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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your securities broker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Central China Securities Co., Ltd., you should at once hand this circular together with the enclosed proxy form to the purchaser or the transferee or to the bank, securities broker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## Central China Securities Co., Ltd.

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

**(Stock Code: 01375)**

- (1) PROFIT DISTRIBUTION PLAN FOR THE YEAR OF 2022**
- (2) RE-APPOINTMENT OF AUDITING FIRM FOR THE YEAR OF 2023**
- (3) EVALUATIONS AND REMUNERATION OF THE DIRECTORS FOR THE YEAR OF 2022**
- (4) EVALUATIONS AND REMUNERATION OF THE SUPERVISORS FOR THE YEAR OF 2022**
- (5) PROPOSED PROVISION OF GUARANTEE OR COUNTER-GUARANTEE BY THE COMPANY FOR CENTRAL CHINA INTERNATIONAL AND THE AUTHORIZATION TO CENTRAL CHINA INTERNATIONAL TO PROVIDE GUARANTEE OR COUNTER-GUARANTEE FOR ITS WHOLLY-OWNED SUBSIDIARIES**
- (6) BUSINESS SCALE AND AFFORDABLE RISK LIMITS OF SECURITIES PROPRIETARY TRADING FOR THE YEAR OF 2023**
- (7) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- (8) PROPOSED AMENDMENTS TO CERTAIN RULES OF PROCEDURES**
- (9) REPORT ON THE DEMONSTRATION AND ANALYSIS OF THE PROPOSAL TO ISSUE A SHARES TO TARGET SUBSCRIBERS BY THE COMPANY**
- (10) PROPOSED EXTENSION OF THE VALIDITY PERIOD OF THE COMPANY'S GENERAL MEETING RESOLUTION TO ISSUE A SHARES TO TARGET SUBSCRIBERS AND THE VALIDITY PERIOD OF THE AUTHORIZATION OF THE BOARD AND THE AUTHORIZED PERSONS OF THE BOARD TO HANDLE RELATED MATTERS AT THE GENERAL MEETING AND**
- (11) NOTICES OF ANNUAL GENERAL MEETING AND 2023 FIRST H SHAREHOLDERS' CLASS MEETING**

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Letter from the Board is set out on pages 4 to 24 of this circular.

The AGM, the A Shareholders' Class Meeting and the H Shareholders' Class Meeting of the Company will be held at 9:30 a.m., 11:00 a.m. or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later) and 11:30 a.m. or immediately after the conclusion of the A Shareholders' Class Meeting or any adjournment thereof (whichever is the later) respectively, on Wednesday, 24 May 2023 at Conference Centre, Huanghe State Guesthouse, No. 1 Yingbin Road, Zhengzhou, Henan Province, the PRC. The Notice of AGM and Notice of H Shareholders' Class Meeting are set out on pages 55 to 59 of this circular.

The proxy forms for the AGM and the H Shareholders' Class Meeting are attached to this circular. Whether or not you are able to attend the AGM and the H Shareholders' Class Meeting in person, you are requested to complete and return the applicable proxy form in accordance with the instructions printed thereon as soon as possible. In case of holders of H Shares, the proxy form shall be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event, not less than 24 hours before the time scheduled for holding the AGM and the relevant meeting or any adjournment thereof (as the case may be) or the time appointed for the taking of the poll. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the relevant meetings or any adjournment thereof if you so desire.

3 May 2023

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## DEFINITIONS

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*In this circular, the following terms shall have the following meanings unless the context otherwise requires:*

“2023 First Class Meeting for A Shareholders” or “A Shareholders’ Class Meeting”	the 2023 first A Shareholders’ Class Meeting of the Company to be held at 11:00 a.m. on Wednesday, 24 May 2023 or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later)
“2023 First Class Meeting for H Shareholders” or “H Shareholders’ Class Meeting”	the first H Shareholders’ Class Meeting in 2023 to be held at 11:30 a.m. on Wednesday, 24 May 2023 or immediately after the conclusion of the AGM and the 2023 First Class Meeting for A Shareholders (whichever is the later) or any adjournment thereof
“AGM”	the annual general meeting for the year 2022 (or any adjournment thereof) of the Company to be convened and held at 9:30 a.m. on Wednesday, 24 May 2023 at Conference Centre, Huanghe State Guesthouse, No. 1 Yingbin Road, Zhengzhou, Henan Province, the PRC.
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“A Share(s)”	domestic listed ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Shanghai Stock Exchange
“A Shareholder(s)”	the holder(s) of A Shares
“Board”	the board of the Directors of the Company
“Central China International”	Central China International Financial Holdings Company Limited (中州國際金融控股有限公司), which is a wholly-owned subsidiary of the Company
“Circular”	the circular of the Company dated 25 May 2022 in relation to the non-public issuance of new A Shares under specific mandate

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## DEFINITIONS

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“Class Meetings”	the 2023 First Class Meeting for A Shareholders and the 2023 First Class Meeting for H Shareholders
“Company” or “Central China Securities”	Central China Securities Co., Ltd. (中原证券股份有限公司) (carrying on business in Hong Kong as “中州证券”), a joint stock company incorporated on 8 November 2002 in Henan Province, the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01375) and the Shanghai Stock Exchange (stock code: 601375), respectively
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“H Share(s)”	overseas listed foreign ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	the holder(s) of H Shares
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	27 April 2023, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Ministry of Finance”	Ministry of Finance of the People’s Republic of China

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## DEFINITIONS

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“Non-public Issuance”, “Issuance” or “Issuance of A Shares to Target Subscribers”	the proposed issuance of no more than 1,392,865,410 (inclusive) new A Shares by the Company to no more than 35 target subscribers (inclusive)
“PRC” or “China”	the People’s Republic of China
“RMB”	the lawful currency of the PRC, Renminbi, the basic unit of which is “yuan”
“Rules of Procedures for General Meeting”	the Rules of Procedures for General Meeting of Central China Securities Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Rules of Procedures for the Board of Directors”	the Rules of Procedures for the Board of Directors of Central China Securities Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Rules of Procedures for the Supervisory Committee”	the Rules of Procedures for the Supervisory Committee of Central China Securities Co., Ltd., as amended, supplemented or otherwise modified from time to time
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company
“SSE”	the Shanghai Stock Exchange
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“USD”	United States Dollars, the lawful currency of the United States of America
“%”	per cent.

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LETTER FROM THE BOARD

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

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

**(Stock Code: 01375)**

*Executive Director:*

Mr. JIAN Mingjun (*Chairman*)

*Non-executive Directors:*

Mr. LI Xingjia

Ms. ZHANG Qiuyun

Mr. TANG Jin

Mr. TIAN Shengchun

Mr. ZHANG Xiaoqi

Mr. LU Benson Cheng

*Independent Non-executive Directors:*

Ms. ZHANG Dongming

Mr. CHEN Zhiyong

Mr. TSANG Sung

Mr. HE Jun

*Registered Address in the PRC:*

No. 10 Shangwu Waihuan Road

Zhengdong New District

Zhengzhou, Henan Province

China

*Headquarters/Principal Place of Business  
in the PRC:*

No. 10 Shangwu Waihuan Road

Zhengdong New District

Zhengzhou, Henan Province

China

*Principal Place of Business in Hong Kong:*

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

3 May 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) **PROFIT DISTRIBUTION PLAN FOR THE YEAR OF 2022**
- (2) **RE-APPOINTMENT OF AUDITING FIRM FOR THE YEAR OF 2023**
- (3) **EVALUATIONS AND REMUNERATION OF THE DIRECTORS FOR THE YEAR OF 2022**
- (4) **EVALUATIONS AND REMUNERATION OF THE SUPERVISORS FOR THE YEAR OF 2022**
- (5) **PROPOSED PROVISION OF GUARANTEE OR COUNTER-GUARANTEE BY THE COMPANY FOR CENTRAL CHINA INTERNATIONAL AND THE AUTHORIZATION TO CENTRAL CHINA INTERNATIONAL TO PROVIDE GUARANTEE OR COUNTER-GUARANTEE FOR ITS WHOLLY-OWNED SUBSIDIARIES**
- (6) **BUSINESS SCALE AND AFFORDABLE RISK LIMITS OF SECURITIES PROPRIETARY TRADING FOR THE YEAR OF 2023**
- (7) **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
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- (11) **NOTICES OF ANNUAL GENERAL MEETING AND 2023 FIRST H SHAREHOLDERS' CLASS MEETING**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

At the AGM, the following resolutions (among other things) will be proposed to approve: (1) the profit distribution plan for the year of 2022; (2) the re-appointment of auditing firm for the year of 2023; (3) the evaluations and remuneration of the Directors for the year of 2022; (4) the evaluations and remuneration of the Supervisors for the year of 2022; (5) the proposed provision of guarantee or counter-guarantee by the Company for Central China International and the authorization to Central China International to provide guarantee or counter-guarantee to its wholly-owned subsidiaries; (6) business scale and affordable risk limits of securities proprietary trading for the year of 2023; (7) the proposed amendments to the Articles of Association; (8) the proposed amendments to the Rules of Procedures for the General Meeting; (9) the proposed amendments to the Rules of Procedures for the Board of Directors; (10) the proposed amendments to the Rules of Procedures for the Supervisory Committee; (11) the Report on the Demonstration and Analysis of the Proposal to Issue A Shares to Target Subscribers by the Company; (12) Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities; and (13) the proposed extension of the validity period of the Company's general meeting resolution to issue A Shares to Target Subscribers and the validity period of the authorization of the Board and the authorized persons of the Board to handle related matters at the general meeting (the "**Extension of the Validity Period of the Resolution**"). The Extension of the Validity Period of the Resolution will also be presented to the Class Meetings for approval.

The purpose of this circular is to provide you with details of the aforementioned matters, and set out the Notices of the AGM and the 2023 First Class Meeting for H Shareholders.

### II. PROFIT DISTRIBUTION PLAN FOR THE YEAR OF 2022

As audited by Da Hua Certified Public Accountants (Special General Partnership), the Company's net profit attributable to owners of the parent company for 2022 was RMB106,577,985.92. After the withdrawal of the surplus reserve and various risk reserves, the distributable profit realized in 2022 was RMB13,506,743.59. Together with the retained undistributed profits at the beginning of 2022, the consolidated distributable profits as of 31 December 2022 was RMB211,258,110.35. As of 31 December 2022, the distributable profit of the parent company was RMB468,406,423.99.

As considered and approved by the Board, the Company proposes to distribute profits for the year of 2022 based on the total share capital registered on the record date for payment of the cash dividend. The Company proposes to distribute a cash dividend of RMB0.07 (tax inclusive) for every 10 Shares to all Shareholders. As calculated based on the total share capital of the Company as of 31 December 2022, the total cash dividend of RMB32,500,192.90 (tax inclusive) will be distributed, representing 30.49% of the net profit attributable to owners of the parent company for

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## LETTER FROM THE BOARD

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2022. In the event of change in total share capital of the Company after the date of the Board meeting approving the profit distribution plan for the year of 2022 and before the record date for payment of the cash dividend, the total distribution amount will be kept unchanged and the rate will be adjusted accordingly. No capital reserves will be converted into share capital and no bonus shares will be distributed by the Company.

On 29 March 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the profit distribution plan of the Company for the year of 2022 at the AGM by way of an ordinary resolution. After the profit distribution plan of the Company for the year of 2022 is considered and approved by the AGM, payment of the year of 2022 cash dividend will be made before 24 July 2023.

### III. RE-APPOINTMENT OF AUDITING FIRM FOR THE YEAR OF 2023

In 2022, the Company engaged Da Hua Certified Public Accountants (Special General Partnership) (hereinafter referred to as “Da Hua”) as the auditor for financial reporting and internal control. During the audit process, Da Hua complied with the auditing standards and laws and regulations, abided by professional ethics, possessed professional competence, diligently and responsibly, and earnestly performed the duties of the audit firm, and completed the audit work independently, objectively and fairly.

In order to maintain the continuity of audit work, based on the professional standards and service experience of Da Hua, the Company proposes to re-appoint Da Hua as the auditor of the Company for 2023 for a term of one year to be responsible for the provision of domestic and overseas audit services in accordance with the China Accounting Standards for Business Enterprises. The audit and review fees of the Company for 2023 amounted to RMB1.93 million (among which interim review fees of RMB298,000, annual financial and special regulatory report audit fees of RMB1.19 million, and internal control audit fees of RMB442,000), representing an increase of 19% as compared with last year. The audit fees for the current period were determined with reference to the fee level of the industry, in light with the nature, risk size, complexity and other factors of audit services. If the audit fees increase due to the new audit contents, it is proposed to the AGM to authorize the Board to determine the adjustment matters of the relevant audit fees.

On 21 April 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on the re-appointment of the auditing firm for the year of 2023 at the AGM by way of an ordinary resolution.



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## LETTER FROM THE BOARD

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### IV. EVALUATIONS AND REMUNERATION OF THE DIRECTORS FOR THE YEAR OF 2022

According to the requirements of the Company Law, the Governance Standards for Securities Companies 《(證券公司治理準則)》, the Governance Standards for Listed Companies 《(上市公司治理準則)》 and the Articles of Association, the evaluation and remuneration of the Directors of the Company for the year of 2022 are set out below:

#### (I) Basic Information of the Board

The Board of the Company currently consists of 11 Directors, namely JIAN Mingjun as Chairman and Executive Director, LI Xingjia, ZHANG Qiuyun, TANG Jin, TIAN Shengchun, ZHANG Xiaoqi, LU Benson Cheng as Non-executive Directors and ZHANG Dongming, CHEN Zhiyong, TSANG Sung, HE Jun as Independent Non-executive Directors. The composition of the Board of the Company is in compliance with the laws and regulations and the Articles of Association.

#### (II) Performance by and Evaluation on Directors

In 2022, the Company held 8 Board meetings and 5 general meetings. All the Directors of the Board of the Company lawfully, faithfully and diligently performed their statutory obligations, attended Board meetings and meetings of special committees in accordance with requirements, carefully considered the proposals, and offered advices and suggestions in professional manners regarding the reform and renovation, significant matters, related party transactions, internal control, compliance management, risk control, system establishment, social responsibilities, etc. of the Company, which ensured that the decision-making of the Board is compliant, scientific and standardized, guaranteed the truthfulness, accuracy and completeness of the information disclosed by the Company and duly protected the interests of Shareholders of the Company. In 2022, none of the Directors had committed any irregularity.

#### (III) Payment of Remuneration of Directors in 2022

The remuneration of Directors of the Company comprises of allowances and other remunerations. The remuneration of the internal Directors of the Company is determined based on their specific positions in the Company with reference to the relevant remuneration and evaluation system of the Company. The allowances of the external Directors of the Company are paid on monthly basis, and the external Directors are not entitled to other remunerations other than the allowances from the Company. For details of payment of remunerations to the Directors by the Company in 2022, please refer to the 2022 Annual Report of Central China Securities Co., Ltd. disclosed on the websites of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

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## LETTER FROM THE BOARD

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On 29 March 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the evaluations and remuneration of the Directors of the Company for the year of 2022 at the AGM by way of an ordinary resolution.

### **V. EVALUATIONS AND REMUNERATION OF THE SUPERVISORS FOR THE YEAR OF 2022**

According to the requirements of the Company Law, the Governance Standards for Securities Companies (《證券公司治理準則》), the Governance Standards for Listed Companies (《上市公司治理準則》) and the Articles of Association, the evaluations and remuneration of the Supervisors of the Company for the year of 2022 are set out below:

#### **(I) Basic Information of the Supervisory Committee**

The Company elected and changed the Supervisors in strict compliance with the Articles of Association. On 29 April 2022, the Company convened the 5th meeting of the seventh session of the Supervisory Committee, at which the Resolution on the Replacement of the Shareholder Representative Supervisor was considered and approved. On 24 June 2022, the Company convened the annual general meeting of 2021, at which the Resolution on the Replacement of the Shareholder Representative Supervisor was considered and approved, according to which Mr. Zhang Xiansheng ceased to hold the position of the shareholder representative supervisor and agreed Mr. Li Zhifeng as the shareholder representative supervisor of the seventh session of the Supervisory Committee of the Company.

Currently, there are currently 9 members of the Supervisory Committee, namely Mr. Lu Zhili (chairman of the Supervisory Committee), Mr. Wei Zhihao, Mr. Li Zhifeng and Mr. Zhang Bo (shareholder representative Supervisors), Ms. Xiang Siying and Mr. Xia Xiaoning (independent Supervisors), Mr. Ba Guanhua, Ms. Xu Changyu and Ms. Xiao Yichen (employee representative Supervisors). The number of Supervisors and the composition of the Supervisory Committee were in compliance with the requirements of laws and regulations.

#### **(II) Performance by and Evaluation on Supervisors**

In 2022, the Supervisory Committee of the Company held 6 meetings, and the Supervisors attended 5 general meetings and present at 8 Board meetings. All of the Supervisors carefully considered and reviewed the resolutions, supervised the significant operation, financial position and the lawfulness and compliance of performance of the Directors and senior management of the Company, supervised the convening, voting procedures and voting results of the general meetings

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## LETTER FROM THE BOARD

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and the Board meetings, proactively protected the lawful interests of the Company and its Shareholders. The Supervisors were diligent and responsible in the performance of their duties and responsibilities without the conduct prohibited by the Articles of Association.

### **(III) Payment of Remuneration of Supervisors in 2022**

The remuneration of the Supervisors of the Company comprises of allowances and other remunerations. The remuneration of the internal Supervisors of the Company is determined based on their specific positions in the Company according to the relevant remuneration and evaluation system of the Company. The allowances of the external Supervisors of the Company are paid on monthly basis, and the external Supervisors are not entitled to remunerations other than the allowances from the Company. For details of payment of remunerations to the Supervisors by the Company in 2022, please refer to the 2022 Annual Report of Central China Securities Co., Ltd. disclosed on the website of the Shanghai Stock Exchange.

On 29 March 2023, the Supervisory Committee approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the evaluations and remuneration of the Supervisors of the Company for the year of 2022 at the AGM by way of an ordinary resolution.

### **VI. RESOLUTION ON THE PROPOSED PROVISION OF GUARANTEE OR COUNTER-GUARANTEE BY THE COMPANY FOR CENTRAL CHINA INTERNATIONAL AND THE AUTHORIZATION TO CENTRAL CHINA INTERNATIONAL TO PROVIDE GUARANTEE OR COUNTER-GUARANTEE FOR ITS WHOLLY-OWNED SUBSIDIARIES**

In order to facilitate the stable development of the overseas business of the Company, optimize financial structure and reduce financing costs, Central China International (a wholly-owned subsidiary of the Company) intends to carry out financing by way of various means in accordance with the laws and compliance, involving the provision of guarantee or counter-guarantee by the Company for Central China International's financing. At the same time, in order to enhance the operating ability of Central China International, Central China International intends to provide guarantee or counter-guarantee for the business of its wholly-owned subsidiaries. If the above-mentioned guaranteed objects involve wholly-owned subsidiaries with asset and liability ratios exceeding 70%, such guarantees are subject to the consideration and approval by the general meeting of the Company in accordance with the relevant provisions of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and the Articles of Association. In order to reduce the cost of financing time, fully grasp the favorable market opportunity and improve the efficiency of

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## LETTER FROM THE BOARD

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approval for guarantees for wholly-owned subsidiaries, the following matters are proposed for consideration in accordance with regulatory requirements and in light of industry practice and the actual situation of the Company:

- (1) It is agreed that the Company may provide guarantee or counter-guarantee in one or more instalments or for multiple tranches for various types of financing for Central China International including its borrowings from domestic and overseas financial institutions and application for credit line, with an amount (including the amount of Central China International's guarantee or counter-guarantee for its wholly-owned subsidiaries as mentioned below) of not more than 10% of the latest audited net assets of the Company and the total amount shall not exceed RMB1 billion (or equivalent in foreign currency). Letters of guarantee (or other documents with equivalent effect) may be issued in tranches within one year from the date of consideration and approval at the AGM. The validity period of the guarantee or counter-guarantee shall be subject to each letter of guarantee (or other documents with equivalent effect), and the specific amount, cooperation institutions, conditions, etc. shall be determined after consideration by the relevant decision-making bodies of the Company. This resolution shall be valid for 12 months from the date of consideration and approval at the AGM. If the Company obtains approval, license or registration confirmation, etc. from domestic or foreign financial institutions or other authorized authorities during the validity period of this resolution, the Company may complete the guaranteed borrowing within the validity period of such approval, license or registration confirmation, and this resolution shall continue to be valid until the date of fulfillment of such guaranteed borrowing.

In order to control risks, the requirements for the consolidated asset and liability ratio of Central China International when the Company provides guarantees or counter guarantees to it and its wholly-owned subsidiaries shall not exceed the liability ratio (approximately 89%) calculated when the ratio of net assets to liabilities in the risk control indicators of the Company is higher than the alert threshold of 12%, among which the liabilities are calculated excluding accounts payable to brokerage clients, credit trading accounts payable to brokerage clients, accounts payable to underwriting clients, and amounts due to asset management clients and other clients' funds.

- (2) It is agreed to authorize Central China International to provide financing-type guarantee or counter-guarantee to domestic and foreign financial institutions for the business of its wholly-owned subsidiaries in one or more instalments or for multiple tranches. Letters of guarantee (or other documents with equivalent effect) may be issued in tranches within one year from the date of consideration and approval at the AGM. The validity period of the guarantee or counter-guarantee shall be subject to each letter of guarantee (or other documents with equivalent effect), and the specific amount, cooperation

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## LETTER FROM THE BOARD

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institutions, conditions, etc. shall be determined by Central China International in consultation with the relevant decision-making bodies or relevant departments of the Company according to the circumstances. The sum of the amount of the Company's guarantee and counter-guarantee and the amount of Central China International's guarantee and counter-guarantee its wholly-owned subsidiaries as mentioned in paragraph (1) above shall not exceed 10% of the latest audited net assets of the Company, and the total amount shall not exceed RMB1 billion (or its equivalent in foreign currency). This resolution shall be valid for 12 months from the date of consideration and approval at the AGM. If Central China International or its subsidiaries obtain approval, license or registration confirmation, etc. from domestic or foreign financial institutions or other authorized authorities during the validity period of the resolution, Central China International or its subsidiaries may complete the guaranteed borrowing within the validity period of such approval, license or registration confirmation, and this resolution shall continue to be valid until the date of fulfillment of such guaranteed borrowing.

On 29 March 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on the provision of guarantee or counter-guarantee for Central China International and the authorization to Central China International to provide guarantee or counter-guarantee for its wholly-owned subsidiaries at the AGM by way of an ordinary resolution.

### **VII. BUSINESS SCALE AND AFFORDABLE RISK LIMITS OF SECURITIES PROPRIETARY TRADING FOR THE YEAR OF 2023**

According to the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) which was promulgated and issued by CSRC, the aggregate amount of proprietary equity securities and securities derivatives shall not exceed 100% of the net capital of a securities company, and the aggregate amount of proprietary non-equity securities and securities derivatives shall not exceed 500% of the net capital of a securities company and the warning level is 80% of the stipulated requirement. Considering the assets, liabilities, gains or losses and capital sufficiency and other conditions of the Company, it is proposed that the business scale and affordable risk limits of the securities proprietary trading of the Company for 2023 are as follows:

1. The investment scale of the proprietary non-equity securities and its securities derivatives for 2023 shall not exceed 380% of the net capital (in real time). The affordable risk limits shall not exceed 5% of the total self-owned capital investments.

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## LETTER FROM THE BOARD

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The investment scale of the proprietary non-equity securities and its securities derivatives is measured with reference to the regulatory standards. If there are any changes in the regulatory standards in a given year, the above shall be adjusted to comply with the latest regulatory standards.

2. The investment scale of the proprietary equity securities and its securities derivatives for 2023 shall not exceed 40% of the net capital (in real time). The affordable risk limits shall not exceed 15% of the total self-owned capital investments.

The investment scale of the proprietary equity securities and securities derivatives is measured with reference to the regulatory standards. If there are any changes in the regulatory standards in a given year, the above shall be adjusted to comply with the latest regulatory standards.

The management of the Company is authorized to determine the specific scale of funds and affordable risk limits to the extent of authorized limits according to market conditions when the relevant conditions of the CSRC for proprietary trading management and risk control are met.

On 29 March 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on the determination of the business scale and affordable risk limits of securities proprietary trading for the year of 2023 at the AGM by way of an ordinary resolution.

### VIII. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 28 February 2023 in relation to the proposed amendments to the Articles of Association.

According to the Guiding Opinions on Regulating the Name of Leader Positions in Provincial Financial Enterprises (《關於規範省管金融企業領導職位名稱的指導意見》) issued by the Department of Finance of Henan Province, the name of leader positions of the provincial financial enterprises was further regulated for unity. Accordingly, the Board resolved on 28 February 2023 to propose amendments to the Articles of Association. Details of the proposed amendments to the Articles of Association are set out below.

## LETTER FROM THE BOARD

No.	Before amendments	After Amendments
1.	<p><b>In the full text of the Articles of Association, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 14</b> The senior management referred to in these Articles of Association include the president, vice president, chief financial officer, chief compliance officer, secretary to the Board, members of the Executive Committee and such other personnel keep posts as identified by regulators or acknowledged by any board resolution of the Company.</p> <p>The appointment and removal of a Director, supervisor and member of senior management of the Company shall be filed with the securities regulatory authorities under the State Council.</p>	<p><b>In the full text of the Articles of Association, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 14</b> The senior management referred to in these Articles of Association include the <del>president</del><b>general manager</b>, <del>vice president</del><b>deputy general manager</b>, chief financial officer, chief compliance officer, secretary to the Board, members of the Executive Committee and such other personnel keep posts as identified by regulators or acknowledged by any board resolution of the Company.</p> <p>The appointment and removal of a Director, supervisor and member of senior management of the Company shall be filed with the securities regulatory authorities under the State Council.</p>

Save for the aforementioned proposed amendments, the contents of other articles in the current Articles of Association remain unchanged.

The English version of the Articles of Association is an unofficial translation of the Chinese version. In the event of any inconsistency, the Chinese version shall prevail.

The proposed amendments to the Articles of Association are subject to the consideration and approval by the Shareholders at the AGM by way of a special resolution. The amended Articles of Association shall become effective from the date of consideration and approval at the AGM. Prior to that, the current Articles of Association shall remain valid.

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## LETTER FROM THE BOARD

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### IX. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE GENERAL MEETING

Pursuant to the relevant amendments to the Articles of Association, the Board proposed on 28 February 2023 to make corresponding amendments to the Rules of Procedures for the General Meeting. Details of the proposed amendments to the Rules of Procedures for the General Meeting are set out below. Please refer to the overseas regulatory announcement of the Company dated 28 February 2023 for the full text of the amended Rules of Procedures for the General Meeting.

No.	Before amendments	After Amendments
1.	<p><b>In the full text of the Rules of Procedures for the General Meeting, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 33</b> When the shareholders’ meeting is held, all directors, supervisors and the secretary to the board of directors shall attend the meeting, and the president and other senior management shall be present at the meeting.</p>	<p><b>In the full text of the Rules of Procedures for the General Meeting, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 33</b> When the shareholders’ meeting is held, all directors, supervisors and the secretary of the board of directors shall attend the meeting, and the <del>president</del> <u>general manager</u> and other senior management shall be present at the meeting.</p>

Save for the aforementioned proposed amendments, the contents of other articles in the current Rules of Procedures for the General Meeting remain unchanged.

The English version of the Rules of Procedures for the General Meeting is an unofficial translation of the Chinese version. In the event of any inconsistency, the Chinese version shall prevail.

The proposed amendments to the Rules of Procedures for the General Meeting are subject to the consideration and approval of the Shareholders at the AGM by way of an ordinary resolution. The amended Rules of Procedures for the General Meeting shall become effective from the date of consideration and approval at the AGM. Prior to that, the current Rules of Procedures for the General Meeting shall remain valid.



## LETTER FROM THE BOARD

### X. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

Pursuant to the relevant amendments to the Articles of Association, the Board proposed on 28 February 2023 to make corresponding amendments to the Rules of Procedures for the Board of Directors. Details of the proposed amendments to the Rules of Procedures for the Board of Directors are set out below. Please refer to the overseas regulatory announcement of the Company dated 28 February 2023 for the full text of the amended Rules of Procedures for the Board of Directors.

No.	Before amendments	After Amendments
1.	<p><b>In the full text of the Rules of Procedures for the Board of Directors, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 2</b> The Board of Directors shall exercise the following powers and functions:</p> <p>.....</p> <p>(X) According to the nomination of the chairman of the board, appoint or dismiss the president of the Company, compliance officer, secretary to the board of directors, audit officer and decide on their remuneration; according to the nomination of the president, appoint or dismiss the vice presidents of the Company, financial officer and decide on their remuneration and other matters as well as rewards and punishments;</p> <p>.....</p>	<p><b>In the full text of the Rules of Procedures for the Board of Directors, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 2</b> The Board of Directors shall exercise the following powers and functions:</p> <p>.....</p> <p>(X) According to the nomination of the chairman of the board, appoint or dismiss the <del>president</del><b>general manager</b> of the company, compliance officer, secretary to the board of directors, audit officer and decide on their remuneration; according to the nomination of the <del>president</del><b>general manager</b>, appoint or dismiss the <del>vice president</del><b>deputy general managers</b> of the company, financial officer and decide on their remuneration and other matters as well as rewards and punishments;</p> <p>.....</p>

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## **LETTER FROM THE BOARD**

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Save for the aforementioned proposed amendments, the contents of other articles in the current Rules of Procedures for the Board of Directors remain unchanged.

The English version of the Rules of Procedures for the Board of Directors is an unofficial translation of the Chinese version. In the event of any inconsistency, the Chinese version shall prevail.

The proposed amendments to the Rules of Procedures for the Board of Directors are subject to the consideration and approval of the Shareholders at the AGM by way of an ordinary resolution. The amended Rules of Procedures for the Board of Directors shall become effective from the date of consideration and approval at the AGM. Prior to that, the current Rules of Procedures for the Board of Directors shall remain valid.

### **XI. PROPOSED AMENDMENTS TO THE RULES OF PROCEDURES FOR THE SUPERVISORY COMMITTEE**

Pursuant to the relevant amendments to the Articles of Association, the Supervisory Committee proposed on 28 February 2023 to make corresponding amendments to the Rules of Procedures for the Supervisory Committee. Details of the proposed amendments to the Rules of Procedures for the Supervisory Committee are set out below. Please refer to the overseas regulatory announcement of the Company dated 28 February 2023 for the full text of the amended Rules of Procedures for the Supervisory Committee.

## LETTER FROM THE BOARD

No.	Before amendments	After Amendments
1.	<p><b>In the full text of the Rules of Procedures for the Supervisory Committee, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 3</b> The Supervisory Committee shall consist of nine supervisors, including six non-employee representative supervisors and three employee representative supervisors, with the non-employee representative supervisors elected or replaced by the shareholders’ general meeting and the employee representative supervisors elected or replaced by the employee representatives’ meeting, employees’ meeting or other forms of democratic election.</p> <p>The directors, president and other senior management shall not serve as supervisors at the same time.</p>	<p><b>In the full text of the Rules of Procedures for the Supervisory Committee, the term “president” is amended to “general manager” and the term “vice president” is amended to “deputy general manager”. Examples are as follows:</b></p> <p><b>Article 3</b> The Supervisory Committee shall consist of nine supervisors, including six non-employee representative supervisors and three employee representative supervisors, with the non-employee representative supervisors elected or replaced by the shareholders’ general meeting and the employee representative supervisors elected or replaced by the employee representatives’ meeting, employees’ meeting or other forms of democratic election.</p> <p>The directors, <del>president</del><b>general manager</b> and other senior management shall not serve as supervisors at the same time.</p>

Save for the aforementioned proposed amendments, the contents of other articles in the current Rules of Procedures for the Supervisory Committee remain unchanged.

The English version of the Rules of Procedures for the Supervisory Committee is an unofficial translation of the Chinese version. In the event of any inconsistency, the Chinese version shall prevail.

The proposed amendments to the Rules of Procedures for the Supervisory Committee are subject to the consideration and approval of the Shareholders at the AGM by way of an ordinary resolution. The amended Rules of Procedures for the Supervisory Committee shall become effective from the date of consideration and approval at the AGM. Prior to that, the current Rules of Procedures for the Supervisory Committee shall remain valid.

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## LETTER FROM THE BOARD

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### **XII. THE REPORT ON THE DEMONSTRATION AND ANALYSIS OF THE PROPOSAL TO ISSUE A SHARES TO TARGET SUBSCRIBERS BY THE COMPANY**

According to the relevant provisions of the full implementation of the stock issuance registration system (the “**Registration System**”) promulgated by the CSRC and the Shanghai Stock Exchange on 17 February 2023, listed companies shall issue a demonstration and analysis report when applying for the issuance of securities. This is a new requirement for companies listed on the main board of the SSE under the full implementation of the Registration System taking effect on 17 February 2023.

In order to meet such new requirements, the Company, taking into account its actual situation, and in accordance with the provisions of the Company Law, the Securities Law and the Measures for the Administration of the Registration of Securities Issuance by Listed Companies (上市公司證券發行註冊管理辦法), prepared the Report on The Demonstration and Analysis of the Proposal to Issue A Shares to Target Subscribers (the “**Report**”). Details of the Report are set out in the Appendix I to this circular.

On 4 March 2023, the Company’s application in relation to the Issuance was accepted by the Shanghai Stock Exchange. According to the relevant rules under the Registration System, the Issuance is subject to the approval of the Shanghai Stock Exchange and the consent of the CSRC for registration. The Report is subject to the consideration and approval of the Shareholders at the AGM by way of a special resolution.

### **XIII. REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES BY THE COMPANY**

According to the Guidelines for the Application of Regulatory Rules-Issuance No. 7 (《監管規則適用指引 — 發行類第7號》) issued by the CSRC, if a listed company applies for the issuance of securities and the time for receipt of the previous proceeds is less than five accounting years, the Board shall prepare a report on the utilisation of proceeds raised from previous fund raising activities and submit the report to the general meeting for approval after resolving on the report. Meanwhile, the report on the utilisation of proceeds raised from previous fund raising activities should be issued with an attestation report by the accounting firm. Please refer to Appendix II to this circular for details of the Attestation Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities issued by Da Hua Certified Public Accountants (Special General Partnership), which includes the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities by the Company.

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## LETTER FROM THE BOARD

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On 29 March 2023, the Board approved and resolved to propose to the Shareholders to consider and, if thought fit, approve the resolution on the report on the utilisation of proceeds raised from previous fund raising activities of the Company at the AGM by way of a special resolution.

#### **XIV. PROPOSED EXTENSION OF THE VALIDITY PERIOD OF GENERAL MEETING RESOLUTION RELATING TO THE COMPANY'S ISSUANCE OF A SHARES TO TARGET SUBSCRIBERS AND THE VALIDITY PERIOD OF THE AUTHORIZATION BY THE GENERAL MEETING TO THE BOARD AND ITS AUTHORIZED PERSONS TO DEAL WITH THE RELEVANT MATTERS**

On 24 June 2022, the Company held the 2021 annual general meeting, the 2022 first A Shareholders' Class Meeting and the 2022 first H Shareholders' Class Meeting to consider and approve the resolutions such as the Resolution in relation to the Company's Non-Public Issuance of A Shares and the Resolution in relation to the Authorization to the Board and Its Authorized Persons by the General Meeting to Deal with Relevant Matters Regarding the Non-public Issuance of A Shares. Pursuant to the above-mentioned resolutions, the resolution of the general meeting relating to the Issuance and the authorization by the general meeting to the Board and its authorized persons to deal with the relevant matters shall be valid for a period of 12 months from the date of consideration and approval of the relevant resolutions by the general meeting and the class meetings, i.e. the validity period of such resolutions will expire on 23 June 2023 (the "**Date of Expiry**").

In view of the implementation of the Registration System, the Issuance is subject to the approval of the Shanghai Stock Exchange and the consent of the CSRC for registration, and therefore the completion of the Issuance may be later than the Date of Expiry. In order to ensure the continuity and effectiveness of the Issuance and the smooth implementation of matters relating to the Issuance, the Board resolved on 28 February 2023 to propose to the General Meeting and the Class Meetings for an extension of the validity period of the aforesaid resolutions and the relevant authorizations for a period of 12 months from the Date of Expiry. Other than the duration of the authorization, the authorization given to the Board and its authorized persons in respect of the Issuance remain unchanged.

The above resolution is subject to the consideration and approval of the Shareholders at the AGM, the 2023 First Class Meeting for A Shareholders and the 2023 First Class Meeting for H Shareholders by way of the special resolutions.

## LETTER FROM THE BOARD

### XV. EFFECT OF THE ISSUANCE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For reference and illustration purposes only, assuming that there are no changes to the total issued Shares of the Company (excluding the Issuance) from the Latest Practicable Date to the date immediately preceding the completion of the Issuance and that subject to the regulatory requirements of the places where the Shares of the Company are listed, a maximum of 1,392,865,410 new A Shares are issued under the Issuance (which represents approximately 30% of the total issued Shares of the Company as at the Latest Practicable Date and approximately 23.08% of the enlarged total issued Shares of the Company upon completion of the Issuance), the shareholding structure of the Company as at the Latest Practicable Date and immediately following the completion of the Issuance is set out as follows:

	As at the Latest Practicable Date		Immediately following the completion of the Issuance	
	Number of Shares	Approximate percentage of the total issued Shares of the Company <sup>3</sup>	Number of Shares	Approximate percentage of the enlarged total issued Shares of the Company <sup>3</sup>
<b>A Shares</b>				
Henan Investment Group Co., Ltd.* (河南投資集團有限公司)	822,983,847	17.73%	822,983,847	13.64%
Anyang Iron & Steel Group Co., Ltd.* (安陽鋼鐵集團有限責任公司)	177,514,015	3.82%	177,514,015	2.94%
Other Public A Shareholders	2,447,021,838	52.70%	3,839,887,248	63.62%
<b>Total number of A Shares</b>	<b>3,447,519,700</b>	<b>74.25%</b>	<b>4,840,385,110</b>	<b>80.20%</b>
<b>H Shares</b>				
Henan Investment Group Co., Ltd.* (河南投資集團有限公司)	200,573,000	4.32%	200,573,000	3.32%
Shanghai Wealspring Asset Management Co., Ltd.* (上海寧泉資產管理有限公司)	156,209,000	3.37%	156,209,000	2.59%
Other Public H Shareholders	838,583,000	18.06%	838,583,000	13.89%
<b>Total number of H Shares</b>	<b>1,195,365,000</b>	<b>25.75%</b>	<b>1,195,365,000</b>	<b>19.80%</b>
<b>Total</b>	<b>4,642,884,700</b>	<b>100.00%</b>	<b>6,035,750,110</b>	<b>100.00%</b>

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## LETTER FROM THE BOARD

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*Notes:*

1. As known to the Company, as at the Latest Practicable Date, Henan Investment Group Co., Ltd. (through Southbound trading under Shanghai-Hong Kong Stock Connect) held a long position in a total of 153,840,000 H Shares of the Company, including a long position in 46,733,000 H Shares indirectly held through its indirect wholly-owned subsidiary, Dahe Paper (Hong Kong) Co., Limited.
2. It is expected that all of a maximum of 1,392,865,410 new A Shares to be issued under the Issuance will be held by public A Shareholders.
3. The percentages listed in the above table are all rounded to two decimal points.
4. For the purpose of calculating the public float pursuant to the Rule 8.08 of the Hong Kong Listing Rules, the shareholdings of Anyang Iron & Steel Group Co., Ltd. and Shanghai Wealspring Asset Management Co., Ltd. are all counted as public float.

### **XVI. PUBLIC FLOAT**

According to the public information available to the Company and to the best of the Directors' knowledge, as at the Latest Practicable Date, approximately 77.95% of the total issued A Shares and H Shares of the Company were held by the public, among which, the H Share public float was approximately 21.43%.

Assuming that there are no changes to the total issued Shares of the Company (excluding the Issuance) from the Latest Practicable Date to the date immediately preceding the completion of the Issuance, and all of a maximum of 1,392,865,410 new A Shares to be issued under the Issuance are held by public Shareholders, immediately after the completion of the Issuance, the total public float in respect of the A Shares and H Shares as a whole will be approximately 83.04%, among which, the H Share public float will be approximately 16.48%. The Board expects that the Company would still be able to maintain sufficient public float to meet the applicable minimum requirement of the Hong Kong Listing Rules.

### **XVII. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Except for the Issuance, the Company did not carry out any equity fund raising activities in the twelve months immediately preceding the Latest Practicable Date.

### **XVIII. REASONS AND BENEFITS FOR THE ISSUANCE**

As disclosed in the Circular, in recent years, with the introduction of a series of policies, deepening the reform of financial system, strengthening the ability of providing financial services to real economy, enhancing the proportion of direct financing and promoting healthy development

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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of multi-level capital market have become the future focuses of the capital market in the PRC. In the future, the capital market of the PRC will, oriented by the principle of serving the national strategies and building a modernized economic system, strengthen the support to the reform of state-owned assets and state-owned enterprises and develop stronger, better and larger state-owned capital, while making unwavering efforts to support the innovation, transformation and healthy development of private enterprises and playing a more significant role in serving the real economy.

Henan Province has been benefiting from the overlapping effect of major strategies, while enjoying expanded comprehensive competitive edges and huge economic potentials. During the “14th Five-Year Plan” period, Henan Province has proposed to cultivate a multi-level capital market and diversified financial entities, deepen the “investment attraction for Henan” project, and make Henan a better and stronger “financial powerhouse”.

As a securities company that was registered in Henan Province, it is imperative for the Company to improve its capital strength through the Issuance, seize the development opportunities offered by the “14th Five-Year Plan” of Henan Province, deeply participate in and serve the national strategies, further enhance the market competitiveness and risk tolerance, and continuously improve the ability of providing services to real economy, so as to promote a better and faster development of the Company’s business and bring greater returns to all the Shareholders. As of the Latest Practicable Date, save as disclosed in the announcement of the Company dated 28 February 2023, there has been no change to the terms of the Issuance. As of the Latest Practicable Date, there has been no change in the use of proceeds and the estimated timeline.

### **XIX. AGM AND CLASS MEETINGS**

The AGM, the 2023 First Class Meeting for A Shareholders and the 2023 First Class Meeting for H Shareholders will be held at 9:30 a.m., 11:00 a.m. or immediately after the conclusion of the AGM or any adjournment thereof (whichever is the later) and 11:30 a.m. or immediately after the conclusion of the A Shareholders’ Class Meeting or any adjournment thereof (whichever is the later), respectively, on Wednesday, 24 May 2023 at Conference Centre, Huanghe State Guesthouse, No. 1 Yingbin Road, Zhengzhou, Henan Province, the PRC.

No Shareholder is required to abstain from voting on the resolutions submitted for approval at the AGM and the Class Meetings.

The proxy forms for the AGM and the 2023 First Class Meeting for H Shareholders are attached to this circular. Whether or not you are able to attend the AGM and the 2023 First Class Meeting for H Shareholders in person, you are requested to complete and return the applicable proxy form in accordance with the instructions printed thereon as soon as possible. In case of holders of H Shares, the proxy form shall be lodged with the Company’s H Share registrar,



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## LETTER FROM THE BOARD

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Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, and in any event, not less than 24 hours before the time scheduled for holding the AGM, the 2023 First Class Meeting for H Shareholders or any adjournment thereof (as the case may be). Completion and delivery of the proxy form will not preclude you from attending and voting in person at the relevant meetings or any adjournment thereof if you so desire.

### **XX. VOTING**

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the resolutions as set out in the notice of the AGM and the 2023 First Class Meeting for H Shareholders will be taken by way of a poll under the Articles of Association.

During the poll, every Shareholder present in person or by proxy (or in case of corporation, its duly authorized representative) at the AGM and the 2023 First Class Meeting for H Shareholders shall have one vote for each Share registered in his/her name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same manner.

### **XXI. RECOMMENDATION**

The Board considered that all resolutions to be proposed at the AGM and the Class Meetings are in the interests of the Company and its Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM and the Class Meetings.

### **XXII. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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**LETTER FROM THE BOARD**

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**XXIII. GENERAL INFORMATION**

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,  
By order of the Board  
**Central China Securities Co., Ltd.**  
**JIAN Mingjun**  
*Chairman*

Stock Code: 601375	Stock Abbreviation:	中原证券
Stock Code: 1375.HK	Stock Abbreviation:	中州证券

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

**Report on the Demonstration and Analysis of the Proposal  
to Issue A Shares to Target Subscribers**

**February 2023**

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## DEFINITIONS

In the Analysis Report, unless the context otherwise requires, the following expressions shall have the following meanings:

the Company, Central China Securities	Central China Securities Co., Ltd.
The Issuance	The issuance of A shares to target subscribers by Central China Securities Co., Ltd.
The Analysis Report	Report on the Demonstration and Analysis of the Proposal to Issue Shares to Target Subscribers by Central China Securities Co., Ltd.
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
Shareholders' General meeting	Shareholders' General meeting of Central China Securities Co., Ltd.
Board	Board of Directors of Central China Securities Co., Ltd.
Board of Supervisors	Board of Supervisors of Central China Securities Co., Ltd.
The CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Articles of Association	the Articles of Association of Central China Securities Co., Ltd.
Administrative Measures for Registration	The Administrative Measures for the Issuance and Registration of Securities by Listed Companies

Opinions on the Application of Securities and Futures Law No.18	Opinions on the Application of the Relevant Provisions of Articles 9, 10, 11, 13, 40, 57 and 60 of the Administrative Measures for the Issuance and Registration of Securities by Listed Companies — Opinions on the Application of Securities and Futures Laws No. 18
RMB, RMB10,000 or RMB100 million	unless otherwise specified, all amounts are denominated in RMB

**REPORT ON THE DEMONSTRATION AND ANALYSIS OF THE PROPOSAL  
TO ISSUE A SHARES TO TARGET SUBSCRIBERS  
BY CENTRAL CHINA SECURITIES CO., LTD.**

Central China Securities Co., Ltd. is a listed company on the Shanghai Stock Exchange. The Company has prepared the Report on the Demonstration and Analysis of the Proposal to Issue A Shares to Target Subscribers in consideration of its actual situation and in accordance with the provisions of the Company Law, the Securities Law and the Administrative Measures for Registration to meet the capital needs of the Company's business development, consolidate the capital base, expand the scale of business, optimize the business structure and enhance the Company's market competitiveness and risk resistance capacity.

**I. BACKGROUND AND PURPOSE OF THE ISSUANCE**

In recent years, with the successive introduction of a series of policies, deepening the reform of the financial system, enhancing the capacity of financial services for the real economy, increasing the proportion of direct financing and promoting the healthy development of multi-tiered capital market have become the future focuses of the capital market in the PRC. In the future, the capital market of the PRC will be oriented to serve the national strategy and build a modernized economic system. While continuing to vigorously support the reform of state-owned enterprises, as well as strengthen, optimize and expand state-owned capital, it will also firmly support the innovation and transformation and healthy development of private enterprises and play a greater role in serving the real economy.

The cumulative effect of major strategies in Henan Province has been continuously enhanced, the comprehensive competitive advantages continue to expand, and the potential for economic growth is huge. During the "14th Five-Year Plan" period, Henan Province has proposed to cultivate a multi-level capital market and diversified financial entities, deepen the "investment attraction for Henan (引金入豫)" project, and make Henan a better and stronger "financial powerhouse (金融豫军)".

As a corporate broker in Henan Province, the Company urgently needs to enhance its capital strength through the Issuance, seize the development opportunities of the "14th Five-Year Plan" of Henan Province, and deeply participate in and serve the national strategies; in addition, the Company will further improve its market competitiveness and risk resistance capacity, and bring more abundant returns to all shareholders while continuously enhancing its ability to serve the real economy and promote better and faster development of its business.



**II. THE NECESSITY OF THE ISSUANCE OF SECURITIES AND THE SELECTION OF VARIETIES****(I) The varieties of securities to be issued**

The shares to be issued by the Company to target subscribers are domestically listed RMB ordinary shares (A shares) with a par value of RMB1.00.

**(II) The necessity of the issuance of securities and the selection of varieties*****I. To capture new opportunities brought by the “14th Five-Year Plan” in Henan Province and enhance the ability to serve the real economy***

At the current stage, Henan Province is facing multiple development opportunities, and the effect of integration and linkage of strategic platforms in multiple fields continues to appear. In the face of disasters, epidemics and complex external environment, Henan Province’s economy has recovered to a stable level. According to the unified GDP accounting results, the province’s GDP in 2022 exceeded RMB6 trillion and reached RMB6,134.505 billion, representing a year-on-year increase of 3.1%, showing strong resilience and potential. In May 2021, Henan Province released the Outline of the 14th Five-Year Plan for Economic and Social Development and Vision 2035 (《第十四個五年規劃和二〇三五年遠景目標綱要》), which, explicitly proposed to, in terms of financial development, cultivate a multi-level capital market, strive to add more than 50 domestic and foreign listed companies, and improve the quality of listed companies and the proportion of direct financing; live up to its role as the provincial financial services sharing platform, improve the financing, credit enhancement and direct financing support policies for private enterprises, and support the raising of long-term, low-cost capital through the issuance of bonds and other means; foster diversified financial entities, deepen the “investment attraction for Henan” project, and drive the local legal financial institutions bigger and stronger.

As a “service provider” of direct financing, a “manager” of social wealth and a “leader” of financial innovation, securities companies enjoy unique and irreplaceable advantages in serving the real economy, optimizing resource allocation and increasing the proportion of direct financing. As the securities company registered in Henan Province as a legal person, the Company has been developing in Henan Province and vigorously serving the local economy for years. It has grown into a comprehensive securities company with unique regional advantages. To better capture the development opportunities brought by the “14th Five-Year Plan” of Henan Province, it is necessary for the Company to further strengthen its capital strength through refinancing, deeply participate in and serve the national strategies, fuel the construction of a multi-level capital market in the region, and act as a “participant” and “promoter” of the real economy.

***2. To continuously strengthen the capital base, consolidate and enhance market competitiveness***

Guided by a series of policy dividends, including deepening supply-side structural reform in the financial sector, improving the basic system of the capital market, comprehensively promoting the registration of stock issuance, and increasing the breadth and depth of opening up of capital market to the outside world, the development of capital market has entered a period of strategic opportunities. Regulatory authorities clearly support securities companies to raise funds in multiple channels and forms both inside and outside China, optimize the financing structure and enhance capital strength, and support the securities industry in becoming better and stronger; and a new round of market expansion is expected in multiple business lines. However, at the same time, with the further deepening in the opening of the capital market, the market competition in the domestic securities industry is becoming increasingly fierce, and the concentration of the industry is also rising.

Since 2021, the Company has focused on major national strategies and given full play to the role of local securities brokers. That means the Company implemented the “three-pronged” financial service model of investment banking, investment and investment-lending linkage, built a core business system with special features, vigorously promoted the upgrading of the Company’s major business lines and further optimized the spatial layout. This contributed to sound momentum of faster development in the main businesses of wealth management, fixed income, investment banking and investment, and opened a new pattern of rapid development. The development of a securities company is highly connected with its capital scale. Sufficient net capital is the key for a securities company to expand business scale and improve market competitiveness. Through the Issuance, the Company will further consolidate its capital base, increase investment in various businesses in line with the industry development trend and its current condition and cultivate new profit growth points. These efforts will promote the achievement of the Company’s strategic objectives, and consolidate and enhance its industry position and market competitiveness.

***3. To help comprehensively improve the risk tolerance capacity of the Company to achieve stable and sound development***

Risk management is the premise for the sustainable development of a securities company. The risk control capacity is not only related to the profitability of a securities company, but also directly affects its survival and development. The securities companies operate in a capital intensive industry, and the capital scale of securities companies is directly related to risk tolerance capacity. In recent years, the CSRC has successively revised the Administrative Measures for the Risk Control Indicators of Securities Companies and the Calculation Standards for Risk Control Index of Securities Companies, further improved the risk control index system of securities

companies with net capital and liquidity as the core, and put forward higher standard for risk management of securities companies. In July 2020, the CSRC issued the revised Regulation on Classification of Securities Companies, which optimized and improved the classification evaluation index system and guided securities companies to pay more attention to capital constraints, the full coverage of risk management and the effectiveness of risk monitoring.

With the expansion of business scale, a securities company can prevent and mitigate various business risks, such as market risks, credit risks, operating risks and liquidity risks, only when it maintains the capital scale consistent with the business development scale. The Issuance is conducive to enhancing the Company's overall risk management and risk prevention capabilities for a stable and healthy development.

***4. To issue shares to target subscribers is a suitable financing method for the Company at the present stage***

Equity financing has better planning and coordination, which can better match and support the realization of the Company's long-term strategic objectives and enable the Company to maintain a more stable capital structure. The issuance of shares to target subscribers to raise funds further enhanced the Company's core competitiveness and ability to withstand market risks, and provided favorable protection for the long-term healthy and stable business development of the Company.

**III. THE SUITABILITY OF SCOPE, QUANTITY AND CRITERIA FOR THE SELECTION OF TARGET SUBSCRIBERS FOR THE ISSUANCE**

**(I) Suitability of the scope for the selection of target subscribers**

Subscribers of the Issuance are up to 35 specific investors (35 inclusive). The specific investors must be domestic industrial investors, securities investment fund management companies, securities companies, asset management companies, trust and investment companies (to subscribe with their own funds), finance companies, insurance institutional investors, qualified foreign institutional investors (including the above-mentioned investors' self-operated accounts or managed investment product accounts) who meet the requirements of the CSRC and other legal persons, natural persons or other qualified investors who meet the relevant requirements. Where a securities investment fund management company, a securities company, a qualified foreign institutional investor or a Renminbi qualified foreign institutional investor subscribes for the shares in the name of two or more products under its management, it shall be treated as one target subscriber. Where the target subscriber is a trust investment company, it must subscribe with its own funds.

The final target subscriber will be determined according to the principle of price priority by the Board of the Company and the authorized person of the Board authorized by the Shareholders' general meeting, and the sponsor (lead underwriter) based on the subscription quotation of the subscribers in compliance with relevant regulations, after the Company obtains the approval of the Shanghai Stock Exchange and the CSRC on the registration.

If the regulatory authorities have other provisions on the shareholder qualification of the targets and the corresponding review procedures, such provisions shall prevail.

The scope for the selection of the target subscribers is in compliance with the relevant provisions of the Administrative Measures for Registration and other laws and regulations, which is appropriate.

## **(II) Suitability of the quantity of subscribers for the Issuance**

Subscribers of the Issuance are up to 35 target subscribers (35 inclusive), which is in compliance with relevant laws and regulations.

The number of subscribers for the Issuance is in line with the relevant provisions of the Administrative Measures for Registration and other laws and regulations, which is appropriate.

## **(III) Suitability of the criteria for subscribers of the Issuance**

The subscribers for the Issuance shall have certain capabilities of risk identification and bearing, and corresponding financial strength.

The criteria for subscribers of the Issuance is in line with the Administrative Measures for Registration and other relevant laws and regulations, which is appropriate.

## **IV. REASONABLENESS OF THE PRINCIPLES, BASIS, METHODS AND PROCEDURES OF PRICING FOR THE ISSUANCE**

### **(I) Principles and basis of pricing for the Issuance**

The pricing benchmark date of the Issuance shall be the first day of the issue period of the Issuance. The issue price shall not be lower than 80% of the average trading price of the A Shares of the Company for the 20 trading days preceding the pricing benchmark date (excluding the price benchmark date) and the latest audited net asset per share attributable to shareholders of the parent company before the Issuance.

The average trading price of A Shares of the Company for the 20 consecutive trading days preceding the pricing benchmark date = total trading amount of A Shares of the Company for the 20 consecutive trading days preceding the pricing benchmark date ÷ total trading volume of A Shares of the Company for the 20 consecutive trading days preceding the pricing benchmark date. In cases of ex-rights and ex-dividends matters such as dividend, bonus issuance, rights issue, and conversion of capital reserve into share capital, causing any adjustment in the share price during the 20 trading days, the trading price for the trading days before such adjustment shall be calculated on the basis of the adjusted price caused by the ex-rights and ex-dividends matters. In cases of ex-rights and ex-dividends matters such as dividend, bonus issuance, rights issue, and conversion of capital reserve into share capital during the period from the balance sheet date of the latest audited financial reports before the issuance to the issuance date, the aforementioned net asset value per share attributable to shareholders of the parent company shall be adjusted accordingly.

The final issue price of the Issuance will be determined according to the principle of price priority by the Board of the Company and the authorized person of the Board authorized by the Shareholders' general meeting, and the sponsor (lead underwriter) based on the subscription quotation of the subscribers in compliance with relevant regulations, after the Company obtains the approval of the SSE and the CSRC on the registration. At that time, if the regulatory authorities have other provisions on the issue price and the pricing principles, such provisions shall prevail.

## **(II) Methods and procedures of pricing for the Issuance**

Both the methods and procedures of pricing for the Issuance are in accordance with the relevant provisions of the Administrative Measures for Registration and other laws and regulations, and Board meetings and the Shareholders' general meeting shall be held and the relevant announcement shall be disclosed on the website of the SSE and media meeting the requirements as prescribed by the CSRC, subject to the approval of the SSE and the consent of the CSRC for registration.

The methods and procedures of pricing for the Issuance are in compliance with the relevant provisions of the Administrative Measures for Registration and other laws and regulations, both of which are reasonable.

In summary, the principles, basis, methods and procedures of pricing for the Issuance are in line with the requirements of relevant laws and regulations, which are compliant and reasonable.

**V. FEASIBILITY OF THE ISSUANCE METHOD****(I) The issuance method is legal and compliant****1. *The Issuance complies with the relevant provisions of the Company Law***

The shares to be issued are RMB ordinary shares (A shares), and each share of the same class shall be issued under the same condition and at the same price, which shall be in compliance with the relevant provisions of Article 126 of the Company Law:

The issue of the shares shall be based on the principle of fairness and impartiality, and shall rank pari passu in all respects with the shares of the same class.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price; the same price shall be paid for each share subscribed for by any entities or individuals.

**2. *The Issuance complies with the relevant provisions of the Securities Law***

The Issuance will not be issued by way of advertising, public persuasion and disguised disclosure, which complies with the relevant provisions of Article 9 of the Securities Law:

Non-public issuance of securities shall not be made through advertising, public persuasion or disguised disclosure.

**3. *There are no circumstances under which the Company may not issue shares to any target subscribers as stipulated in Article 11 of the Administrative Measures for Registration:***

- (1) Unauthorized change in the use of funds raised the previous time without correction, or without approval of the Shareholders' general meeting;
- (2) The preparation and disclosure of financial statements for the most recent year do not comply with the provisions of the ASBEs or relevant information disclosure rules in material respects; the financial accounting report for the most recent year is issued with an adverse opinion or an audit report unable to express an opinion; and the financial accounting report for the most recent year is issued with a qualified audit report and the material adverse impact of the matters covered by the qualified opinion on the listed company has not been eliminated. Except for material assets reorganization involved in the Issuance;

- (3) Any incumbent Director, Supervisor and senior management has been subject to administrative penalties of the CSRC in the latest three years or has been censured publicly by the domestic stock exchange in the latest one year;
  - (4) The listed company or any of its incumbent Director, Supervisor and senior management is under ongoing investigations by judicial authorities for suspected criminal offenses, or under ongoing investigations by the CSRC for suspected violations of laws or regulations;
  - (5) The controlling shareholder or actual controller has committed any major illegal act that seriously damages the interests of the listed company or the legitimate rights and interests of investors in the recent three years;
  - (6) Major illegal acts that seriously harmed the legitimate rights and interests of investors or social and public interests in the recent three years.
4. *The use of funds raised by the Company is in compliance with the relevant provisions of Article 12 of the Administrative Measures for Registration:*
- (1) It is in compliance with national industrial policies and relevant laws and administrative regulations on environmental protection and land management;
  - (2) Except for financial enterprises, the use of the proceeds shall not be used for holding financial investments, and shall not be invested directly or indirectly in companies whose main business is trading securities;
  - (3) After the implementation of the fund-raising project, there will be no new peer competition, or unfair connected transactions with the controlling shareholder, the actual controller or other enterprises under their control that constitute significant adverse impact, or seriously affect the independence of the Company's production and operation.
5. *The Issuance of the Company complies with the relevant provisions of Article 55 of the Administrative Measures for Registration:*

Where a listed company issue securities to a target subscriber, the subscriber shall meet the conditions as stipulated in the resolution of the Shareholders' general meeting, and the number of subscribers shall not exceed 35 at a time.

Where the target subscriber is an overseas strategic investor, it shall comply with the relevant national regulations.

**6. *The Issuance of the Company complies with the relevant provisions of Article 56 of the Administrative Measures for Registration:***

Where a listed company issues shares to a target subscriber, the issue price shall not be less than 80% of the Company's average price of the shares for the 20 trading days preceding the pricing benchmark date.

The "pricing benchmark date" referred to in the preceding paragraph refers to the benchmark date for calculating the floor price.

**7. *The Issuance of the Company complies with the relevant provisions of Article 57 of the Administrative Measures for Registration:***

The pricing benchmark date for the issue of shares to target subscribers is the first day of the issue period. The listed company shall issue shares at a price not lower than the floor price.

**8. *The Issuance of the Company complies with the relevant provisions of Article 58 of the Administrative Measures for Registration:***

Where the target subscriber falls within the circumstances other than those provided for in paragraph 2 of Article 57 of the Measures when issuing shares to a target subscriber, the listed company shall determine the issue price and the target subscriber by bidding.

**9. *The Issuance of the Company complies with the relevant provisions of Article 59 of the Administrative Measures for Registration:***

Shares issued to a target subscriber shall not be transferred within six months from the date of the closing of the issue. Where the target subscriber falls under the circumstances as stipulated in the paragraph 2 of Article 57 of the Measures, the shares subscribed by such subscriber shall not be transferred within 18 months from the date of the closing of the issue.



***10. The Issuance of the Company complies with the relevant provisions of Article 66 of the Administrative Measures for Registration:***

Issuance of securities to a target subscriber, listed companies and their controlling shareholders, actual controllers and major shareholders shall not make a promise of guaranteed return or disguised guaranteed return to the target subscriber, nor shall they provide financial assistance or other compensation to the target subscriber directly or through interested parties.

***11. The Company complies with the relevant provisions of “IV. Understanding and Application of Article 40 ‘Rational financing and reasonable determination of financing scale’” stated in the Opinions on the Application of Securities and Futures Laws No. 18:***

Where a listed company applies for issuance of additional shares, allotment or issuance of shares to a target subscriber, the date on which the Board decides on the issue shall, in principle, be no less than 18 months from the date on which the funds raised for the previous issue are received. If the funds raised previously have basically been used up or the investment of the funds raised has not changed and are invested as planned, the corresponding interval shall not be less than six months in principle. The previous fund-raising includes the initial issue, additional issue, allotment, and issuance of shares to target subscribers.

The listed company shall disclose the amount of securities issued, the interval of financing, the amount of funds raised and their investment, and explain whether the issue is consistent with the “rational financing and reasonable determination of financing scale” in the light of the aforementioned.

***12. The Company complies with the relevant provisions of “V. Understanding and Application of Article 40 “Main Investment in Main Business” in relation to the use of proceeds to replenish working capital and repay debts” stated in the Opinions on the Application of Securities and Futures Laws No. 18:***

Where funds are raised by means of allotment, issuing preferred shares or issuing shares to target subscribers to whom the Board has decided to issue the shares, the whole raised funds may be used to replenish working capital and repay debts. Where funds are raised by other means, the proportion used to replenish working capital and repay debts shall not exceed 30% of the total funds raised.

Financial enterprises can use all the funds raised to replenish their capital.

**(II) The procedures for determining the issuance method are legal and compliant**

The plan of issuing shares to target subscribers has been considered and approved by the seventh meeting of the Seventh Session of the Board of the Company, the thirteenth meeting of the Seventh Session of the Board and the 2021 Annual General Meeting of the Company, the 2022 First Class Meeting for Holders of A Shares and the 2022 First Class Meeting for Holders of H Shares, and the relevant documents have been disclosed on the website of the SSE and media meeting the requirements as prescribed by the CSRC, and the necessary procedures for consideration and information disclosure procedures were fulfilled.

According to the relevant laws and regulations, the issuance of shares to target subscribers is also subject to the consideration and approval of the SSE and the consent of the CSRC for registration. After consideration and approval by the SSE and consent for registration by the CSRC, the Company will apply to the SSE and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the issuance and listing of shares, and registration of shares, etc.

In summary, the consideration and approval procedures for the issue of shares to target subscribers are legal and compliant, and the issuance method is feasible.

**VI. FAIRNESS AND REASONABLENESS OF THE PROPOSAL FOR THE ISSUANCE**

The proposal of issuing shares to target subscribers has been considered and approved by the seventh meeting of the Seventh Session of the Board of the Company, the thirteenth meeting of the Seventh Session of the Board and the 2021 Annual General Meeting of the Company, the 2022 First Class Meeting for Holders of A Shares and the 2022 First Class Meeting for Holders of H Shares, and the implementation of the issuance proposal will be conducive to the sustainable and stable development of the Company and in the interests of all shareholders.

The disclosure of the proposal for the Issuance to target subscribers and the relevant documents on the website of the SSE and the media meeting the requirements as prescribed by the CSRC ensures the right to information of all shareholders.

In summary, the proposal for the Issuance to target subscribers has been adopted by the Board of the Company after prudent study and the proposal is in the interests of all shareholders; the proposal for the Issuance to target subscribers and related documents have fulfilled the relevant disclosure procedures, ensuring the shareholders' right to information, and the proposal for the Issuance to target subscribers has been subject to fair voting by participating shareholders at the Shareholders' general meeting, which is fair and reasonable.

**VII. IMPACT OF THE ISSUANCE ON THE ORIGINAL SHAREHOLDERS' EQUITY OR  
THE DILUTION OF THE IMMEDIATE RETURN AND SPECIFIC MEASURES**

The total proceeds from the Issuance will be no more than RMB7 billion (inclusive of RMB7 billion), which, after deducting the issuance expenses, will be used to supplement the capital reserve and working capital of the Company to support the future business development of the Company, improve its market competitiveness and risk tolerance, and promote the smooth realization of the Company's strategic development goals as scheduled.

**(I) Analysis of the dilutive impact of the Issuance on the immediate return****1. Key assumptions:**

- (1) It is assumed that the macroeconomic environment, securities industry development trend and the business operation of the Company will not have any material adverse change in 2023.
- (2) It is assumed that the Issuance will be completed by 1 July 2023. The estimated time is used for calculating the dilution influence of the Issuance on the immediate return. The actual time shall be the actual completion time of the Issuance, which shall be subject to the registration approved by the CSRC.
- (3) It is assumed that 1,392,865,410 Shares will be issued, and the proceeds will be RMB7 billion, taking no account of the influence of the issue expenses. The actual amount of the proceeds received from the Issuance depends on the approval by the regulatory authorities, the issuance and subscription situations and the issue expenses.
- (4) According to the forecast of the Company's annual performance in 2022, the preliminary accounting estimates that the net profit attributable to owners of the parent company, net of non-recurring profit and loss, is approximately RMB86 million in 2022. Assuming that the Company's net profit attributable to owners of the parent company, net of non-recurring profit and loss, is RMB86 million for 2022, and it is assumed that the net profit attributable to shareholders of parent company in 2023, net of non-recurring profit and loss, from that of 2022 is estimated based on the following 3 situations: ① reduced by 10%; ② no change; ③ increased by 10%. This assumption analysis does not constitute the profit forecast of the Company and shall not be relied on by the investors for making investment decision. If the investors make investment decision based on this assumption analysis and suffer loss, the Company shall not be liable.

- (5) It is assumed that no other activity that will impact or potentially impact the total share capital of the Company will be considered, except for the Issuance.
- (6) It is assumed that the impact on the business operation and financial position of the Company (such as operating revenue, financial expense, investment income, etc.) upon receipt of the proceeds from the Issuance is not taken into account.

## 2. Influence on the key financial indexes of the Company

The Company has estimated the influence of the Issuance on the key financial indexes of the Company based on the above assumptions, as detailed below:

Item	2022/ 31 December 2022	2023/ 31 December 2023	
		Before the Issuance	After the Issuance
Total share capital (shares)	4,642,884,700	4,642,884,700	6,035,750,110
Weighted average total share capital (shares)	4,642,884,700	4,642,884,700	5,339,317,405

### Assumption 1: The net profit attributable to shareholders of parent company in 2023, net of non-recurring profit and loss, is reduced by 10% when compared with that of 2022

Net profit attributable to shareholders of parent company, net of non-recurring profit and loss (RMB10,000)	8,600.00	7,740.00	7,740.00
Basic earnings per share attributable to shareholders of parent company, net of non-recurring profit and loss (RMB/share)	0.0185	0.0167	0.0145
Diluted earnings per share attributable to shareholders of parent company, net of non-recurring profit and loss (RMB/share)	0.0185	0.0167	0.0145

Item	2022/ 31 December 2022	2023/ 31 December 2023	
		Before the Issuance	After the Issuance
<b>Assumption 2: The net profit attributable to shareholders of parent company in 2023, net of non-recurring profit and loss, is the same as that of 2022</b>			
Net profit attributable to shareholders of parent company, net of non-recurring profit and loss (RMB10,000)	8,600.00	8,600.00	8,600.00
Basic earnings per share attributable to shareholders of parent company, net of non-recurring profit and loss (RMB/share)	0.0185	0.0185	0.0161
Diluted earnings per share attributable to shareholders of parent company, net of non-recurring profit and loss (RMB/share)	0.0185	0.0185	0.0161

**Assumption 3: The net profit attributable to shareholders of parent company in 2023, net of non-recurring profit and loss, is increased by 10% when compared with that of 2022**

Net profit attributable to shareholders of parent company, net of non-recurring profit and loss (RMB10,000)	8,600.00	9,460.00	9,460.00
Basic earnings per share attributable to shareholders of parent company, net of non-recurring profit and loss (RMB/share)	0.0185	0.0204	0.0177
Diluted earnings per share attributable to shareholders of parent company, net of non-recurring profit and loss (RMB/share)	0.0185	0.0204	0.0177

*Note: The basic earnings per share and diluted earnings per share are prepared based on Compilation Rules for Information Disclosure by Companies Issuing Securities to the Public No. 9 — Calculation and Disclosure of Rate of Return on Net Assets and earnings Per Share, net of the influence of non-recurring profit and loss.*

When calculating based on the above assumptions and taking no account of the utilization benefit of the proceeds, upon the completion of the Issuance, the total shares of the Company will be increased, while the basic earnings per share and diluted earnings per share attributable to shareholders of parent company in 2023, net of non-recurring profit and loss, will be reduced when compared with that prior to the Issuance.

## **(II) The specific mitigation and remediation measures developed by the Company**

To ensure the effective utilization of the proceeds from this Issuance and effectively prevent the risk of diluting immediate return of shareholders, upon the completion of the Issuance, the Company will vigorously promote the development of the principal businesses, improve the overall operation efficiency, while enhancing the management of the proceeds and improving the fund utilization efficiency. The specific measures the Company intends to take are as follows:

### ***1. To focus on major national strategies and speeding up transformation and development***

Focusing on major national strategies, the Company will strengthen investment banking, optimize investment so as to accelerate the transition to wealth management, build a core business system with special features, raise the level of compliance risk control, improve the management quality of cadres and employees, and increase capital strengths and profitability. In the future, the Company will focus on increasing the proportion of direct financing and serving the real economy, take digital transformation as the starting point and institutional innovation as the driving force, comprehensively strengthen strategic cooperation with top institutions, continue to deepen various reforms, focus on preventing and defusing risks, strive to achieve high-quality development of the Company and make new contributions to the high-quality development of the real economy and capital market.

### ***2. To expand the development space of the Company on the basis of deep cultivation in the Henan market***

As a brokerage company affiliated to Henan Province as a legal person, the Company will continue to deepen its efforts in the Henan market, make full use of geographical and channel advantages, deeply integrate into the overall situation of economic and social development of the province, support and serve Henan in modernization, actively meet the business needs of large state-owned enterprises, listed companies, excellent private enterprises and other enterprises and institutions in Henan, and dig deep into the cooperation potential of individual customers, so as to consolidate the customer base. Meanwhile, the Company will ramp up the development of such segments as the Shanghai center, the Beijing branch and the Guangzhou-Shenzhen headquarters, as well as the internationalization of its Hong Kong subsidiary. While boosting the share of profit

contribution, the Company will promote the all-round upgrading of its brokerage business and major business lines such as investment banking, investment and asset management, so as to continuously expand the development space of the Company.

**3. *To enhance the proceeds management and improve the utilization rate of the proceeds***

When the proceeds from the Issuance are available, the Company will enhance the proceeds management and improve the utilization efficiency of the proceeds according to the requirements of the relevant laws, regulations and other normative documents, the Articles of Association and the Management System for the Use of the Raised Funds, in order to enhance its operation capacity and risk tolerance, promote the business development and improve the business performance of the Company.

**4. *To strictly implement the dividend policy of the Company and ensure the interests and return of the shareholders***

The Company has formulated the relevant provisions on profit distribution in the Articles of Association according to the requirements of the Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and the Listed Company Regulation Guideline No.3 — Cash Dividend of Listed Companies (《上市公司監管指引第3號 — 上市公司現金分紅》) issued by the CSRC. The Company has specified in the Articles of Association the cash dividend policy and cash dividend distribution proportions as well as the minimum proportion of profit distribution in cash in normal situation, in order to render a stable return expectation for the investors. The Company pays great attention to the protection of the shareholders' interests. It will maintain the continuity and stability of the profit distribution policy, with an aim to create long-term value for the shareholders.

**(III) Promises of the Directors and senior management of the Company to ensure the implementation of the mitigation and remediation measures**

The Directors and senior management of the Company have made the following promises to ensure the implementation of the mitigation and remediation measures according to the relevant requirements of the Instructions on Issues Related to Immediate Return Dilution Arising from IPO, Refinancing and Major Asset Restructuring (《關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見》) issued by the CSRC:

- (I) that they will not transfer profit to other entities or individuals free of charge or with unfair conditions or otherwise damage the interests of the Company.

- (II) that they will incur expenses in performing their duties subject to restrictions.
- (III) that they will not use the assets of the Company in any investment or consumption activity unrelated to their performance of obligations.
- (IV) that the remuneration package formulated by the Board of the Company or the Remuneration and Nomination Committee shall be implemented in accordance with the mitigation and remediation measures of the Company.
- (V) that for any subsequent Share Incentive Plan of the Company, the proposed vesting terms shall be operated in line with the mitigation and remediation measures of the Company.

### **VIII. CONCLUSIONS**

To sum up, the Company's plan to issue shares to target subscribers is fair, reasonable, necessary and feasible, and meets the requirements of relevant laws and regulations. The implementation of the plan to issue shares to target subscribers will help further strengthen the Company's comprehensive competitiveness and enhance the Company's position in the industry, which is in line with the Company's development strategy, and the interests of the Company and all shareholders.

The Board of Central China Securities Co., Ltd.



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**APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS  
RAISED FROM PREVIOUS FUND RAISING ACTIVITIES**

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*The following is the Attestation Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities issued by Da Hua Certified Public Accountants (Special General Partnership), which includes the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities.*

Central China Securities Co., Ltd.  
Attestation Report on the Utilisation of Proceeds Raised from  
Previous Fund Raising Activities

Dahua Attestation Report [2023] No. 004263

大華會計師事務所(特殊普通合夥)

Da Hua Certified Public Accountants (Special General Partnership)

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**APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS  
RAISED FROM PREVIOUS FUND RAISING ACTIVITIES**

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Central China Securities Co., Ltd.  
Attestation Report on the Utilisation of Proceeds Raised from Previous  
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(As of 31 December 2022)

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## APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES

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大華會計師事務所

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### Attestation Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities

Dahua Attestation Report [2023] No. 004263

To all shareholders of Central China Securities Co., Ltd.,

We have carried out attestation on the attached Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities of Central China Securities Co., Ltd. (“Central China Securities”) as at 31 December 2022.

#### I. Responsibility of the Board of Directors

The responsibility of the Board of Directors of Central China Securities is to prepare the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities in accordance with the Guidelines for the Application of Regulatory Rules–Issuance No. 7 issued by the China Securities Regulatory Commission and warrant its contents are authentic, accurate and integral and contain no false records, misleading statements or material omissions.

#### II. CPA’s Responsibility

Our responsibility is to express an attestation opinion on the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities of Central China Securities on the basis of implementing the attestation work. We have performed the attestation operation in line with the provisions of the Standards on Other Attestation Engagements for Chinese Public Accountant No. 3101-Attestation Engagements Other than Audit or Review of Historical Financial Information. This standard requires us to plan and execute the attestation work to obtain reasonable assurance as to whether the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities of Central China Securities is free from material misstatement.

To the extent of our assurance, we have implemented the procedures for knowledge, inquiry, inspection and re-calculation as well as other procedures we think necessary. We believe that our attestation is to provide an appropriate basis for the expression of an opinion.

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## APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES

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### III. Attestation Conclusion

In our opinion, the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities which was prepared by the Board of Central China Securities in accordance with the Guidelines for the Application of Regulatory Rules-Issuance No. 7 issued by the China Securities Regulatory Commission, and fairly presents, in all material aspects, the utilisation of the proceeds raised from previous fund raising activities of Central China Securities as at 31 December 2022.

### IV. Restriction over Uses of Report and Purpose of Use

It must be noted that this Attestation Report is only intended for Central China Securities to apply for the securities issuance and should not be used for any other purpose. We agree to submit this Attestation Report as the necessary content of the securities issuance application documents of Central China Securities together with other application documents.

Da Hua Certified Public Accountants  
(Special General Partnership)

Chinese Certified Public Accountant: \_\_\_\_\_  
Aodu Jiya

Beijing, China

Chinese Certified Public Accountant: \_\_\_\_\_  
Li Tiantian

10 March 2023

## APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES

CENTRAL CHINA SECURITIES CO., LTD.

### REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES

#### I. Proceeds Raised from Previous Fund Raising Activities

As approved by the Reply Concerning Approval of Non-public Offering of Shares of Central China Securities Co., Ltd. (Zheng Jian Xu Ke [2020] No. 1190) issued by CSRC on 1 July 2020, the Company privately issued 773,814,000 shares to specific investors at an issue price of RMB4.71 per share. The gross proceeds amounted to RMB3,644,663,940.00. After deducting the relevant issuance fee totaling RMB24,800,000.00, the balance actually received was RMB3,619,863,940.00. The net proceeds amounted to RMB3,617,129,826.33 after the aforesaid proceeds deducted the underwriting fee, sponsorship fee (including the proportion paid by the Company out of the free capital before the non-public offering) and other related issuance expenses cumulatively incurred by the Company.

As of 23 July 2020, the Company has received the aforesaid proceeds from the issuance, and the above proceeds have been audited by Henan Xinghua Certified Public Accountants Co., Ltd., which issued a capital verification report with a report number of “YXHYZ [2020] No. 010”.

The Company has opened the special deposit accounts with the following banks in accordance with the Measures for the Management of Securities Issuance by Listed Companies to save the proceeds. As of 31 December 2022, the deposit of the proceeds is listed as follows:

Unit: RMB

Bank name	Account Number	Initial deposit amount	Balance on closing date	Storage method
Zhengzhou Commodity Exchange Branch of China Construction Bank Corporation	41050110248700000184	1,119,863,940.00	0.00	Demand
Zhengzhou Branch Office of Ping An Bank Co., Ltd	19014528996705	700,000,000.00	0.00	Demand
Banking Department of Bank of Zhengzhou Co., Ltd.	999156140250000020	800,000,000.00	0.00	Demand
Zhengzhou Shangwu Outer Ring Road Branch of Zhongyuan Bank Co., Ltd.	419901015160017101	1,000,000,000.00	0.00	Demand
Total	—	3,619,863,940.00	0.00	—

As at 31 December 2022, all the above proceeds have been used, and as at 27 May 2021, the accounts of the above proceeds have been deregistered.

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## **APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES**

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### **II. Actual Use of Proceeds Raised from Previous Fund Raising Activities**

(I) Use of proceeds raised from previous fund raising activities

For the detail, see “Comparison table of use of proceeds raised from previous fund raising activities”.

(II) Change in actual investment project with proceeds raised from previous fund raising activities

As at 31 December 2022, the Company’s use of proceeds raised from previous fund raising activities was consistent with the committed use of proceeds, and there was no change in the projects invested with proceeds.

(III) External transfer or swaps of investment project with proceeds raised from previous fund raising activities

The Company’s investment project with the proceeds raised from previous fund raising activities has incurred no swaps for the earlier investment.

(IV) Use of idle proceeds

The Company has not used the proceeds raised from previous fund raising activities for other temporary purposes.

(V) Comparison between use of proceeds raised from previous fund raising activities and the Company’s regular report

None of the contents disclosed in the Company’s regular report are inconsistent with the aforesaid information.

### **III. Economic Benefits Generated from Investment Project with Proceeds Raised from Previous Fund Raising Activities**

As of 31 December 2022, the Company has used the proceeds raised from the previous fund raising activities to replenish the working capital for corresponding business fields, enlarged the business scale and accordingly increased the net assets, net assets per share and net capital. Besides, the Company has also enlarged the development space for the operations involving the requirements for the net capital size. The proceeds have been used to bolster the working capital in various business fields, which makes it incapable to account for their benefits separately.

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**APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS  
RAISED FROM PREVIOUS FUND RAISING ACTIVITIES**

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**IV. Operating status of related share assets subscribed with proceeds from previous issuance:**

The Company has not subscribed for share assets.

**V. Balance of proceeds raised from previous fund raising activities and use of balance**

As at 31 December 2022, all the above proceeds of the Company have been used.

**VI. Other circumstances related to the use of proceeds raised from previous fund raising activities**

None.

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

10 March 2023

## APPENDIX II ATTESTATION REPORT ON THE UTILISATION OF PROCEEDS RAISED FROM PREVIOUS FUND RAISING ACTIVITIES

Annex

### Comparison table of use of proceeds raised from previous fund raising activities

Prepared by: Central China Securities Co., Ltd.

Unit: RMB10,000

Total proceeds (Note 1): 361,712.98						Total proceeds used in aggregate: 362,397.68					
Total proceeds with change in use: — Proportion of total proceeds with change in use: —						Total proceeds used during the year: 2020: 316,957.63 2021: 45,440.05					
Investment project			Total investment amount from proceeds			Accumulated investment amount from proceeds as at the closing date					
No.	Committed investment project	Actual investment project	Committed investment amount before issuance	Committed investment amount after issuance	Actual investment amount (Note 2)	Committed investment amount before issuance	Committed investment amount after issuance	Actual investment amount (Note 2)	Difference between actual investment amount and committed investment amount after completion of the issuance (Note 3)	Date of the project reaching expected condition for use (or completion degree of project as at closing date)	
1	Development of capital-based intermediary business	Development of capital-based intermediary business	Not more than RMB2.5 billion	Not more than RMB2.0 billion	200,000.00	Not more than RMB2.5 billion	Not more than RMB2.0 billion	200,000.00	—	—	
2	Development of investment and trading business	Development of investment and trading business	Not more than RMB1.5 billion	Not more than RMB1.0 billion	100,000.00	Not more than RMB1.5 billion	Not more than RMB1.0 billion	100,000.00	—	—	
3	Capital increase for the domestic and overseas wholly-owned subsidiaries	Capital increase for the domestic and overseas wholly-owned subsidiaries	Not more than RMB1.0 billion	Not more than RMB450 million	43,857.68	Not more than RMB1.0 billion	Not more than RMB450 million	43,857.68	—	—	
4	Used for building of information system as well as compliance and risk control investment	Used for building of information system as well as compliance and risk control investment	Not more than RMB100 million	Not more than RMB45 million	3,540.00	Not more than RMB100 million	Not more than RMB45 million	3,540.00	—	—	
5	Replenishment of working capital	Replenishment of working capital	Not more than RMB150 million	Not more than RMB150 million	15,000.00	Not more than RMB150 million	Not more than RMB150 million	15,000.00	—	—	
Total					362,397.68			362,397.68	684.70	—	

Note 1: The “total proceeds” are the net amount of proceeds after deduction of the issuance expenses (excluding the input VAT) by the Company.

Note 2: The “actual investment amount” is the amount actually paid by the Company for the investment project.

Note 3: The “difference between the actual investment amount and the committed investment amount after issuance” is the interest income accrued the special account for the proceeds.



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**AGM**”) of Central China Securities Co., Ltd. (the “**Company**”) will be held at 9:30 a.m. on Wednesday, 24 May 2023 at Conference Centre, Huanghe State Guesthouse, No. 1 Yingbin Road, Zhengzhou, Henan Province, the PRC, for the purpose of considering and, if thought fit, passing the following resolutions.

Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 3 May 2023 (the “**Circular**”).

### **AS ORDINARY RESOLUTIONS**

1. To consider and approve the work report of the Board of the Company for the year of 2022.
2. To consider and approve the work report of the Supervisory Committee of the Company for the year of 2022.
3. To consider and approve the duty report of the independent directors of the Company for the year of 2022.
4. To consider and approve the annual report of the Company for the year of 2022.
5. To consider and approve the profit distribution plan of the Company for the year of 2022.
6. To consider and approve the final financial report of the Company for the year of 2022.
7. To consider and approve the resolution on the re-appointment of the auditing firm for the year of 2023.

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## **NOTICE OF ANNUAL GENERAL MEETING**

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8. To consider and approve the evaluations and remuneration of the Directors of the Company for the year of 2022.
9. To consider and approve the evaluations and remuneration of the Supervisors of the Company for the year of 2022.
10. To consider and approve the resolution on the provision of guarantee or counter-guarantee by the Company for Central China International and the authorization to Central China International to provide guarantee or counter-guarantee for its wholly-owned subsidiaries.
11. To consider and approve the resolution on the determination of the business scale and affordable risk limits of securities proprietary trading for the year of 2023.
12. To consider and approve the resolution on the amendments to the Rules of Procedures for the General Meeting, the details of which are set out in the Circular.
13. To consider and approve the resolution on the amendments to the Rules of Procedures for the Board of Directors, the details of which are set out in the Circular.
14. To consider and approve the resolution on the amendments to the Rules of Procedures for the Supervisory Committee, the details of which are set out in the Circular.

### **AS SPECIAL RESOLUTIONS**

15. To consider and approve the resolution on the amendments to the Articles of Association, the details of which are set out in the Circular.
16. To consider and approve the resolution on the Report on the Demonstration and Analysis of the Proposal to Issue A Shares to Target Subscribers by the Company, the full text of which is set out in Appendix I to the Circular.
17. To consider and approve the resolution on the Report on the Utilisation of Proceeds Raised from Previous Fund Raising Activities, the full text of which is set out in Appendix II to the Circular.

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## NOTICE OF ANNUAL GENERAL MEETING

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18. To consider and approve the resolution on extension of the validity period of the general meeting resolution relating to the Company's Issuance of A Shares to Target Subscribers and the validity period of the authorization by the general meeting to the Board and its authorized persons to deal with the relevant matters.

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

Henan, the PRC, 3 May 2023

*Notes:*

1. The register of members of the Company will be closed from 19 May 2023 to 24 May 2023 (both days inclusive), during which period no transfer of H Shares of the Company can be registered. For H Shareholders who wish to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 18 May 2023.
2. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.
3. In order to be valid, the H Shareholders' proxy form for the AGM must be deposited by hand or by post to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) not less than 24 hours before the time scheduled for holding the AGM or any adjournment thereof (as the case may be). If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the AGM or any adjourned meeting thereof should they so wish.
4. Shareholders or their proxies shall provide their identification documents when attending the AGM.
5. The on-site AGM is expected to take half a day approximately. Shareholders attending the AGM shall be responsible for their own travel and accommodation expenses.
6. The address of the Company's head office in the PRC is No. 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC.

*As at the date of this notice, the Board comprises executive director Mr. JIAN Mingjun, non-executive directors Mr. LI Xingjia, Ms. ZHANG Qiuyun, Mr. TANG Jin, Mr. TIAN Shengchun, Mr. ZHANG Xiaoqi and Mr. LU Benson Cheng, and independent non-executive directors Ms. ZHANG Dongming, Mr. CHEN Zhiyong, Mr. TSANG Sung and Mr. HE Jun.*

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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### Central China Securities Co., Ltd.

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

**(Stock Code: 01375)**

## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 first H shareholders' class meeting (the “**H Shareholders' Class Meeting**”) of Central China Securities Co., Ltd. (the “**Company**”) will be held at 11:30 a.m. on Wednesday, 24 May 2023 or immediately after the conclusion of the A Shareholders' Class Meeting or any adjournment thereof (whichever is the later) at Conference Centre, Huanghe State Guesthouse, No. 1 Yingbin Road, Zhengzhou, Henan Province, the PRC, for the purpose of considering and, if thought fit, passing the following resolution.

Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 3 May 2023.

### AS SPECIAL RESOLUTION

1. To consider and approve the resolution on extension of the validity period of the general meeting resolution relating to the Company's Issuance of A Shares to Target Subscribers and the validity period of the authorization by the general meeting to the Board and its authorized persons to deal with the relevant matters.

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

Henan, the PRC, 3 May 2023

*Notes:*

1. The register of members of the Company will be closed from 19 May 2023 to 24 May 2023 (both days inclusive), during which period no transfer of H Shares of the Company can be registered. For H Shareholders who wish to attend and vote at the H Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 18 May 2023.

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## NOTICE OF THE 2023 FIRST H SHAREHOLDERS' CLASS MEETING

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2. Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder of the Company.
3. In order to be valid, the H Shareholders' proxy form for the H Shareholders' Class Meeting must be deposited by hand or by post to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares of the Company) not less than 24 hours before the time scheduled for holding the H Shareholders' Class Meeting or any adjournment thereof (as the case may be). If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the H Shareholders' Class Meeting or any adjourned meeting thereof should they so wish.
4. Shareholders or their proxies shall provide their identification documents when attending the H Shareholders' Class Meeting.
5. The on-site H Shareholders' Class Meeting is expected to take half a day approximately. Shareholders attending the H Shareholders' Class Meeting shall be responsible for their own travel and accommodation expenses.
6. The address of the Company's head office in the PRC is No. 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC.

*As at the date of this notice, the Board comprises executive director Mr. JIAN Mingjun, non-executive directors Mr. LI Xingjia, Ms. ZHANG Qiuyun, Mr. TANG Jin, Mr. TIAN Shengchun, Mr. ZHANG Xiaoqi and Mr. LU Benson Cheng, and independent non-executive directors Ms. ZHANG Dongming, Mr. CHEN Zhiyong, Mr. TSANG Sung and Mr. HE Jun.*