growth. We will also continue to strengthen the implementation of social responsibility, treat investors as generously as possible, and make new and greater contributions to the Company's better performance and the healthy development of China's capital market.

About the Company

History

Honors and Awards

CSR Milestones

Major Stakeholders

History

On September 19, 2002



Central China Securities Co., Ltd. was incorporated with the founding meeting being held in Zhengzhou. On November 8 of the same year, the Company was registered with Henan Provincial Administration for Industry and Commerce and was formally established.

On June 25, 2014



The Company was successfully listed on the main board of the Hong Kong Stock Exchange and raised HKD1.501 billion. It was the first provincial securities company listed in Hong Kong from the mainland.

On August 8, 2015



The Company successfully completed the placing of new shares in Hong Kong, raising HKD2.534 billion. On September 8 of the same year, Central China International Financial Holdings Company Limited, a Hong Kong subsidiary of the Company (Central China International), opened its business.

On January 3, 2017







The Company was successfully listed on the Shanghai Stock Exchange and raised 2.80 billion yuan. It was the eighth A+H securities company in the mainland, realizing its "First Take-off".

In March, 2018



The Company formally put forward the development goal of "Second Take-off", and started all-round reform around improving professional service level and building core competitiveness.

Honors and Awards

-  "Excellent Case Award" for Securities Dealers, China, 2018
-  "Active Traders" in the Interbank Local Currency Market in 2018
-  "Excellent Awards for Innovation in Poverty Alleviation", China Securities and Futures Industry, 2018
-  "Excellent Futures Research Team" awarded by Dalian Commodity Exchange in 2018 for the investment research team of Central China Futures Co., Ltd.
-  Yuxin, a subsidiary of Central China Futures Co., Ltd., has been consecutively awarded the title of "Excellent Risk Management Subsidiary" of Zhengzhou Commodity Exchange

CSR Milestones



A total of 885,000 yuan was given to 195 employees in need, and 42,000 yuan was donated to 28 poor families in Pingyu County.



A total of RMB 210,000 was spent to purchase agricultural and sidelines products from poverty-stricken villagers in Zhangzhuang Village, Lankao County, Guanqiao Village, Gushi County, Luo Chen Village, Guangshan County and Tongbai County, and 60 poor households benefited from setting up archives and licensing cards.



Student supplies worth of the RMB 10,000 yuan were provided as a gift for poor students in Luo Chen village, Guangshan County, Henan Province 630 books worth of RMB 0.488 million were provided to the poverty-stricken counties and cities such as Lankao County, Gushi County, Tongbai County, Shangcai County, Guangshan County, Pingyu County in Henan province and Hami City in Xinjiang for education development.



More than 1,300 enterprises in poverty-stricken counties were assisted to get listed in the Equity Exchange Co..

Major Stakeholders

The Company attached great importance to stakeholder communication, and established a normal communication mechanism with the government and regulatory agencies, shareholders, customers, employees, communities and the public that may have an important impact on the sustainable development of the Company. By communicating with stakeholders, we deeply understood the requirements, opinions and suggestions of all parties, and chose key issues to fulfill corporate social responsibility according to stakeholders' concerns so as to realize the combination of social responsibility and daily operation of the Company and create shared value.

Major Stakeholders and Social Responsibilities Concerns

Major Stakeholders	Idea of Responsibility	Communication and Response	Major Concerns
 Governments and regulatory agencies	The government plays a regulatory role in our business operations	<ul style="list-style-type: none"> · Institutional inspection · Policy implementation · Compliance management 	<ul style="list-style-type: none"> · Risk and control · Strategic cooperation · Payment of taxes according to law · Combating Corruption and promoting integrity · Green operation
 Shareholders	We value shareholder returns and create value for shareholders	<ul style="list-style-type: none"> · The general meeting of shareholders · Financial statements and Performance reports · Investor communication conference and research 	<ul style="list-style-type: none"> · Operational performance · Corporate governance · Investor relations management · Audit and internal control
 Customers	Customers are our primary resource for survival and development	<ul style="list-style-type: none"> · Customer service · Feedback and complaints · Social media such as Wechat Public Account 	<ul style="list-style-type: none"> · Responsibility management · Information system maintenance and security · Customer consultation and complaint management · Investor education and training
 Employees	Talents are our core strategic resources	<ul style="list-style-type: none"> · Staff activities · Trade Union communication · Staff training · Employee Care Plan 	<ul style="list-style-type: none"> · Salary policy and labor standards · Training system and career development · Leisure-time activities and employee care
 Society and the Public	Harmonious and stable social environment is the foundation of our development	<ul style="list-style-type: none"> · Community activities · Employee volunteers · Charitable public welfare projects · Poverty alleviation by financial means 	<ul style="list-style-type: none"> · Poverty alleviation by consumption · Poverty alleviation through education · Assistance and aid

Brief Introduction

The Company is currently the only corporate securities company registered in Henan Province. After more than ten years development, it has become a comprehensive securities company with unique regional advantages.

The Company was established on November 8, 2002, and registered with Henan Provincial Administration for Industry and Commerce with a registered capital of RMB 1,033.79 million. After the establishment, upon the approval by the China Securities Regulatory Commission(the "CSRC"), it acquired the securities business department and securities service department of Henan Securities Co., Ltd. On June 25, 2014, the Company issued 598.1 million H shares for the first time and listed them on the main board of the Hong Kong Stock Exchange (Stock Short Name CC SECURITIES, Stock Code 01375) to raise HKD1.501 billion. In August 2015, the Company issued 592.119 million new H shares, which were listed on the main board of the Hong Kong Stock Exchange and raised HKD2.534 billion. On December 22, 2016, it issued 700 million A share for the first time and was listed on the Shanghai Stock Exchange on January 3, 2017(Stock Short Name 中原证券, Stock Code 601375).

The Company's business scope includes: securities brokerage; securities investment consulting; financial consultants related to securities trading and securities investment activities; securities underwriting and sponsorship; securities self-operation; securities asset management; securities investment fund consignment; intermediary introductions for futures companies; financing and securities trading business; consignment of financial products (where the above scope requires approval, it will not be operated before approval).

At present, the Company directly owned four domestic subsidiaries and one overseas subsidiary, namely, Central China Futures Co., Ltd., ZDKY Venture Capital, Central China International, Central China Blue Ocean and Equity Exchange Co.. As of December 31, 2018, the Company has 24 branches and 88 securities business outlets in mainland China.

Company Profile

Brief Introduction

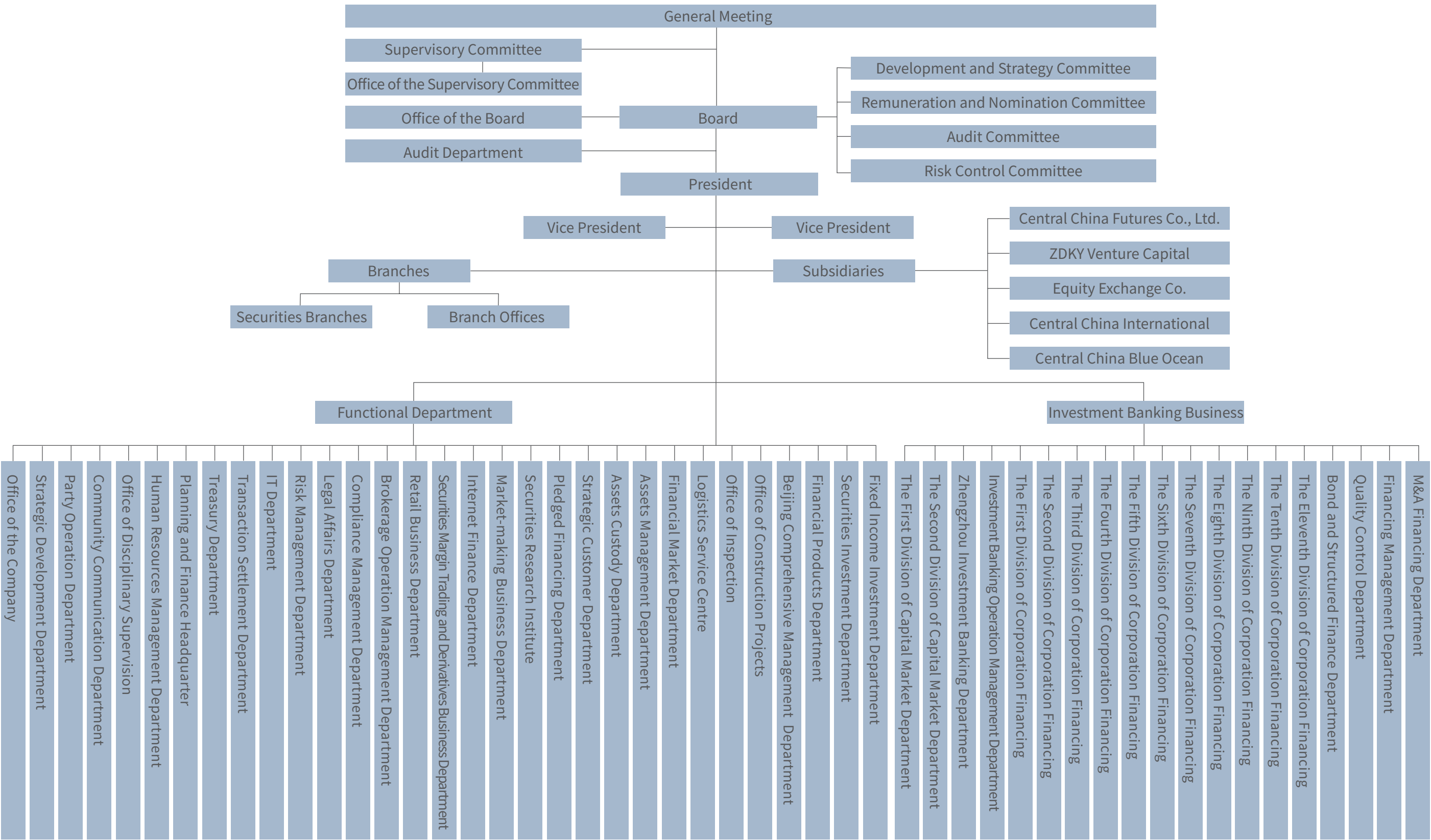
Organization Structure

Main Businesses

Corporate Culture

Development Strategies

Organization Structure



Main Businesses

The Company is principally engaged in the brokerage business, investment banking business, investment management business, proprietary trading business and offshore business.



The brokerage business of the Company refers to the Company's business of trading of stocks, funds, bonds and futures on behalf of the customers based on their engagement in return for customers' commission. In recent year, the Company actively seized opportunities, took the initiative in adjusting the structure of securities brokerage business, accelerated the functional transformation of branches of traditional brokerage businesses and the development of various specialised teams, continuously deepened the application of financial technologies, effectively promoted the deep transformation of business mode from channel service to online and offline integrated wealth management service mode, and constantly improved the response and satisfaction capability of different customer groups in wealth management and other integrated financial services.



The investment banking business of the Company mainly includes the underwriting and sponsorship business of equity securities, the underwriting business of bond products, the financial consultancy business regarding mergers and acquisitions, and business for the New Third Board. The Company obtains the corresponding returns such as underwriting fee, sponsorship fee and financial consultancy fee by providing the aforesaid financial services to customers.



The Company's investment management business is mainly comprised of asset management business, private fund management business, alternative investment business. For asset management business, the Company fully leveraged its extensive experience in the industry to strengthen team building works and enhance operation efficiency, with a view to providing customers with diversified and customized product options. In cooperation with local governments, large enterprises and

advanced investment institutions, the private fund management business has initiated the establishment and management of various industrial funds, venture fund, and merger and acquisition funds to guide and stimulate social capital, invest in high- quality unlisted enterprises, solve enterprise capital bottleneck, serve the cultivation of local industries, and support real economy development. The alternative investment business mainly focuses on equity investment and financial asset investment, with an aim to obtain current income and medium and long- term income.



The scope of investment of the proprietary trading business of the Company includes publicly offered stocks, bonds, funds, derivatives and other financial products approved by the CSRC. During the development process, the securities proprietary business of the Company has adhered to the principles of value investment and "flexible allocation and stable operation" and actively explore new management models, resulting in the effective control of investment risks.



On the basis of the Type 1, Type 2, Type 4, Type 5, Type 6 and Type 9 licenses granted by the SFC, as well as the money lender's license issued by the Court of Hong Kong, the business scope of the Company's overseas business covers comprehensive capital market services, including securities brokerage, margin financing, futures brokerage, investment banking, asset management, securities research, stock-secured financing, proprietary investment, etc. Under the capital market environment with intensified volatility in the Hang Seng Composite Index, the overall overseas business of the Company maintained stable development, gradually adjusted the assets structure and optimized the income structure. In 2018, all business lines developed steadily. Among them, the securities trading ranks 25 higher than 153 at the end of 2017, ranking 128 out of 625 exchange participants (Source: Hong Kong Stock Exchange).

Corporate Culture

Kindness

Integrity

Persistence

Pragmatism

Development Strategies

The Company will continue to deepen reform, improve professional service level in an all-round way, build core competitiveness, and strive to spend another three years or so to raise the level of compliance risk control of the Company and significantly improve the professional ability of cadres and employees, thereby bringing the Company's capital strengths and profitability to top the list of securities companies across China and the rank of some important business areas to move significantly forward, to achieve a "Second Take-off".

Joint Efforts with Government to Safeguard Sound Financial Environment

Bailout Plans and Inclusive Finance

In-organization Reform and Strategic Cooperation

Green Operation and Environmental Protection

Compliance Management and Taxation

Bailout Plans and Inclusive Finance

Bailout Plans

Since October 2018, the Political Bureau of the Central Committee of the CPC, the Financial Stability Development Committee of the State Council and various regulatory departments have expressed their intention to support private enterprises by solving financing problems and preventing risks. Local governments, the People's Bank of China, securities and insurance companies have launched a series of specific measures, including, but not limited to, the establishment of special funds, the introduction of financing support tools and the establishment of capital management plans.

During the Reporting Period, in response to regulatory requirements and company arrangements, many departments within the Company responded positively to carry out research and special promotion of bailout work. Relevant departments visited more than 10 enterprises on the spot, investigated and designed a series of service schemes for their capital intentions, and explored cooperation schemes with Shanghai Pudong Development Bank, Bank of China Travel, China Mingsheng Bank and other banks to actively promote the landing of stock pledge bailout projects.

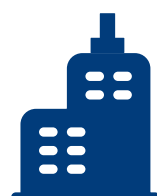
In the future, the Company will continue to actively promote the stock pledge bailout business of listed companies, communicate with banks and enterprises in depth, screen and reserve projects, and strive to achieve the early landing of the stock pledge bailout projects.



Government



Bank



Enterprise

Inclusive Finance

While pursuing its own health and rapid development, the Company insists on combining its own growth with local construction and development of real economy to realize its social value and fulfill its social responsibility. During the Reporting Period, the Company actively provides financing and consultancy services for local infrastructure construction and real economy development through bond underwriting, financial consultancy, sponsorship and listing, and directional issuance.

Fourth Board Services

Equity Exchange Co. controlled by the Company is the only regional equity market (the Fourth Board market) approved by the Henan Provincial Government. At present, it has three parts: the backup board, the trading board and the display board. Since its opening in September 2015, Equity Exchange Co. has been in the lead in the country within just three years. As of December 31, 2018, the total number of listed enterprises has exceeded 4,500. It is gratifying that the internal force and effect of serving the real economy have gradually emerged.

The Equity Exchange Co. and cities in Henan Province are closely united to actively promote the introduction of incentive policies to encourage enterprises to list in the Equity Exchange Co., effectively mobilize the enthusiasm of local enterprises to accelerate the development through regional equity market, and explore the formation of a regional enterprise "centralized listing model".

Private fund management

In 2018, due to the impact of domestic economic downturn, financial deleveraging and industry regulatory policies, the private equity investment market faced greater challenges, and there was a downward trend in the three aspects of financing, investing and withdrawing. In the whole year, the newly-financed amount of private equity investment funds was RMB1,011.055 billion, down by nearly 30% year on year. The total investment amount in the private equity investment market was RMB852.764 billion, down by 14.2% year on year. Private equity investment funds withdrew 1,441, down by 20.2% year on year. [Source: Zero2IPO Research Center]

The Company commenced private fund management business through ZDKY Venture Capital. In 2018, according to the financing, investment, management and withdrawal system of private fund management business, ZDKY Venture Capital adjusted the organizational structure, improved the project review mechanism, and formulated the market-oriented incentive and restriction mechanism. During the Reporting Period, ZDKY Venture Capital made every effort to enlarge the fund scale, increased the investment in high-quality projects, accelerated the withdrawal of risk and low-efficient projects and the empowerment of high-quality projects, and supported the development of the real economy. ZDKY Venture Capital completed the fund-raising and establishment of 7 funds such as Dengfeng Fund and Hua Yi Fund; completed 6 equity investment projects including the investment in PC new materials of Shengtong Juyuan with a total amount of RMB501 million. As at the end of the Reporting Period, the private fund management scale of the Company was RMB5.674 billion.

Equity Investment and Financial Assets Investment

The Company carried out alternative investment business through its subsidiary, Central China Blue Ocean. During the Reporting Period, the overall investment direction of the Company was mainly equity investment, supplemented by financial asset investment; the investment strategy was mainly IPO listing or listed companies' mergers and acquisitions withdrawal, supplemented by fixed income investment; the Company actively made the layout of artificial intelligence, medical health, energy chemicals, ultra-hard materials, municipal engineering, landscape engineering, maker service and education, financial information consulting services, Internet information services and other high-quality industrial projects.

As at the Reporting Period, the investment scale of Central China Blue Ocean amounted to RMB2.299 billion, including 22 equity investment projects and 17 financial products investment projects. The newly-increased investment amount in 2018 was RMB708 million, including the equity investment of RMB613 million and the financial products investment of RMB95 million. There were 14 withdrawal investment projects of various types, and the recovered investment amount reached RMB306 million.

Financial Consultant and the New Third Board Listing and Financing Services

Up to now, as a financial consultant, the Company has provided mergers, acquisitions, restructuring and other services for many large and medium-sized enterprises in Henan Province.

Micro-lending

Up to now, the Company carries out micro-lending business through Central China Micro-lending. During the Reporting Period, Central China Micro-lending strengthened risk prevention and control, and its business developed steadily. The whole-process risk control of loan business was carried out, credit guidance compiled, target customer orientation made clear, asset portfolio determined, and the white list system implemented and constantly revised and improved according to market conditions. Separation of examination and loan and graded examination and approval were also carried out to improve the quality of post-loan inspection.

During the Reporting Period, adhering to the philosophy of serving the real economy, supporting private enterprises, helping local development, relieving the difficulties of private enterprises, and serving small and micro enterprises to provide lending business, Central China Micro-lending released loans totaling RMB1.383 billion for enterprises such as listed companies and their connected enterprises, urban investment companies and private backbone enterprises, companies listed on New Third Board, and enterprises listed on the Equity Exchange Co. in Henan Province. As at the end of the Reporting Period, the balance of loans amounted to RMB1.269 billion.

Overseas Business Development

Central China International, a Hong Kong subsidiary of the Company, opened its business in September 2015. It is the development platform of the Company's overseas business and the strategic channel for Henan enterprises to go to Hong Kong for listing, merger and acquisition, reorganization and going overseas. Over the past three years since its establishment, Central China International has possessed major business licenses such as securities brokerage, investment banking, asset management and futures brokerage in the Hong Kong market by means of new establishment and mergers and acquisitions. It has formed a relatively complete international business chain and has initially established its foothold in the Hong Kong market. It is one of the fast-growing Chinese financial institutions in Hong Kong, playing important roles in promoting the listing of Bank of Zhengzhou Co., Ltd. and Zhongyuan Bank Co., Ltd. in Hong Kong. With subsidiaries as the platform, the Company successfully participated in the core securities business platform of GIC Financial Group, Canada, taking a new step towards the internationalization in the North American market. It has not only opened up the strategic channel for Henan enterprises to connect with the North American capital market, but also a new channel for introducing Canadian high-tech enterprises into Henan.

In 2018, upholding the direction of internationalization, marketization and professionalization, Central China International implemented steady compliance policy and moderately aggressive risk control policy around the industry chain of Hong Kong's full license securities business, improved professional quality, strengthened license business, and optimized the fund business, so as to promote the steady development of each business. As at the end of the Reporting Period, the number of securities brokerage business accounts reached 6,740, representing an increase of 27.94% as compared to the end of last year. The market value of client positions amounted to HK\$4.262 billion, and the accumulated securities transaction volume amounted to HK\$18.785 billion, representing an increase of 66.02% year-on-year. The balance of margin financing amounted to HK\$545 million. The number of futures brokerage business accounts reached 127, and the customer fund under custody amounted HK\$38.3961 million, with the total trading volume of 6,328,400 contracts. The AUM reached HK\$4.483 billion. For investment banking business, the Company acted as the sole sponsor for the successful listing of Eggriculture Foods Ltd. (stock code: 08609.HK) and participated in the listing of Ever Reach Group (Holdings) Company Limited (stock code: 03616.HK) and acted as the sole placing agent of Guangdong Adway Construction (Group) Holdings Company Limited's (stock code: 06189.HK) placing project; formed a bond business team to actively promote the bond business, and participated in USD Debt projects of Zhongyuan Aviation Leasing Co., Ltd., Puyang City Investment Group Co., Ltd., Xinhua Zhongbao Co., Ltd. and others as well as the preference share project of Zhongyuan Bank Co., Ltd.

In-organization Reform and Strategic Cooperation

Deepening Reform

In order to implement the spirit of the Nineteenth National Congress of the CPC and promote high-quality development, the Company will accelerate reform, comprehensively enhance its core competitiveness, and strive to achieve "Second Take-off".

During the Reporting Period, the Company adopted the new management concept of "Customer First, Specialized Services, Strengthened Business Collaboration And Comprehensive Performance Appraisal", insisting on grasping the development trend, benchmarking advanced counterparts in the industry, based on its own reality, smoothly and orderly advanced various reforms in business lines, key management fields and headquarters function management, so as to stimulate the endogenous power and vitality of the Company and enhance the level of specialization and marketization.

In terms of business line reform, the Company has made clear the reform objectives and development directions of subsidiaries by promoting the reform of investment banking, proprietary trading, asset management and brokerage in an all-round way. In the reform of key management areas, the Company is accelerating the pilot work of contractual management, and further improving and optimizing the decision-making mechanism. In terms of headquarters function management reform, the Company has earnestly established the "Customer-centered" concept, vigorously implemented the "Accountability System", constantly improving the awareness of serving internal and external customers, and enhancing the support capabilities of headquarters. In the Company's daily work, the business management and reform work must adhere to Xi Jinping's socialist ideology of the new era with Chinese characteristics, and strive to provide a strong political guarantee for its comprehensive reform.

Strategic Cooperation

The Company has signed strategic cooperation framework agreements with the governments of Xuchang, Zhumadian and Luoyang. Through equity, creditor's rights and industrial funds, with complementary advantages and combined industry and financing, it strives to provide all-weather and multi-dimensional high-quality financial services to local governments and enterprises, and to accelerate the construction of multi-level capital market system in Xuchang, Zhumadian and Luoyang.

In order to implement the decision-making and deployment of Xuchang Municipal Committee and Municipal Government on the construction of a charming Xuchang with strength and vitality, and in line with the principle of mutual benefit and win-win cooperation, the Company signed the Framework Agreement for Strategic Cooperation with Xuchang Municipal People's Government in 2018 to provide financial guarantee for Xuchang's economic development, accelerate the construction of multi-level capital market system in Xuchang, and promote enterprises to use capital market to accelerate their development.

During the Reporting Period, the Company actively undertook the "Capital Market Salon" organized by the financial office of Xuchang Municipal Government. In view of the New Third Board and fourth-board listed enterprises in the region, the Company focused on introducing capital market financing tools, providing guidance for flexible use of capital markets and tools, and supporting enterprises to standardize development. It assisted Xuchang Municipal Government Finance Office to actively promote the work of "Listing Enterprises on the Backup Board", and realized that the number of the first batch of listed enterprises accounted for nearly 50% of the total number of enterprises in the current period.

In order to strengthen the financial support for the economic development of Zhumadian and accelerate the realization of the goal of "Four Zhumadian", the Strategic Cooperation Framework Agreement was signed in 2018 after friendly consultation between the Company and the People's Government of Zhumadian. The two sides accelerated the multi-level capital market system of Zhumadian based on the principle of complementary advantages, close cooperation and support, and service to the real economy, promoted the use of capital markets to accelerate the development of enterprises, and provided financial security for Zhumadian City for the healthy and rapid economic development.

During the Reporting Period, Zhumadian Industrial Cluster District Government-Finance-Enterprise Docking Fair was successfully held. In the seminar, the Company leaders trained Zhumadian cadres and entrepreneurs with targeted financial knowledge. With the leadership of the Company as the group leader, we select professional personnel from Zhumadian Branch, the Sixth Division of Corporation Financing, the Eighth Division of Corporation Financing, and Strategic Customer Departments to set up a service team to fully serve the financial needs of the park and the future development of enterprises, and to promote the rapid development of the industrial agglomeration areas in the city with the help of capital market and financial services.



During the Reporting Period, the Company participated in the "Capital Market Lecture" organized by Zhumadian City. The training was to implement the strategic plan of provincial Party committee and provincial government on capital market, further strengthen the financial intellectual service of regional equity market to listed enterprises, improve their management ability and promote their listing.

During the Reporting Period, Suiping County held a business service day government-finance-enterprises docking and financing listing special training, inviting experts from the Company to face-to-face carry out enterprise financing and listing special guidance training. We organized on-site centralized special training for county departments and enterprises

participating in the meeting, and conducted exchanges around enterprises using capital market financing, offering key, comprehensive and difficult cases and successful cases of enterprise financing. The training was fruitful, targeted, achieving desired results.

In order to continuously implement the strategic cooperation agreement signed by the Company and the Luoyang Municipal Government, and accelerate the pace of serving the capital market of Luoyang City, the Company and the Luoyang Municipal Government cooperated to carry out multi-level and all-round capital market construction and promotion.

During the Reporting Period, the Company was invited to attend the training seminar on capital market knowledge in Luoyang City. Starting from the three tasks of "Serving The Real Economy, Preventing And Controlling Financial Risks And Deepening Financial Reform", the Company introduced the related knowledge of multi-level capital market, regional equity market and fund market, and guided leading cadres in Luoyang City to use financial instruments flexibly to activate regional resources and help enterprises to move forward along the road of capital market and support the economic and social development of the whole city.

The strategic cooperation between the Company and the local governments is conducive to giving full play to its professional advantages in the capital market, providing comprehensive securities and financial services including investment bank, direct investment, asset management, wealth management, futures, microfinance, etc., strengthening the in-depth cooperation with the local governments, helping the local economic development, and contributing to the long-term development of the Company.

Green Operation and Environmental Protection

The Company abides by the *Energy Conservation Law of the People's Republic of China* and the *Environmental Protection Law of the People's Republic of China*, advocates low-carbon environmental protection management and working methods, actively promotes energy conservation and environmental protection system, and calls on its employees to integrate the concept of energy conservation and environmental protection into their work and life

so as to maximize the conservation of social resources, protect the environment, reduce pollution and create an environment-friendly and comfortable working environment for their employees.

As a securities company, the direct impact of the Company on the environment is the consumption of paper, water, electricity and other resources in daily office operations and greenhouse gas emissions from travel. In order to implement the concept of sustainable development, the Company strictly abides by environmental laws and regulations, and runs green operation throughout the whole process of operation and management.

Green Concept

As a responsible service enterprise in the financial industry, the Company always keeps in mind the concept of green development and actively implements environmental protection requirements. etc.,. The Company strictly implements the provisions of relevant laws and regulations and normative documents such as the *Securities Law of the People's Republic of China*, the *Guidelines for the Due Diligence of Sponsors*, the *Guidelines for the Working Draft of Sponsorship Business in Securities Issuance and Listing*, etc.,. Such laws, regulations and normative documents have a significant impact on standardizing and guiding the due diligence of sponsors and improving quality of the due diligence. The investment banking projects of the Company focus on and verify whether the issuers are subject to administrative penalties for violating environmental protection laws and administrative regulations, supervise the environment impact of those projects, and take practical actions to participate in the battle of pollution prevention and control.

Green Office

The Company implements Office Automation System (OA System) to manage the administrative work of purchasing goods, asking for instructions, applying, using official seal, and so on and to reduce the use of paper and promote green office. During the Reporting Period, in order to improve the contract management system, standardize the process of contract auditing and printing, and improve the quality and efficiency of contract auditing, the Company added the contract management system module to the original OA System, and further promoted paperless office. By encouraging employees to set the computer to double-sided printing by default, use electronic greeting cards during the holidays, and actively promote the business rules and risk disclosure of the securities market closely related to investors through public platforms such as official websites, Wechat, online trading terminals and mobile trading terminals, the purpose of reducing paper consumption was expected to be achieved.

The solid waste generated is mainly office waste. In order to reduce the impact of harmless solid waste on the environment, the Company has taken measures to reduce the generation of harmless solid waste, including reusing desks and chairs, promoting internal reuse of envelopes, file cards and other supplies, and avoiding the use of disposable and non-recyclable products as far as possible. At the same time, it has taken measures to reduce the generation of harmful solid waste, such as contacting qualified recyclers to recycle used calculators that have reached the service life, handing over cartridges and batteries to professional institutions for recycling, and choosing environmentally friendly materials to decorate business departments and offices, etc. In addition, the Company encourages the decoration of office environment with green plants to beautify the office environment and ensure the air quality in the office.



Energy Conservation and Emission Reduction

The Company's main workplace is business department and office, so the main emissions are domestic sewage, automobile exhaust and solid waste. The domestic sewage generated by the Company will be treated by the property company in the unified way in the office building where the company headquarters and business departments are located. In order to avoid waste of gasoline and reduce air pollution, the Company stipulates that fleet team members should regularly maintain the Company's vehicles to improve vehicle performance and ensure that no idling of the vehicle engine occurs.

The Company is well aware of the importance of sustainable development in its daily operations, so it strives to reduce environmental impacts by carefully managing energy consumption and resource utilization. In order to reduce the waste of water resources, the Company reminds employees to save water by posting water-saving signs in the washroom, and calls on employees to close the faucet after each use; it also uses infrared-sensing faucets and urinals, and immediately repairs dripping faucets or other leaking devices to minimize water consumption in order to avoid waste.

Supplier Management

Transparent, Fair and Effective
Bidding Mechanism

Cost Savings in Tendering
8.1641 million yuan

Encouraging Suppliers to Use and
Provide Environmentally Friendly
or Recyclable Products Whenever
Possible

Savings in Procurement Cost
9.0441 million yuan

Suppliers of the Company's project infrastructure and other major projects must be selected through enterprise bidding. In the process of bidding, the Company stipulates that bidders must compile relevant data such as bidding documents; at the same time, it inspects data such as supplier's operating license and after-sales service to examine supplier's elements, so as to manage any environmental and social risks caused by supplier's product failures;

and it also publishes documents such as procurement information and cooperation agreements, so as to increase the transparency of bidding procedures and encourage effective and fair competition. The Group encourages suppliers to use and provide environmentally friendly or recyclable products whenever possible.

In 2018, the Company completed 17 tenders for equipment procurement, with a total project budget of 21.92 million yuan, and the actual purchase amount after the tender was 13.7559 million yuan, saving 8.1641 million yuan. In 26 commercial negotiations, the total project budget amount was 63.2844 million yuan, and the total actual purchase amount after the negotiations was 54.2403 million yuan, saving 9.0441 million yuan. The procurement should be made in time in accordance with the provisions of the procurement system upon the application for office equipment approved by the Company. After purchasing, it would be carefully checked before acceptance, and the procedures for stocking handled in time, and the formalities for transferring funds made in time upon acceptance.

Compliance Management and Taxation

Improvement of Compliance Management System

In 2018, under the supervision and guidance of the regulatory authorities, the Company always regarded compliance management as the primary goal of development. The board of directors and management of the Company attached great importance to compliance management and fully implemented compliance culture in the Company. Its ability to comply and control risks is gradually strengthened, and the standardization of management and practice behavior gradually improved. The Company has continuously improved its compliance management system, and promoted the standardized development of its business. Combining with the external supervision situation and business development, the Company timely interprets and analyses the supervision policy, combs the key points of compliance management, strengthens compliance advocacy training, and promotes the construction of compliance culture. By strictly controlling the key business links, strengthening the supervision and inspection of the system construction and implementation, no major compliance risk events occurred during the year, which strongly supported the development of various businesses.

Anti-money Laundering

In 2018, the Company strictly abided by the anti-money laundering laws and regulations such as the *Anti-Money Laundering Law of the People's Republic of China*, the *Regulations on the Management of Reports on Large and Suspicious Transaction of Financial Institutions*, and the *Regulations on Anti-Money Laundering of Financial Institutions*. Under the vigorous guidance of the regulatory authorities, the Company organized and completed the identification investigation of non-natural and specific natural customers, and the investigation of natural person customers' account with identification information unqualified. The anti-money laundering suspicious transactions monitoring and analysis indicators were improved to increase the effectiveness of suspicious transaction reports. In daily work, we continued to improve the internal control system of anti-money laundering, carry out anti-money laundering risk classification, blacklist monitoring and other work, actively organized anti-money laundering training, strengthened anti-money laundering propaganda, and effectively prevented money laundering risks.

Payment of Taxes According to Law

Since its establishment, the Company has always adhered to the business philosophy of Good Faith, Standardized and Steady Development and adhered to the principle of Paying Taxes According to Law and Paying Taxes in Full, attached great importance to tax administration, established a relatively perfect tax administration system, strictly enforced various tax policies, and earnestly fulfills social responsibility, making an important contribution to the social development of Henan Province.

During the Reporting Period, the Company faithfully declared and paid all kinds of taxes (parent company caliber, excluding withholding of individual income tax for shares subject to trading moratorium) of 213 million yuan. It is one of the key tax source enterprises in Henan Province, and has been rated as "Class A" tax credit enterprise for many years.

Company Performance

Annual Performance

The year 2018 was important for the Company to start a new journey. It was also the beginning year for the company to achieve "Second Take-off" and high-quality development. Over the past year, facing the complex and changeable external environment, the Company insisted on taking Xi Jinping's socialist ideology with Chinese characteristics in the new era as its guide, earnestly implemented the decision-making and deployment of provincial Party Committee and government, facing difficulties, striving for progress, insisting on both operation management and Party building, and focusing on a number of important events such as talent introduction, reform and opening up, mechanism innovation, strategic transformation and organizational turnover. In the severe situation, hard-won achievements and many new breakthroughs have been made. It not only greatly strengthens the Company's ability to withstand the current market risks and operational risks, but also injects strong momentum and vitality for the Company's sustainable, stable and healthy development in the future. Business of brokerage, investment banking, fixed-income investment and subsidiaries like Central China Blue Ocean, ZDKY Venture Capital and Central China Micro-lending have performed well, especially the Equity Exchange Co. saw the total number of listed companies exceeding 4,500.

The Company is highly responsible to investors and actively implements the cash dividend policy. Positively responding to the call of the regulatory authorities, it keeps its solemn promise to investors in the capital market, and continues to treat investors with a high proportion of cash dividends, winning the general praise in the market. In May and October of 2018, the Company realized its dividends in the second half of 2017 and the first half of 2018, which were 137 million yuan and 39 million yuan respectively. It has made due contributions to shareholders' profit growth and financing ability improvement. Since its listing in Hong Kong in 2014, the Company has continued to implement a cash dividend policy of high proportion, which has established a good corporate image of the Company with a high degree of responsibility for investors in both Shanghai and Hong Kong markets.

In order to promote the return of H share value, boost market confidence and safeguard the fundamental interests of shareholders, according to the Company's development strategic plan, the Company repurchased H share after obtaining the approval of the CSRC for the company's change of registered capital. The Company repurchased 54.664 million H shares from February 12 to May 18, 2018, and cancelled them on May 23, 2018, and completed the follow-up work of industry and commerce changes and capital reduction in July 2018.

Focus on Return for Shareholders to Consolidate Investment Relations

Company Performance

Risk Control and Prudent Operation

Corporate Governance and Investor Relationship Maintenance

Conform with Communist Party of China and State Requirements

Risk Control and Prudent Operation

Improvement of Risk Control System

In 2018, the Company continued to implement the supervision requirements and internal systems such as the *Comprehensive Risk Management Standards for Securities Companies*, optimized the comprehensive risk management system, improved the risk management system, perfected the risk management organization structure, strengthened the development of risk management information technology, enhanced the risk response mechanism, etc. The Company has formulated the risk preference and tolerance system, which was organically combined with the Company's development strategy, evaluates the extreme risks through regular and irregular stress tests, and covered the whole company with a multi-level risk management system. The Company continuously promoted the development of risk management information system, establish special budget for risk management information system, constructed centralized, time-effective and quantitative risk management technical pillars, effectively improved the information level of risk management of the Company, and further enhanced the ability of the Company in risk identification, quantitative evaluation and control. The Company will include all subsidiaries into the comprehensive risk management system, and explore the establishment of an effective subsidiary risk management model, so as to ensure that the comprehensive risk management system is compatible with the Company's development strategy and provides guarantee for the sound and sustainable development of the Company's businesses.

Business Supervision and Monitoring

In terms of **proprietary investment of equity**, the Company strictly controls its own risks, adjusts investment scale, risk quota and investment strategy at different stages, strengthens market-marking and post-market data analysis, and earnestly completes supervision and early warning risk management.

In the field of **fixed-income proprietary investment**, according to the risk control indicators such as investment scale and risk quota in 2018, the market is marked day by day, closely

monitored, warned and reported, and attention is paid to the changes of market benchmark interest rate, bond index trend and yield curve, as well as public opinion information, rating changes, operation status and major matters of bond issuers, to effectively prevent market risk and credit risk.

In the aspect of **asset management**, in 2018, in accordance with the asset management supervision policy, company system, product contract and resolution, the Company's risk control department and the risk management commissioner of the business department set up a working coordination and communication mechanism for timely warning. At the same time, the Company revised and improved the asset management business system by carrying out special asset management business inspection combined with the new regulations and regulatory requirements of asset management, adjusting the organizational structure of the asset management department and finding out the risk points and management loopholes in the existing products.

In the aspect of **market-making business**, the Company monitored, warned and followed up the investment scale, risk quota and daily trading index of the market-making business according to the regulatory requirements and company system, revising and improving the relevant risk control system, paying attention to the market situation of the market-making business, and regularly summarizing and analyzing and evaluating the risk situation of the market-making business and reporting to the relevant leaders of the company.

In the aspect of **financing business**, the Company participated in project auditing according to the company system, and controlled the risks from credit reporting, granting, marking and liquidation.

In the aspect of **brokerage business**, the Company monitored and warned the important risk points of customers' securities trading, new stock trading, bond pledge repurchase business, stock option business and share transfer business; through the investigation of relevant risk points, it timely improved and revised the relevant system of brokerage business risk control; actively cooperated with regulatory requirements, tracked and fed back the company's customer trading behavior, and continuously improved the company's brokerage business system construction.

In the aspect of **investment banking business**, we actively participated in the examination and verification of major steps such as the establishment of investment banking projects

and the internal inspection of investment banking business, and carried out dynamic monitoring and risk investigation of the existing projects. We implemented the *Guidelines on Internal Control of Investment Banking Business of Securities Companies*, formulated the *Measures for Risk Management of Investment Banking Business of Companies*, and the *Detailed Rules for the Management of Pools of Concern for Major Risk Projects of Investment Banking Business of Companies*.

In terms of **innovative business**, the Company monitored, warned and tracked risks according to relevant requirements such as regulatory agencies and company system. The Company issued 240-issue fixed income certificate and 222-issue income certificate paid at maturity all year round, without issuance failure and non-payment at maturity.

Risk Control Indicators Monitoring and Complementary Mechanism

According to a series of relevant regulations of CSRC, such as *Measures for the Management of Risk Control Indicators for Securities Companies*, the Company has established a dynamic monitoring and management mode of the risk control indicator system with net capital and liquidity as its core, and monitored, warned and reported the various indicators strictly in accordance with the provisions of CSRC. It continuously optimized the functions of the dynamic monitoring system of net capital and liquidity to ensure that the dynamic monitoring system can effectively support the monitoring of risk control indicators such as net capital and liquidity. According to the requirements of CSRC's *"Guidelines for Stress Testing of Securities Companies"*, the Company has established a complete stress testing mechanism, which carries out stress testing regularly and irregularly.

On the basis of monitoring and calculating net capital and other indicators in 2018, it regularly analyzed and evaluated the supporting role of net capital in the development of various businesses of the Company, studying and testing the rational and effective allocation of net capital, reserving sufficient net capital support for the development of key businesses, and established a dynamic linkage mechanism between business scale and net capital level. In 2018, on the basis of the above-mentioned series of risk management activities, we regularly compiled the Monthly Report of Risk Management, which comprehensively analyzed and evaluated the financial and net capital risks of the Company,

so as to effectively control the financial and net capital risks. During the Reporting Period, the Company's net capital and other major risk control indicators met regulatory requirements.

The Company has established a dynamic risk control index replenishment mechanism for net capital. When the main risk control indicators such as net capital approached or met the early warning standards stipulated by the CSRC, the Company would replenish the risk control indicators of net capital by controlling the business scale, adjusting the asset structure, issuing subordinated debt, raising capital and so on, so as to effectively safeguard the main risk control indicators such as net capital of the company to meet the standard. Considering the need for further development of the Company's business, according to its capital planning, the Company returned to A-share listing on January 3, 2017, and further strengthened its capital strength. Through strengthening the ability of capital management, improving the quality of capital, enhancing the role of capital in guiding and restraining the development of various businesses, the Company continued to improve the efficiency of capital use, ensure the sustained, healthy and rapid development of various business lines with sufficient capital, and achieved the goal of maximizing shareholder value.

Corporate Governance and Investor Relationship Maintenance

Being a public company listed in both Mainland China and Hong Kong, the Company operates in strict compliance with laws, regulations and normative documents at the domestic and overseas listing place, and is committed to maintaining and improving its good social image. Strictly complying with *the Company Law*, *Securities Law* and other laws, regulations and regulatory provisions, the Company has completed and improved its corporate governance and formed a corporate governance structure under which the general meeting, the Board, the Supervisory Committee, and the management have their powers separated for checks and balances and perform their respective duties, so as to ensure regulated operation of the Company. Save as disclosed in "Chairman and President" in Section 8 Corporate Governance of the Company's Annual Report 2018, the Company strictly complied with all provisions of the *Corporate Governance Code* and met requirements for most recommended best practices specified in the *Corporate Governance Code* during the Reporting Period. For more information on corporate governance, please refer to Section 8 Corporate Governance Report of the Company's Annual Report 2018.

Conform with Communist Party of China and State Requirements

To speed up the company's "Second Take-off" and achieve high-quality development, we need a strong Party building as a political guarantee. The leadership of the Company and the Party members and cadres firmly established the "Four Consciousness", implemented the "Two Maintenance" and consciously kept a high degree of consistency in ideological and political action with the Party Central Committee with Comrade Xi Jinping as its core. Giving full play to the leading role of the Party Committee in enterprises, we stressed on political construction, consolidated the "Two Responsibilities", continued to strengthen theoretical and grass-roots party organization construction, in order to lead and promote the high-quality development of the Company.

The Company abides by the rules and regulations of discipline such as *Several Regulations on the Integrity of Leaders in State-owned Enterprises*, *Regulations on Leaders Reporting Individual Matters*, *Opinions on Further Promoting the Implementation of the Important Decision-making System in State-owned Enterprises*, *Regulations on the Integrity of Securities and Futures Operating Institutions and Their Staff*, These regulations have a significant impact on the construction of anti-corruption, the integrity of propaganda and education and the implement of the supervision and inspection. The company earnestly implemented the party's deployment by the Central Committee and Provincial Party committees on the overall strict management of party branches, through the company management system, party conduct and integrity construction and supervision and inspection, to ensure that the Company upholds integrity in its business activities, eliminate unhealthy practices, and achieve healthy development.

Party-building Activities

In 2018, under the correct leadership of provincial Party committees and provincial government, under the guidance of Xi Jinping's socialist ideology with Chinese characteristics in the new era and the spirit of the Nineteenth National Congress of the Party, the CPC Committee of the Company earnestly implemented the central and provincial Party committees' plan to strictly administer the Party in an all-round way, shouldered the responsibility of Party's construction and the development of clean and honest Party conduct, put the Party's political construction in the first place, strengthened the implementation of the "Two Responsibilities", and made the Party's disciplinary rules

work, building a solid "Three-base" project, promoting inspection and rectification, management of the team, improving the mechanism, reinforcing the position, consolidating the foundation, and starting the Company's new journey of overall strict governance of the party.

At the beginning of this year, the Party Committee of the Company held a working conference on the development of a clean and honest Party conduct, and comprehensively arranged and deployed the tasks for the whole year. It formulated the list of "Two Responsibilities" and the main points of annual work, organized Party members and cadres to sign a "Target Responsibility Letter" to strictly administer the Party in an allround way, grasped the six key links of "Responsibility And Accountability", and consolidate the political responsibility of administering the Party branches at all levels. It insisted on quarterly supervision and inspection of the implementation in the grass-roots Party organizations of the company to find and point out problems in time, and put forward suggestions for rectification.

Based on its supervisory responsibilities, the Discipline Commission of the Company's Party Committee conducted self-examination and spot check on the implementation of the "Two Responsibilities" at grass-roots Party organizations, organized talks on clean and honest conduct, strengthened work style, and seriously investigated and punished violations of rules and regulations. We persisted in treating both symptoms and root causes, deepened case-based reform, focused on improving long-term mechanism, and conducted integrity review of the newly revised and formulated system to ensure the operability and effectiveness of the system. We promoted all departments of the Company to sort out the current system from the four levels of decision-making, implementation, supervision and accountability, formulating, revising and abolishing a number of systems, and comprehensively promoted the development from strict management of the Party to strict management of enterprises, management according to regulations and operation according to law.

Publicity

Ideological and political education was strengthened. We organized the training course for the spirit of the Nineteenth National Congress of the Party, inviting experts to make special guidance reports, organizing Party members and cadres to study deeply Xi Jinping's socialist ideology with Chinese characteristics in the new era and the spirit of

the Nineteenth National Congress of the Party; carried out a series of activities of "Staying True to the Original Mission", organized Party members to study and educate in Yan'an, Jinggangshan, Xibaipo and other red education bases; and distributed Party members theoretical learning data, compiled questionnaire database, organized knowledge-based quiz, promoting the normalization and institutionalization of "Two Studies and One Action" education, and strengthening the ideals and beliefs of Party members.

Discipline and warning education was strengthened. We carried out education on the theme of "Party Constitution, Party Regulations and Party Discipline", the *Regulations on Disciplinary Punishment of the Communist Party of China* and the *Regulations on Clean Practice of Securities and Futures Operating Institutions and Their Staff*, organized the activities of "Six One" for a clean holiday, and all Party members and cadres to sign the "Clean Practice Commitment". We implemented the propaganda and education model and opened the WeChat public account, compiled a "Compilation of Typical Cases of Corruption in the Financial System" and carried out the "Talk about Cases" party lesson to guide cadres and employees to put discipline and rules in the first place to practice honesty.

The quality and ability education was strengthened. We organized centralized training for branch secretaries and members, arranged full-time discipline inspection and supervision cadres to participate in professional training of grass-roots discipline inspection and supervision cadres in the new era, carried out activities of studying the *Constitution* and the *Supervision Law* throughout the Company, and visited Great Wall Securities, CDB Securities, Zhongyuan Bank, Anyang Steel Group and PetroChina, China Huadian, China Mobile and other enterprises for research and study to exchange advanced work experience in-depth so as to continuously improve our ability.



"Staying true to the original mission" Party members education and training

Supervision and Inspection

The Company earnestly strengthened the supervision and inspection of the implementation of Party discipline, the supervision of the Party members and cadres at all levels in implementing the strict governance of the party and clean and honest practice to promote the correct exercise of power. A "five-in-one" oversight system, led by the Discipline Commission of the Company, sharing resources with the company's board of supervisors, compliance management, risk control, auditing institutions and cooperating with each other, has been formed. We continued to maintain a high-pressure situation of punishing corruption, focusing on finding out the problems existing in Party members and cadres' compliance with and implementation of political rules, organizational discipline and integrity discipline. Early "preventive shots" were given to new cadres, 122 Party members and cadres were organized to conduct two batches of centralized and honest talks to build up a safe line for them to carry out the new work, and "honest locks" were put on outgoing training cadres, reminder talks were made before the training for their awareness of the discipline. In dealing with serious violations of discipline and law, we resolutely punished them with a zero tolerance attitude based on the fact and rules.

Profiles of Party Members

Style of Communist Party Membership: Episode 1

—Staying True to the Mission and Making Every Effort for CCSC

In 2013, when Wang Jing was appointed general manager of the Company's retail business headquarters, she put forward the concept of "customer-centered, one-stop customer service integrated platform" and put it into practice quickly, and achieved remarkable results. Integrating investor education with appropriateness management, she infiltrates business links and service behavior, innovates appropriateness management mode, promotes the protection of legitimate rights and interests of small and medium-sized investors, and lays a mechanism foundation for sustained investor education.

Starting from the needs of customers, Wang Jing integrates the Company's product resources, establishes the service brand of "Wealth Central China" and creates the official WeChat of "Wealth Central China" of Central China Securities. She concentrates on the investment intelligence of branch offices and creates a series of star consulting products through research, selection, creation, evaluation and perfection, increasing the Company's

value-added service capability in investment consultancy.

Adhering to the concept of customer-centered and innovation-driven development, she helps launching the "win-win in the CCSC" competitive platform for financial management, making it a golden-lettered signboard for company customer service and an important promotion platform for branch stock, increment and promotion of marketing.

Amiable and friendly, she is a highly respected senior. A new employee was depressed because his relative passing away due to illness, and the pension application was time consuming; when she heard the news, she prepaid the pension with her own money and led the team to the new employee's hometown to comfort him and his families and encourage them to abandon their pain and live a positive life.

In dealing with the staff, she is considerate and the strong backing. When there's wind and rain, she generously contributed, with her own meager efforts to support the staff a clear sky. Her firm eyes and calm manner stirred the confidence of the staff. Nurturing carefully, she is a talent scout with wisdom and insight. She would explore and affirm the advantages of employees, giving them full respect and trust, and using affirmation and incentives to stimulate everyone around her. Respect has never been a lofty gift, but an equal dialogue from the heart.

Wang Jing, who is affiliated with the company and seeks interests for the employees, interprets a Communist Party member's devotion to the public and dedication to the duties with practical actions. Her spirit shines brightly in ordinary posts. It can be said that she stays true to the original mission and makes every effort for the development of CCSC.

Style of Communist Party Members: Episode 2

---"The Party Emblem Gleams on Ordinary Positions"

In the business department of Tongbai Road in Zhengzhou, there is a young Party member who works steadfastly, diligently and conscientiously. He is Ma Jianfeng, who loves his post, works enthusiastically and is not afraid of difficulties. In recent years, he has always maintained the advanced nature of an excellent Party member, meticulous in his work, brave in shouldering heavy burdens, and kind to customers. The business department would often be crowded with customers who may have encountered difficulties in the service process, and he always takes the lead in helping them solve the problems. Since

taking office in 2010, he has been named "excellent employee" for eight consecutive years. In 2011, he was named "Top Ten Securities Finance Stars of the Year" by Zhengzhou Evening News. In 2015, he won the Best Contribution Award of Business Department. In 2018, he served as the delegate to the first Party Congress of the Company.

In 2010, in the transformation of the customer service department of the Company, a customer service team was set up to sign "one-on-one service" agreement with the business department to offer services to key customers. Many employees were reluctant to deal with the difficult customers and as a member of the Communist Party, Ma Jianfeng stepped forward and asked to serve such customers on his own initiative.

Ma Jianfeng treats every customer patiently, and solves many difficult problems. He regards customers as his relatives and friends, taking that the customer's business is the one he is eager to deal with and solve. Every time when customers report problem, he would carefully and comprehensively record down and locate the reasons for the implementation. At present, Ma Jianfeng is in charge of an AUM of 320-million and 72-million customer assets. In the fourth quarter of 2018, Ma Jianfeng was named the Company's "Labor Pacesetter".

Ma Jianfeng and other outstanding Party members took the lead in setting an example, leading all Party members in the business department to work enthusiastically and to serve customers sincerely. A benign service atmosphere is shaped in the business department and fruitful results achieved. The Party emblem shines on ordinary posts.

Information System Maintenance and Security

The Company constructed an information security framework centered on security strategies which integrates security organization and management, security technology protection and safe operation and maintenance, and put forward the guideline of "prevention first, safety first, full participation, comprehensive management and continuous improvement" to ensure the safe operation of its information system and protect customer privacy and secure transactions.

Safety monitoring and early warning

A large number of safety records are collected through the safety management platform for analysis and summarization, and the safety situation analysis of the overall information system and IT operation and maintenance platform are combined for a unified handling of alarming events.

Monthly safety report

The anti-virus warning and monthly reports are formulated and issued through the anti-virus warning monitoring for the monthly information system.

Regular vulnerability scanning

China Securities Information Technology Service Limited Company organizes a penetration scan once a month to conduct a comprehensive inspection of all IP addresses of the Company and sends a vulnerability report. No vulnerabilities or security concerns have been found in the latest six reports. The Company organizes a vulnerability scan every quarter for the computer room mainframe and every week for the Internet access. The rectification upon vulnerability scans is handled through the processing procedure of the IT operation and maintenance platform.

Network security assessment and business continuity assessment

The regular network-wide security risk assessment or business continuity assessment is conducted for the network and important business systems. The security assessment and business continuity assessment are conducted in staggered years.

Service System Improvement to Enhance Customer Experience

Information System Maintenance and Security

Customer Relationship Management and Complaint Management

Investor Education

Implementation of level protection and safety assessment of level protection

According to the requirements of the industry supervision department, the Company has revised the *Management System for Computer Information System of Central China Securities Co., Ltd.*, *Standard for Information System Backup Capability of Central China Securities Co., Ltd. (Trial)*, *Anti-virus Management Measures for Computer Information System of Central China Securities Co., Ltd.*, *Network Management Measures for Computer Information System of Central China Securities Co., Ltd.*, *Data Management Measures for Computer Information System of Central China Securities Co., Ltd.*, *Safety Management Measures for Computer Information System of Central China Securities Co., Ltd.*, *Parameter Management Measures for Information System of Central China Securities Co., Ltd.* and *Operation and Maintenance Measures for Information System of Central China Securities Co., Ltd.* and corresponding safety management systems, and has specified that the IT headquarters is the responsible department for level protection and assigns special personnel to carry out level protection of information security. The two level-three systems "centralized trading system" and "online trading system" and the three level-two systems "legal person clearing system", "call center system" and "portal website system" and the "mail system" are graded and filed with the Securities Association of China. A level protection assessment is organized once a year.

Penetration testing by professional security companies

Every year, a professional security company is hired to provide professional penetration testing and security services, and corresponding safety penetration testing is conducted during the level protection assessment or safety assessment.

Irregular safety inspection and internal safety self-inspection

Every year, the Company irregularly organizes safety self-inspection for various business systems and safety inspection for branches. Generally, the information system safety inspection is carried out by the superior or competent departments, according to the China Securities Regulatory Commission's Information System Safety Checklist for Securities Companies, the special inspection of the provincial public security department, for example.

Revision of emergency plans and regular emergency drills

The Company organizes emergency drills at least twice a year, keeps emergency drill records, and revises the corresponding emergency plan accordingly. The relevant emergency drill organization, requirements, results and revised emergency plans are recorded.

Data protection and business continuity capacity building

A variety of technical measures have been adopted for data protection, and a relatively sound information system backup facility has been established, with various backup capabilities meeting regulatory requirements.

Information system backup capability

The Company's backup capacity building framework is a "master – backup – backup for disaster recovery" framework with two locations and three centers. The data backup capability of the Company's information system meets the grade-I standard and the regulatory requirements. The core trading system has realized real-time intra-city and off-site data backups.

Data protection measures

The Company attaches great importance to the protection of information system data, adopts a variety of technical measures for data protection, and has established a relatively sound mechanism of information system data protection.

System support

The Company has developed information system management systems at the general principle level, management method level and other levels. Information system management systems such as *Management System for Computer Information System of Central China Securities Co., Ltd.*, *Safety Management Measures for Computer Information System of Central China Securities Co., Ltd.*, *User, Role and Authority Management Measures for Information System of Central China Securities Co., Ltd.*, *Management Measures for System Data of Central China Securities Co., Ltd.*, *Parameter Management Measures for Information System of Central China Securities Co., Ltd.*, and *Standard for Information*

System Backup Capability of Central China Securities Co., Ltd. (Trial), all define security clauses of data protection at different levels to ensure well-grounded data protection.

Technical support

The Company's important information system architecture is deployed in more than three layers. Key data such as user password data in the centralized trading system database are stored in the database in an encrypted manner. Network security devices such as firewalls are deployed at the LAN boundary. The data of the trading system are transmitted in an encrypted manner during the exchange. The data of the centralized trading system are synchronized to the databases of the local backup computer room and the remote disaster backup computer room in real time through the database synchronization software; a database security audit system is deployed to monitor and audit the operation of databases. The information system is scanned regularly for fixing vulnerabilities in time.

Management support

The data of the centralized trading system are backed up every day and synchronized in real time to the local backup computer room and the remote disaster backup computer room. The backup data of each month are randomly selected in that month for recovery verification test.

The data export authority is strictly controlled, and the application for data export must be approved by the Company. The operating system and application system enable strong password policies and modify them regularly. Information system users and permissions are checked regularly to clear expired user permissions in time.

Business continuity system

The Company continues to promote the construction of business continuity management projects, and constantly improves its emergency response capability by implementing business continuity management, deploying the business continuity software management platform and obtaining the related ISO22301 certification.

Through the operation of the system, emergencies such as accidents and disasters in the Company's information system during business operation are effectively reduced and avoided to the greatest extent, and top-bottom rapid response is ensured and the emergency mechanism is started in case of emergency to minimize losses and impacts.

Customer Relationship Management and Complaint Management

Complaint management

The Company has established a customer complaint management mechanism, formulated the *Management Measures for Customer Complaints of Central China Securities Co., Ltd. (2016 Edition)* and revised and updated in a timely manner according to regulatory developments and business development to ensure timely and effective handling of customer complaints.

The headquarters and branches of the Company designate special personnel to be responsible for the information publicity and maintenance of the centralized acceptance channel and the customer complaint acceptance channels for various institutions to ensure smooth and effective operation. The whole process of accepting and handling customer complaints is recorded in writing, electronically or otherwise, and the authenticity and integrity of records are guaranteed. The retail business headquarters regularly summarizes the Company's overall customer complaints and submits them to the compliance management headquarters.

In 2018, the Company accepted 16 customer complaints, mainly involving service quality, information system, business handling and commission fees. 15 cases have been settled, with a customer complaint handling rate of 93.75%.

Service optimization

First, the Company has continued strengthening customer service agent training and building the call system knowledge base, giving full play to the advantage of uniform service standards for customer service agents at headquarters, and has organized 85 internal training and testing sessions for customer service agents, updated 565 items in the call system knowledge bases. The customer service agents accepted 77,800 customer inquiries in a standardized way through websites, the 95377 service hotline, WeChat, QQ and other service channels. The online service rate was 27.25%, and the service response rate was 87.85%. The revision of Retail Business Service Support Manual 2018 has been completed. The construction of the intelligent return visit system was started in May. At present, the

operation and application of some functions and the optimization of semantic recognition have been completed, and the human-computer interaction call test is underway.

Second, the Company has strengthened the information push management of online service channels. In WeChat promotion, the official account released 47 issues of WeChat Weekly, pushing 279 articles, with more than 1 million views in total and 3,675 views per article on average. It organized more than 10 online customer activities, with more than 7,000 likes from customers and 30,500 new subscribers throughout the year. The official WeChat account "quanshangcn" ranks top 50, stable in the first echelon, with diligence ranking in the top 3 in the industry. By the end of December, the WeChat account had approximately 204,000 followers, and the cumulative number of subscribers has exceeded 123,000.

Third, the Company has completed the optimization of customer service relationship management and issued the *Implementation Rules for Customer Service Relationship Management of Branch Marketing Service Personnel* and the *Guidelines for Designated Customer Service Relationship Management of Branch Marketing Service Personnel*; organized two sessions of "Service Support for Branches" and visited 52 branches with research institutes and other departments around the Company's marketing services, business products and other related work, as well as the new functions of exhibition tools, the Company; conducted 6 satisfaction surveys and special return visits around the firm offer competition, Caishengbao APP, information service products, eligibility management and services, etc.; gradually shifted from the transaction orientation that focuses on current customer value to the wealth management orientation that focuses on future customer value; optimized the classification and grading of customers; and continued to optimize the "Fortune Central China" service system and information service products. "Fortune Central China" had 28,000 new subscribers throughout the year, covering 333,000 customers, accounting for 25.45% of the Company's effective customers. In addition, the *Implementation Plan for Customer Service of the Strategy of "Turning Big Supermarkets into Small Supermarkets"* has been formulated to give full play to the geographical advantages of on-site branches and help small and micro branches turn losses into profits.

The Company strictly abides by the *Advertising Law of the People's Republic of China* and other laws and regulations. Such laws and regulations require that the Company's advertisements should be authentic and legal, and the contents should be in a healthy form. Such laws and regulations have a significant impact on the Company's advertising and other advertising campaigns. The Company delivers information to customers mainly through advertising. The Company ensures that all advertisements are authentic, legal and the contents of the advertisements are in a healthy form, and strictly prevents the use of false and misleading trade descriptions to deceive customers.



"Win in Central China" Firm Offer Financial Competition

Investor Education

With respect to investor education, the Company organized a series of campaigns under its 2018 work plan and as required by the regulator, including "Invest Wisely" that marked the World Consumer Rights Day, "Better Investor Education and Service", and "Financial Basics Month". It also organized activities for its branch customers, including 4 visits to listed companies, 5 community activities, 3 sessions at the Central China Investor Education Base, and 1 ETF lecture with Shenzhen Stock Exchange. A number of 37 investor education products were produced and launched.

To fulfill its risk disclosure obligation, the Company issued the *Notice on Strengthening the Warning of Risks in High-risk Securities Transactions* in view of frequent delisting in the stock market to clarify the scope of its high-risk securities business, the division of work between its

headquarters and branches, and arrangements of work hereto. It provided risk warning in various forms through its online and offline channels all the year. It warned of risks regarding newly listed shares, discount of classified funds and sudden high risks related with securities, with a total of 18,345 messages sent to its position-holding customers.

As to investor eligibility management, the Company has continued to construct the management system and facilitated the timely launch of the dynamic account risk tolerance assessment module. It has updated its WeChat official account with a risk evaluation functionality that rewards the customer who retakes assessment when it is overdue with lottery points. This will help enhance the re-assessment rate among the customers not timely assessed. Making work arrangements regarding the eligibility and launch of Shanghai-London Stock Connect, the Company issued the *Detailed Rules for the Eligibility Management of Investors Engaged in Depository Receipt in China on Shanghai-London Stock Connect* that states the risk levels, entry threshold and opening of the depository receipt service in China on Shanghai-London Stock Connect. Meanwhile, the Company has continued to check to confirm exceptions related with high-risk service-opening authority for customers.

It has taken actions to obtain customer feedback and strengthened the management on follow-up actions according to the requirements of eligibility and business management. With the hotline 95377, a hundred and fifty follow-up activities were carried out, covering 270,300 customers that account for 10.19% of the annual goal. It has handled 16 customer complaints (including those transferred from 12386, the CSRC hotline) and coordinated in handling 81 pieces of customer suggestions and opinions.

Other investor activities include building a customer portrait system driven by data; and independently shooting such promotion videos on novel investor education as *Safeguard You All the Time – Zhengzhou Tongbai Road Branch* and *We Carry on the Same Mission – Ren Xiahong*, which were voted among the "100 novel investor education models in 2018". Original article *Not DR without C* was recognized by Shanghai Stock Exchange, and another article *Shanghai-London Stock Connect: High-speed Railway to London* was adopted by Investors Home, the WeChat platform of the Securities Association of China.



Corporate Social Responsibility and Employee Career Development

Remuneration Policies and Labor Rules

Talent Management and Training

Employee Activities and Welfare

The Company abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations. Such laws and regulations have a significant impact on the Company's compensation and welfare management, recruitment, employee management, rest periods and working-hour management. The Company has a sound human resources management system composed of the *Administrative Measures for Attendance of Central China Securities*, the *Administrative Measures for Recruitment and Employment of Central China Securities*, the *Administrative Measures for Staff Training of Central China Securities*, the *Administrative Measures for Housing Accumulation Fund of Central China Securities*, etc. Additionally, by strictly implementing these measures, the Company safeguards the employees' legal rights and interests with respect to labor protection, working conditions, salary and welfare, gender equality, equal opportunities, anti-discrimination, working hours, rest and vacation, etc. The Company avoids the employment of child workers and labor exploitation. It reaches employment contracts with employees based on the principles of equality and good faith through friendly negotiation, and continuously improves its salary and welfare policies and systems. In addition to offering social insurances and housing fund according to law, the company is trying to provide the employees competitive salaries and benefits, ensuring that male and female workers get equal pay for equal work to counteract any discrimination, and creating comfortable and harmonious working environment. The Company was not involved in any violation of law in respect of child labor employment or forced labor throughout the year 2018.

Statistics of Staff in 2018

Number of in-service employees of the parent company	2,475
Number of in-service employees of the major subsidiaries	362
Total number of in-service employees	2,837
Number of retired employees whose expenses are borne by the parent company and the major subsidiaries	—

Composition of professions



18
Doctorate



615
Master



1,903
University graduates



301
College graduates and below

In 2018, the Company designed and established a salary system for middle- and background positions, adjusted salaries for some operating departments, formulated the *Management Measures for Business Teams* and improved the performance appraisal system.

In 2018, the Company continued to strengthen the management of managers and employees and further improved the human resources management to prepare for its "Second Take-off". The Company assigned talent to important positions to energize the executive team. Improvements in the performance, personal record and passport management of executives contributed to standardizing the management work. Training sessions were provided to enhance the professional skills of executives. An HR management system was set up and put into operation. Annual audit of the "Five Insurances and Housing Fund" as well as the payment base was carried out. Routine work, including employee eligibility management, employment contract offering, the "Five Insurances and Housing Fund" management, and salary system management, was well completed.

Remuneration Policies and Labor Rules

During the Reporting Period, the Company revised its incentive and restraint mechanisms in coordination with relevant business lines, based on new regulatory requirements and industry standards, promoting the stable development of business.

The Company reformed the basic salary system of business lines to attract talent. Considering the base salaries of the industry, the company revised its measures for technical title administration with relevant business lines. Based on the pattern of basic salary plus allowance for the position, the company adjusted the basic salaries for the investment bank line and the investment line, which are both great motivation to the employees and attraction to talent.

The Company remained sound in the management of the "Five Insurances and Housing Fund" and salaries. Formalities associated with the increase, decrease and transfer of the insurances and fund were duly handled. The payment base was confirmed, the annual audit was carried out, and payments were made for the year 2018. In the year, annual audit and insurance payments were also conducted and made for workers with disabilities, and the written materials in relation with labor protection and supervision were submitted.

Talent Management and Training

Recruitment

The headquarters and branches recruited staff under the Company's arrangements. Following the principle that "every new employee should be examined and qualified; the recruitment should be regular and standard with strict conditions", the company had 56 new members. Business of the company will be facilitated given the proper staff composition.

The Company further constructed its talent team. Since the year, it has had 8 new investment-banking teams, totaling 139 members, laying a foundation for expanding the business with more profit growth points. It completed the deployment of staff in headquarters departments and brokerage branches, mainly covering the investment banking lines, brokerage lines, asset management and offices, with 326 personnel deployed.

The company reimbursed the employees who passed the sponsor representative exam, CIIA, CFA, etc. for the exam expenses. It continued to reward those who passed the exams. Allowances were offered as incentives.

Throughout the year, the company organized 13 internal and 154 external training sessions, increasing by 151% compared with a year ago. It organized vocational training courses for qualified sponsor representatives with local associates in Henan province and the Securities Association of China. At the same time, it issued a notice on strengthening the training management. Through the courses, executives and employees could keep abreast of news about regulation; update their professional knowledge and exchange with peers, which is conducive to company development.

Management

It has energized the executive team with talent. The Company recruited the president and vice president in charge of investment banking from the China Securities Regulatory Commission, and the chief accountant, discipline inspection commission secretary and compliance director from the provincial State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), Henan Investment Group and Henan Securities

Regulatory Commission respectively. A strong leadership will contribute to the sustainable and healthy development of the Company. It also recruited professionals with advanced degrees to serve as assistant to the president or middle-level managers. These people with rich experience and advanced ideas will inject vitality into the executive team and provide wisdom for the company's "Second Take-off".

It has strengthened the performance assessment of executives. The Company assessed the performance of executives of the headquarters and branches in 2018. The results served as basis for staff deployment. In addition, the company assisted the provincial SASAC in evaluating its leadership and members and submitted relevant reporting materials.

It adhered to the principle of party governing executives and strengthened building the executive team. As arranged by the company's party committee, adjustments were carried out involving 269 executives above the middle level, 202 of whom were deployed within the company, 23 newly recruited, 44 recommended to subsidiaries. The Company recruited 56 new employees nationwide and deployed 326 staff internally, adding fresh blood to different departments and branches. Eight investment banking teams totaling 139 staff were introduced to foster new profit growth points. Scientific and standard talent selection mechanism motivated executives and provided guarantee for the continuous development of business.

It investigated the part-time jobs of the leadership. The provincial SASAC issued the *Notice on Further Regulating Provincial Enterprise Leaders Working Part-time with Social Organizations* and the *Notice on Further Regulating Provincial Enterprise Leaders Working Part-time with Other Enterprises*. Accordingly, the company investigated company leaders for any part-time work with social organizations and other enterprises, duly reported to the provincial SASAC for approval, and correcting the jobs not meeting the requirements.

It standardized management of executives' records. According to the requirements of higher-level units, the company comprehensively sorted out and checked the personnel files of executives at the right rank, promoting centralized file management. This act will help review the "three ages (physiological age, working age and party standing)", "two backgrounds (education and work)" and "one identity (as an executive)" of the executives, ensure authentic, accurate, standard and integrate materials, and deliver standard, systematic and scientific file management.

Managed executives' passports and documents for overseas (border) travel for private

purposes. The company strengthened the management on executives' passports and documents and expanded the management to more documents, so that all assistant presidents and executives at higher levels of the company's headquarters and branches are subject to the management. Meanwhile, the company managed people entering the document storage room by re-assorting and reporting, to ensure documents would be taken with approval and filing management would be standard.

Employee Activities and Welfare

Employee Care

The Company strictly abides by the *Production Safety Law of the People's Republic of China*, *Labor Law of the People's Republic of China*, the *Fire Control Law of the People's Republic of China* and other laws and regulations. Such laws and regulations require companies to establish and improve the occupational safety and health system, to strictly implement national labor safety and health regulations and standards, and to educate the laborers about labor safety and health, so as to prevent accidents during work and reduce occupational hazards. Meanwhile, the Company has an obligation to implement fire control safety, to protect fire control facilities, to prevent fires and to report fire accidents. Such laws and regulations have a significant impact on employee health and safety management. The company protects the legitimate rights and interests of employees in accordance with the Law, and offers healthy and safe working environment for employees.

The Company has taken various measures to protect the health and safety of employees, including providing employees with the opportunity to participate in the mutual medical assistance of the provincial trade union, expressing sympathy and solicitude for the employees with illness or funeral, actively helping employees in need, organizing to express the sympathy and have the heart-to-heart talk, listening to employees' opinions, establishing staff canteen and so on, so as to strive to create a healthy and safe working environment for employees.

The Company always remembers to care and concern about its employees. For example, it holds the Trade Union Committee and Membership Representatives Meeting to take

part in the corporate democratic management; in 2018, the leading corporate officials have expressed their sympathy and solicitude for the employees with illness or funeral for many times and actively provided the 195 employees in need with assistance of total RMB 885,000; the Company actively offers various benefits for employees, provides them with services related to work and life, conducts activities to beautify the office environment, fosters their passion and enthusiasm for work, carries out employee medical examination, handles the five social insurances and one housing fund for them, purchases the critical illness insurance and commercial health insurance for them and participates in the mutual medical assistance for critical illness of the provincial trade union. In 2018, it provided 5 employees of critical illnesses with subsidies of RMB 45, 000 in total.

It expresses the sympathy and has the heart-to-heart talk in its branches in Hainan, Guangzhou, Qingdao, Kaifeng and so on. The working environment of unity and harmony, youthful spirit, warmth and peace is created via communication and talk with the front-line employees, cares for the life of employees in need and listening to the suggestions and opinions from the leading officials and employees.

The Company actively collects employees' opinions and suggestions on lunch, combines the opinions of employees, communicates and coordinates with Zhongyou Garden Hotel, enriches the food varieties of employees' lunch on the premise of safety and hygiene, and makes every effort to meet the needs of employees with different tastes. Every day, a specially-assigned person will go to the canteen to check the dishes in advance, and if problems are found, the Zhongyou Garden Hotel will be required to correct them in time so as to provide the staff with a warm lunch environment and safe and delicious food.

The Company strictly complies with the *Fire Control Law of the People's Republic of China* and other laws and regulations, and ensures the safety of employees' working environment in accordance with the Company's *Fire Safety Responsibility System and Safety and Security Management Regulations (Revised)* and other relevant safety and security rules and regulations. The Company strictly requires security personnel to monitor and inspect the daily working and office space, and assign special personnel to inspect the office space and the work of the security personnel from time to time; organize the firefighting training

for employees and invites fire brigade instructors to explain firefighting knowledge and watch firefighting cases to enhance employees' awareness of fire safety and familiarity with basic knowledge of fire prevention and extinguishment; organize the safety overhaul, timely rectifies potential safety hazards found in the office so as to lay a solid foundation for ensuring the safety of the working environment of employees.

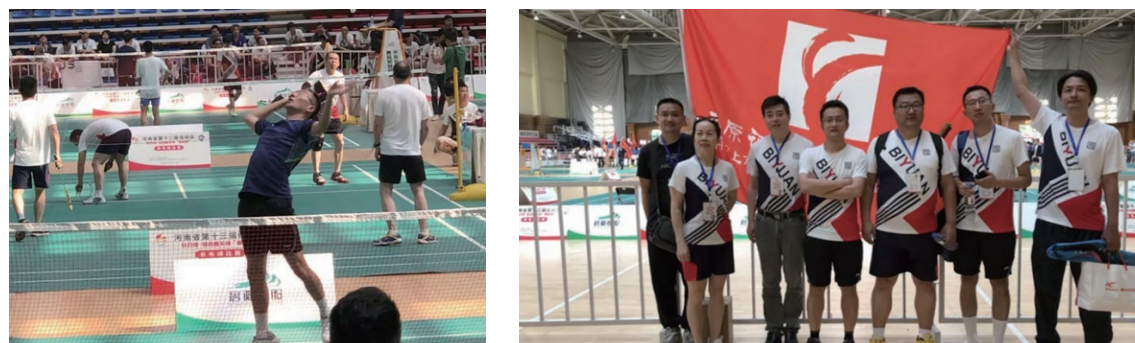
Employee Activities

It holds a series of recreational and sports activities of the "Second Take-off Cup", including the Basketball Match, Football Match, Badminton Match, Thousand People's Brisk Walking and PK Competition. The competition between the headquarters' basketball team and Jinan Qingdao United has strengthened the communication between the employees and the collective sense of honor. The opening match of Guangzhou football competition started well. During the Champion and Runner-Up Scramble in the Zhengzhou Yingkai Football Park, the Henan Province Securities Regulatory Bureau Football Team beat Xinxiang-Jiaozuo Hebi-Pingdingshan Football United and won the championship. New talents were discovered and strengths were built up during the Badminton Match held in the Kaifeng City. The PK Competition of Thousand People's Brisk Walking with 1,560 participants set a new record in terms of enthusiasm and involvement of employees. Teams from other provinces were invited to take part in the activities of the competition of the "Second Take-off Cup" to build up the body and promote friendship.



Three representative teams of the Company took part in the competition of the Shuangsheng, Badminton and Football matches in the 13th Provincial Games. The Shuangsheng and the Badminton Team won the Third Prize while the Football Team won the Second Prize, reaching the best in the history, and the Morality Award. The Company

organized the friendly match between its basketball team and the basketball team of the Henan Provincial Commission for Discipline Inspection and participated in the provincial badminton invitational tournament and won the top 32.



On the morning of March 25, 2018, the 2018 Zhengzhou-Kaifeng International Marathon began in the Zhengdong New Area, Zhengzhou City. More than 300 employees of the Company took part in the 5KM race. Organization of employees' participation in the Zhengzhou-Kaifeng International Marathon has become a brand activity of the Company, which shows not only the energetic and passionate spirit of the Company's employees, but also the Company's good image of striving for progress, aggressiveness and persistence.

The Company organized various trade union groups to carry out various spring outing activities, held the thematic activities of "Happy Children's Day for Pleasant Growth" intended to motivate the original nature of children and delivered over 800 spring festival scrolls to carry forward traditional culture. The Trade Union League Committee pushed more than 30 messages related to its activities via the WeChat account, attracting many readers.



Care and love toward female employees

According to the order of the provincial government, the subsidy of 50 yuan per month was paid for women workers and the focus of the work of the women workers' committee was determined. On March 8, the Company organized Chinese checkers and tug-of-war competitions for women employees, and all departments actively participate in these activities. After grouping, there were 13 teams and more than 100 women workers participating in the competitions. Their advising on the strategy and active participating showed the solidarity and harmony among colleagues, which not only enhanced the emotional exchanges between employees, but also enriched the cultural life of the Company. In the selection of "beautifying the office environment and displaying the style of Central China Securities", women employees were as, the mainstay, playing an important role in improving the environment and the air quality in the office.



Achievements of Targeted Poverty Alleviation in 2018

Unit: 10,000 Yuan; Currency: RMB	
Index	Amount and Implementation
Overall situation	
Wherein: 1. Capital	175.8
2. Equivalent Amount of Materials	3.2
3. The Number of the Poverty-Stricken Population with Poverty Alleviation Archives (Persons)	19

To respond to the *Implementation Opinions on Finance-Helped Poverty Relief* issued jointly by seven ministries and commissions such as the People's Bank of China, China Securities Regulatory Commission, the Poverty Alleviation Office of the State Council, the Company carried out in-depth targeted poverty alleviation based on financial assistance. Understanding the profound connotation of the basic strategies for targeted poverty alleviation and targeted poverty eradication of the Party Central Committee and the State Council and aiming at the key persons and key tasks of poverty relief, accurately connecting financial needs, the Company adhered to the coordination of financial policies and poverty alleviation policies, and provided strong and effective financial support for achieving the goals of winning the battle to eradicate poverty and building a moderately prosperous society in an all-round way by 2020.

In accordance with the relevant requirements of the *Opinions of China Securities Association on Fulfilling the Social Responsibilities of Poverty Relief by the Securities Industry*, the Company has established a leading group and office for poverty relief; and the Party Committee Secretary & President is the first person responsible for the Company's poverty alleviation & assistance, Xinjiang supporting and village-based assistance; and the Chairman of Labor Union is responsible for the implementation of specific poverty alleviation projects.

Giving full play to the company's Six-in-One advantages of the whole industrial chain, the Company provides the comprehensive poverty alleviation services for poor counties. ZDKY Venture Capital and Henan Zhongzheng Kaiyuan Venture Capital Fund Management Co., Ltd. cooperated deeply with the poverty-stricken counties and gave play to their professional advantages to provide financial support and assistance to all kinds of high-quality enterprises in these counties through the market-oriented industrial investment funds.

Contribute to Social Welfare and Support Poverty-Stricken Industries

Innovate the Support Mode and Construct the Long-term Support Mechanism

Pour Efforts into Industries for Poverty Alleviation and Strengthen the Local "Hemopoietic" Function

Send Cadres to Be Stationed and Directly Participate in the Poverty Alleviation Work

Start from the Help of Mastering Knowledge and Carry Out Financial Knowledge Training

Innovate the Support Mode and Construct the Long-term Support Mechanism

In order to improve the support work, the Company's Labor Union has deliberated the *Compensation Management Method of the Logistics Service Center of Central China Securities Co., Ltd. (Trial)* and the *revised Annuity Scheme of Central China Securities Co., Ltd.* and drafted the *Measures for the Early Retirement of Employees, Measures for Internal Transfer of Employees*.

During the Reporting Period, the Company's Labor Union has also supported 195 difficult employees with totally RMB 885,000 through the process such as reporting, screening, publicity and confirmation, etc., and timely visited the sick and bereaved employees. Over 60 visits were made to employees and their relatives throughout the year. It has well organized the employee welfare during the traditional festivals and purchased the presents in line with the customs of traditional Chinese festivals. The Company's Labor Union also provided the employees with the movie cards, birthday greeting cake cards, heatstroke prevention drugs, anti-smog masks against the smog weather in autumn and winter, carried out the activities to beautify the office environment, organized the physical examination of the employees, the participation of the employees at the headquarters of the Company in the medical mutual assistance activities for major diseases of the Labor Union directly under the provincial government, and applied for the mutual assistance fund of 20,000 yuan.

The Company focuses on the poverty-stricken counties for targeted support, taking helping the poor households sell their own agricultural and sideline products as a starting point, to cultivate rural bellwether of becoming rich among the poor households and establish a long-term support mechanism. Through various efforts, the Company has sent the first secretary to help Luochen Village in Guangshan County get out of poverty. In 2018, the incidence of poverty was reduced to 1.34%, with the comprehensive per capita income exceeding the national standard. The Company has paid RMB 210,000 in total for purchasing the agricultural and sideline products from poor households in Zhangzhuang Village (Lankao County), Guanqiao Village (Gushi County), Luochen Village (Guangshan County) and Tongbai County in Henan Province, benefiting 60 poor households with poverty alleviation archives. It has established a good interactive relationship with the poor households who have the courage to start businesses and get rich, encouraging them to lift out poverty with both hands. The Company was highly praised by the cadres stationed in the villages and the people in the poor counties.

In addition, as the president unit, the Company proactively supported the development of Henan Foundation for Poverty Alleviation by specially appointing the chairman of the Trade Union as the president and actively carrying out related work. In 2018, Henan Foundation for Poverty Alleviation donated a total amount of RMB 113 million, received public donations totaling RMB 106 million and successively publicized and mobilized for over 1,200 donations, benefiting over 20,000 impoverished people.

Pour Efforts into Industries for Poverty Alleviation and Strengthen the Local "Hematopoietic" Function

Focusing on strengthening the economic "Hematopoietic" function in the poverty-hit areas, the Company gives full play to its advantages in financial literacy and stock exchange listing and further steps up the efforts for supporting the poverty relief, striving to provide a comprehensive package of financial services such as equity, creditor's rights, and investment for enterprises in the poverty-stricken counties in Henan Province in to accelerate their development in a multi-dimensional and multi-level manner, so as to enhance the "Hematopoietic" function of the local economy.

Responding to the *Initiative of China Securities Association to Promote "One County, One Enterprise" to Deepen Targeted Poverty Alleviation - Securities Companies Serving to Poverty Relief*, in 2018, the Company signed the financial advisory agreements with 2 enterprises and the pre-IPO tutorship agreements with 3 in the poverty-stricken areas.

As of the Reporting Period, the Company has supported more than 1,300 enterprises in the poor counties of the province to get listed in the Equity Exchange Co. At the same time, the green channel policy of "Special Reception and Special Verification" was implemented for those enterprises to actively promote the normative development of the local small and medium-sized enterprises.

Send Cadres to Be Stationed and Directly Participate in the Poverty Alleviation Work

Selecting outstanding cadres to the front line of poverty relief is an important measure taken by the Party and the government to promote targeted poverty alleviation. For example, as an important backbone enterprise in Henan Province, the Company has, since last year, successively selected and dispatched two outstanding cadres to support Xinjiang, to be stationed in the villages and directly participate in the poverty relief efforts in accordance with the requirements of the Organization Department of Henan Provincial Party Committee.

In 2018, in order to help Shangcai County get out of poverty, in response to the request of the County Party Committee, the Company selected an outstanding cadre who was proficient

in business from the Company's investment banking division to serve as the deputy county magistrate of Shangcai County and help 21 enterprises to be listed and displayed in the equity center, such as obtaining a four-board loan of RMB 2 million and a poverty alleviation loan of RMB 4.9 million from financial institutions for Shangcai Zhengxing Ecological Animal Husbandry Co., Ltd., speeding up the standardization of the management and operation of Shangcai Xinggong Investment Co., Ltd. and Shangcai County Urban Construction Investment Development Co., Ltd.. Central China Blue Ocean cooperated with Henan Hongfeng Seedling Co., Ltd. to establish Shangcai Fengtuo Agricultural and Forestry Science and Technology Co., Ltd., with a registered capital of RMB 11 million yuan, and carried out the cooperation of red maple seedlings & plantings with Shangcai Qingfeng Agricultural Planting Co., Ltd. established in Xiaowangying Village to help Xiaowangying Village overcome poverty.

In order to actively promote the "Party Building Studies", implement the "Three-meeting and One-class" system, adhere to the purpose of serving the people wholeheartedly, the Company has sent its first secretary to Luo Chen Village, Guangshan County, Henan Province, and arranges for one member of the Company's leadership to go deep into the village every month to implement and supervise the relevant work in poverty alleviation. In the course, the Company has provided basic and decisive support for the whole village. There were 1,949 registered residents in Luocheng Village, and 54 households (160 people) who have not been lifted out of poverty. The implementation of industrial development to shift from "Indica Rice to Japonica Rice" plantation has led to a number of households get out of poverty. As of 2018, Luo Chen Village has basically bridged the poverty gap and exceeded the government standard in terms of comprehensive per capita income.

In accordance with the requirements of Henan Provincial Party Committee, the Company has sent a cadre to serve as the Deputy General Manager of Xinjiang Hami State-owned Assets Investment Management Co., Ltd., who has actively participated in the work of "Cadres Living in Villages and Households", "Ethnic Groups Unite as One Family" and maintaining stability. With totally over 11,000 yuan of personal assistance items in the whole year, the cadre was awarded as the "Outstanding Xinjiang Supporting Cadre". In cooperation with the Municipal Finance Bureau, the local development reform commission, the Company has resolutely completed the clearance of hidden government debts on time. The Company has promoted the early payment of the remaining 1.2 billion yuan in principal of 14 state-owned investment bonds through the issuance of local government bonds and the exchange for the local ones. The Company has taken the

lead in promoting the rectification and collection of a subsidiary, Zhengxin Finance Guarantee Company. The Company has promoted the bridge financing service, accepted and distributed 16 cases of bridging funds, a total of 220 million to support the development of local small, medium and micro enterprises. None of the 16 cases was at risk.



The Xinjiang supporting cadre working and staying with the poverty-stricken family



The temporary Shangcai deputy county magistrate visiting the poverty-stricken family

Start from the Help of Mastering Knowledge and Carry Out Financial Knowledge Training

According to the instructions of the Provincial Party Committee and the spirit of the Party Committee of the Company, the Company develops an innovative poverty alleviation mode to provide training for the poverty-stricken counties so as to cultivate them the necessary talents who are familiar with the finance and capital market and understand the modern economy. The Company has conducted more than 10 financial knowledge explanation training sessions, and taken use of one-on-one briefing and other means to cultivate the financial awareness and correct ideas of the cadres and masses in the poor areas, so as to help the poor counties fight against poverty. It has purchased 630 sets of books valued at approximately 488,000 yuan and provided them, free of charge, to the poor counties and cities, such as Lankao, Gushi, Tongbai, Shangcai, Guangshan, Pingyu in Henan Province and Hami City in Xinjiang.

Feedback and Future Plans

In his collective study at the Political Bureau of the CPC Central Committee, General Secretary Xi Jinping stressed that we need to deepen our understanding of the international and domestic financial situation, correctly grasp the essence of finance, deepen the structural reform on the financial supply side, balance the relationship of stable growth and risk prevention, accurately and effectively handle the risks in key areas, deepen the financial reform and opening up, strengthen the real economy in financial services, and resolutely fight a tough battle to prevent and resolve the major risks, including financial risks, so as to promote the healthy development of China's financial industry. In 2019, the Company will improve its overall risk management capability and provide scientific support for its business decisions. It will strictly control the business risks, strengthen the risk control inspection, so as to escort the Company's operation.

At the same time, the Henan Provincial Government Work Report defines the work arrangements for 2019. It puts forward the following measures, "Launch actions to comprehensive financial services in key areas, strengthen the cultivation efforts of enterprises listing, and improve the ability of financial service to real economy", "guide enterprises to increase equity financing efforts, and reduce business risks", and "support enterprises to issue corporate bonds, entrepreneurship and innovation special financial bonds, and incubation special bonds". This has pointed out the direction for the Company's efforts in financial work in 2019, laying a fundamental basis for compliance. The Company will continue to play an investment banking role in supporting the listing and refinancing of enterprises, give full play to the role of investment sector, directly support the improvements of enterprises' strength, give full play to the role of equity center to serve the small, medium and micro enterprises, give full play to the role of Hong Kong subsidiary to open up the international strategic channels, so as to vigorously introduce the high-end talents, and help the company's "Second Take-off".

Appendices

Appendix I ENVIRONMENTAL KEY PERFORMANCE INDICATORS			2018
Air Emission ¹	Nitrogen Oxides (NO _x) Emissions (kg)		134
	Sulphur Dioxides (SO ₂) Emissions (kg)		3
	Particulates (kg)		10
GHG Emissions	Total GHG Emissions (Scope 1,2 and 3) (tonne CO ₂ equivalent)		5,561
	GHG Emissions Intensity (tonne CO ₂ equivalent/person)		1.96
	Scope 1 Total Direct GHG Emissions (tonne CO ₂ equivalent)		532
	Scope 2 Total Indirect GHG Emissions (tonne CO ₂ equivalent)		4,752
	Scope 3 Total Other Indirect GHG Emissions (tonne CO ₂ equivalent)		277
Waste	Non-hazardous Waste	Total Production of Non-hazardous waste (tonne)	21
		Non-hazardous Waste Intensity (kg/person)	7.40
	Hazardous Waste	Total Production of Hazardous waste ² (tonne)	N/A
		Hazardous Waste Intensity (kg/person)	N/A
Use of Resources	Energy	Total Energy Consumption (MWh)	10,503
		Energy Consumption Intensity (MWh/person)	3.70
		Total Direct Energy Consumption (MWh)	2,207
		Gasoline	265
		Gasoline consumption per capita	0.09
		Diesel	62
		Diesel consumption per capita	0.02
		Natural gas	1,880
		Consumption of natural gas per capita	0.66
		Total Indirect Energy Consumption (MWh)	8,296
		Electric power	8,296
		Consumption of natural gas per capita	2.92
	Water ⁴ Consumption	Total Water Consumption (m ³)	152,183
		Water Consumption (m ³ /person)	53.64
	Packaging Materials	Total Packaging Materials of Final Products ³ (tonne)	N/A
		Packaging Materials per Unit of Product (tonne)	N/A

1 The data only include air pollutant discharged by official vehicles.

2 There is very little total volume of harmful wastes produced in the Group and it cannot be accurately quantified in this year.

3 The Group's business doesn't involve packaging of products and the data are inapplicable.

4 Water used by the Group is mainly tap water from municipal government and there is no problem in taking applicable water source.

Appendix II CONTENT INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE			
Area	Aspect	General Disclosure and KPIs	Index
A. Environment	Aspect A1 : Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection
		A1.1 The types of emissions and respective emissions data.	Appendix I Environmental key performance indicators
		A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental key performance indicators
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental key performance indicators
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental key performance indicators
		A1.5 Description of measures to mitigate emissions and results achieved.	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection;
			Appendix I Environmental key performance indicators

A. Environment	Aspect A1 : Emissions	A 1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection; Appendix I Environmental key performance indicators
	Aspect A2: Use of Resources	General Disclosure	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection
		Policies on the efficient use of resources, including energy, water and other raw materials.	
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental key performance indicators
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendix I Environmental key performance indicators
		A2.3 Description of energy use efficiency initiatives and results achieved.	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection; Appendix I Environmental key performance indicators Indicators
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Appendix I Environmental key performance indicators
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Appendix I Environmental key performance indicators

A. Environment	Aspect A3: The Environment and Natural Resources	General Disclosure	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection
		Policies on minimising the issuer's significant impact on the environment and natural resources.	
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection
B. Social	Aspect B1: Employment	General Disclosure	Corporate Social Responsibility and Employee Career Development: Remuneration Policies and Labor Rules; Talent Management and Training
		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
	Aspect B2: Health and Safety	General Disclosure	Corporate Social Responsibility and Employee Career Development: Employee Activities and Welfare
		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	

B. Social	Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Corporate Social Responsibility and Employee Career Development: Talent Management and Training
	Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Corporate Social Responsibility and Employee Career Development
	Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Joint Efforts with Government to Safeguard Sound Financial Environment: Green Operation and Environmental Protection
	Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service System Improvement to Enhance Customer Experience: Information System Maintenance and Security; Customer Relationship Management and Complaint Management; Investor Education

B. Social	Aspect B7: Anti- corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Joint Efforts with Government to Safeguard Sound Financial Environment: Compliance Management and Taxation; Focus on Return for Shareholders to Consolidate Investment Relations: Conform with Communist Party of China and State Requirements
	Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contribute to Social Welfare and Support Poverty-Stricken Industries: Innovate the Support Mode and Construct the Long-term Support Mechanism; Pour Efforts into Industries for Poverty Alleviation and Strengthen the Local "Hemopoietic" Function; Send Cadres to Be Stationed and Directly Participate in the Poverty Alleviation Work; Start from the Help of Mastering Knowledge and Carry Out Financial Knowledge Training

Feedback Form

Dear reader:

Thank you for reading the report! This is an environmental, social and governance report issued by us to the public in the 3rd consecutive year. Therefore, we hope very much that you can evaluate the report and put forward your precious suggestions for our continuous improvement.

You can choose to mail your feedback suggestions to:

Contact address: 19F, Zhongyuan Guangfa Finance Building, 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou City, Henan Province, China

Postcode: 450018

Contact number: 0371-69177590

Name: _____

Work Unit: _____

Job Title: _____

Contact Number: _____

Email Address: _____

Feedback questionnaire:

1 Have you acquired data you need to know about from this report?

2 Do you think the report has comprehensively reflected the economic responsibility undertaken by the Central China Securities Co., Ltd.?

3 Do you think the report has comprehensively reflected the environmental responsibility undertaken by the Central China Securities Co., Ltd.?

4 Do you think the report has comprehensively reflected the social responsibility undertaken by the Central China Securities Co., Ltd.?

5 Do you think the report has comprehensively reflected corporate governance responsibility undertaken by the Central China Securities Co., Ltd.?

6 Do you have other suggestions for the ESG Report of Central China Securities Co., Ltd.?

