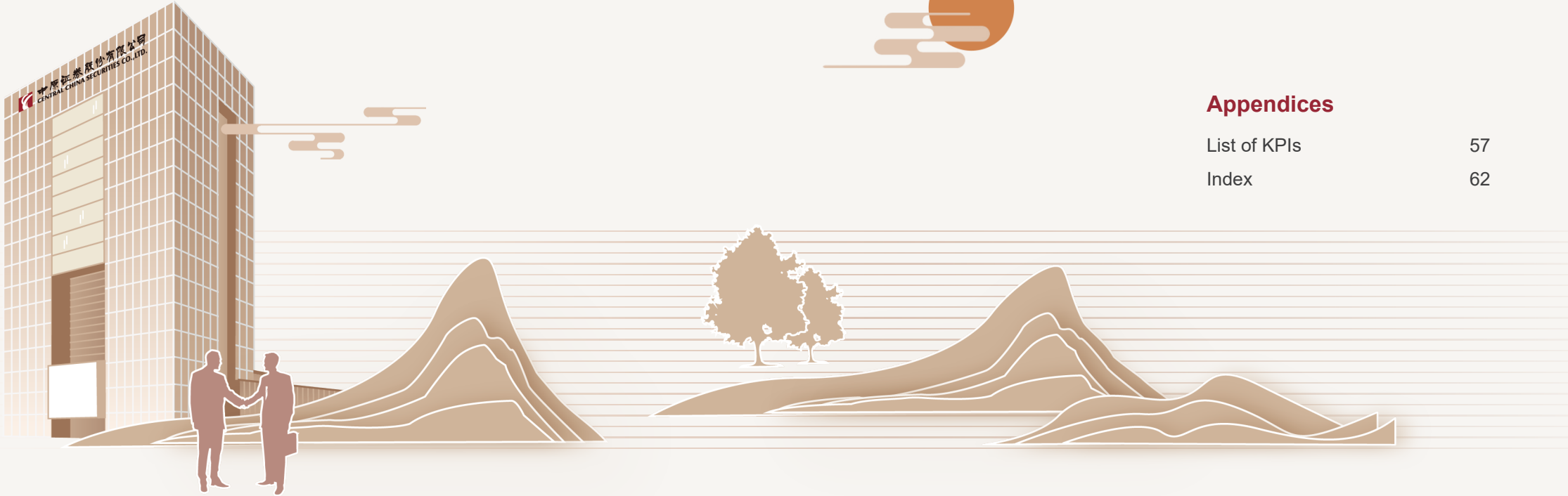




2023 | ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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About this Report

Overview

This is the eighth ESG report issued by Central China Securities (operating under the name of "Central China Securities Co., Ltd." in the Chinese mainland, hereinafter referred to as "Central China Securities" or "Company") to stakeholders. The report mainly introduces the concrete practices of and results achieved by Central China Securities in 2023 in developing digital finance, serving the real economy, stabilizing corporate governance and protecting stakeholders' rights and interests.

Reporting Scope

This report covers the period from January 1, 2023 to December 31, 2023, and the disclosure boundaries and scope of the report is consistent with the scope of the Company's annual consolidated financial statements.

Source of Data

The financial data in this report comes from our audited financial statements, while other data is derived from the internal documents and information summary of the Company. Unless otherwise specified, the financial data hereof is expressed in CNY. The Company ensures that there are no false records, misleading statements or material omissions in this report and is severally and jointly liable for the authenticity, accuracy and completeness of the report contents.

Basis of Preparation

- SDG Compass
- Self-regulation Guide 1 for Listed Companies – Standard Operation of SSE
- Environmental, Social and Governance Reporting Guide of HKSE
- Sustainable Development Report Standards (GRI Standards) of GRI
- ISO 26000-2010: Guidance On Social Responsibility by ISO
- Guidelines for Compilation of Chinese Corporate Social Responsibility Report (CASS-ESG 5.0) of Corporate Social Responsibility Research Center of Chinese Academy of Social Sciences Department of Economics
- National Standards of the People's Republic of China: Guidance on Social Responsibility Reporting (GB/T 36001-2015)

Principles of Preparation

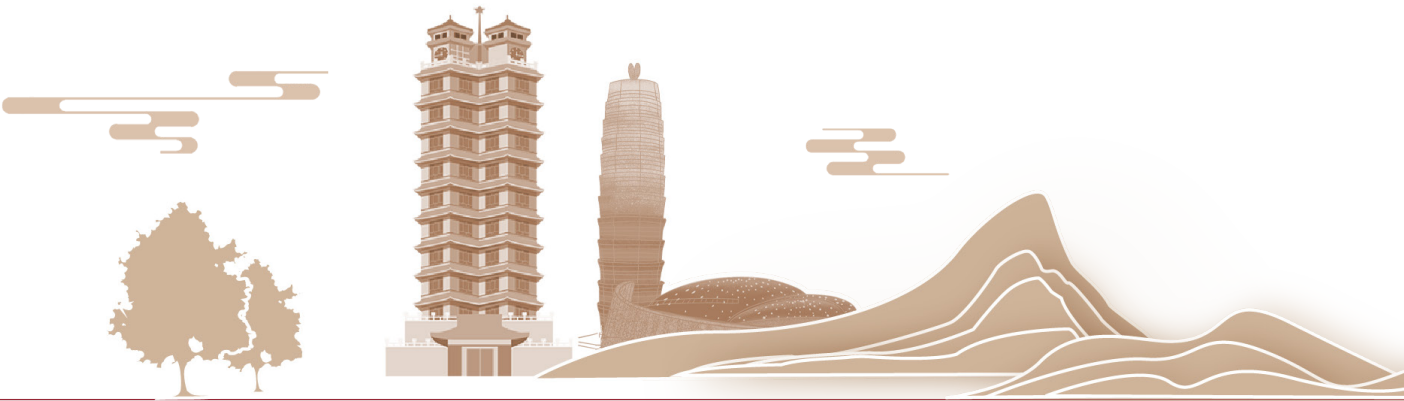
This report has been prepared in accordance with the reporting principles of the Environmental, Social and Regulatory Reporting Guidelines released by Stock Exchange of Hong Kong Ltd. The principles are as follows:

Materiality: This report uses materiality analysis to identify material issues that should be focused on and highlights environmental, social and governance issues that may have a significant impact on investors and other stakeholders.

Quantitative: This report discloses key quantitative performance indicators and explains the meaning of the indicators to assess and validate the effectiveness of environmental, social and governance policies and management systems.

Balance: This report reflects objective facts in an unbiased manner and discloses positive and negative information or performance. It avoids choices, omissions or report formats that might inappropriately influence readers' decision or judgment.

Consistency: This report is as consistent as possible with the indicators used for other reporting periods. Changes in indicators are explained to reflect trends in performance levels.



Process for Preparation

Based on our ESG practices, this report is prepared as per the process "Project Research — Collection of Materials — Preparation and Revision — Review by Senior Management — Review by the Board of Directors — Disclosure" and involves active communication with stakeholders on compilation and revision to determine and demonstrate the framework and contents of this report, in order to ensure that the concerns of stakeholders are fully addressed.

Definitions

Full Name	Abbreviation
Central China Securities Co., Ltd.	Central China Securities, Company
Central China Futures Co., Ltd.	Central China Futures
Zhongding Kaiyuan Venture Capital Management Co., Ltd.	ZDKY Venture Capital
Central China International Financial Holdings Company Limited	Central China International
Central China Blue Ocean Investment Management Co., Ltd.	Central China Blue Ocean or CCBO
Central China Equity Exchange Co., Ltd.	Equity Exchange Co.
Henan Kaiyuan Private Equity Fund Management Co., Ltd.	Kaiyuan Private Equity
China Securities Regulatory Commission	CSRC
Securities Association of China	SAC
Shanghai Stock Exchange	SSE
Shenzhen Stock Exchange	SZSE
Beijing Stock Exchange	BSE
The Stock Exchange of Hong Kong Ltd.	HKSE

Access to the Report

The report is issued in electronic form, which is available on the Company's official website at <http://www.ccnew.com>, the website of the Stock Exchange of Hong Kong Ltd. at <https://www.hkex.com.hk>, and the website of the Shanghai Stock Exchange at <http://www.sse.com.cn>. The Company will keep improving and enhancing our report disclosure level and ESG governance in the future. If you have any doubts or suggestions about this report or the Company's social responsibility, you can contact the Company as follows:

Email: investor@ccnew.com
Tel: 0371-6917-7590
Fax: 0371-8650-5911
Address: 9F, Pingdingshan Coal Shenma Financial Center, Intersection between Ruyi West Road and Ruyihexisi Street, Jinshui District, Zhengzhou City, Henan Province, China

Message from the Chairman



Time flies, and the years bring change. The year 2023 is the opening year of the comprehensive implementation of the spirit of the 20th CPC National Congress, the crucial year of the construction of modernized Henan, and also the year of the Central China Securities to build up our momentum and plan for the future. In this year, in the face of the complex and changing economic and capital market situation, Central China Securities, guided by Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era, and under the leadership of the Henan Provincial Party Committee and Provincial Government and the strong support of the relevant departments and shareholders, took more motivated and determined actions to contribute to the high-quality development of the real economy and the preservation of and increase in the value of social wealth. We adhered to the general tone of seeking progress while maintaining stability, insisted on taking the road of characteristic and differentiated development, and formed some distinctive features and highlights in promoting the improvement of corporate governance and contributing to the sustainable development of the economy, society and environment. In this way we are making a positive impact on the development of the capital market and the economic and social development of Henan Province.



During the year, we strengthened Party-building guidance and further clarified the direction of high-quality development. Insisting on putting political construction in the first place, we firmly established our awareness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the center. We resolutely upheld General Secretary Xi's core position on the CPC Central Committee and in the Party as a whole as well as the CPC Central Committee's authority and leadership; strictly implemented the system of focusing on political construction; and seriously organized the theoretical study center group of the Party committee to conduct study seminars. Through these means, we effectively implemented the spirit of the Jinghui CPC Central Committee as well as the decisions and industry regulatory requirements put forward by the provincial Party committee and the provincial government into the actual work of business operation and development. In particular, we carried out thematic education to deeply understand the core meaning and essential requirements of high-quality development, and we faced up to and seriously studied how to solve the outstanding contradictions and problems restricting the development of the Company, upon which we clearly defined the direction, strategy and six major initiatives for the Company's high-

quality development (i.e., strengthening the leadership of the Party, integrating business resources, deepening business transformation, mending the shortcomings of the functionality, advancing the improvement of the management, and strengthening organizational safeguards). Meanwhile, we identified eight categories of key research matters on high-quality development, among which more than ten work plans have been put into practice so far, such as optimizing the allocation of funds. Based on the unification of ideas and consensus reached across the Company, these efforts have shown initial results and have helped us achieve a good start.

In this year, we focused on our key responsibilities and businesses, and strengthened the establishment of our core functions. By actively promoting operational integration, we have formed a comprehensive financial service system that is led by research and supports the synergy and integration of the businesses of investment banking, investment, wealth management, asset management, stock pledging, regional equity exchanges and futures. The system focuses on providing tailor-made integrated financial services to province-controlled enterprises, listed companies, companies to be listed, and outstanding private enterprises, further

enhancing the quality and effectiveness of our services to the real economy. Our investment banking business seized major opportunities such as the full implementation of the registration system for stock issuance, Henan's five-year action to promote the doubling of listed companies, and the construction of key industrial chains in Henan Province. They accelerated the transformation to meet the demand for comprehensive services throughout the life cycle of customers, helping the enterprises raise a total of nearly CNY 18 billion in financing. Our regional subsidiary Equity Exchange Co. focused on their key responsibilities of enterprise incubation and financing, helping enterprises increase financing by CNY 2.891 billion, and helping 8 listed companies, including SONGMICS HOME and Mingyang, transfer to GEM and National Equities Exchange and Quotations, becoming one of the first 14 regional equity markets to receive a green channel signed by National Equities Exchange and Quotations. Investment subsidiaries ZDKY Venture Capital, CCBO and Kaiyuan Private Equity invested in a number of enterprises engaged in scientific and technological innovations, such as Liying Technology, Keyi Gas and NexSilicon, with an investment amount of more than CNY 57 million. We also set up the first special fund of BSE, Dingyu Xiangbei Fund, and Weihui Industry Fund, with a

new subscription scale of CNY 800 million for the whole year. Focusing on the development of the capital market and the industrial chain economy in Henan Province, the Company's research institute developed the White Paper on Capital Market of Henan Province for 2023, the Analysis Report on the Development of Superhard Materials Industry in Henan Province, the Service Handbook for Province-controlled Enterprises, and more, committed to serving the construction of an advanced manufacturing province and the high-quality development of the economy in Henan Province with financial wisdom.

In this year, we focused on protecting the rights and interests of the employees, concerned ourselves with the most pressing, direct and realistic interests of the employees, and endeavored to solve the urgent, difficult and worrying problems of the public. Lending a helping hand to employees and Party members in difficulty has always been an important task for us. We consoled 56 employees in difficulty throughout the year, with the condolences amounting to CNY 304,000. We also included more than 250 employees in the medical mutual aid program and applied for CNY 68,000 of mutual aid subvention. These actions effectively alleviated the difficulties of some employees and Party members. Additionally, we paid great attention to the physical and mental health of our employees, purchasing supplementary medical commercial insurance for them, and offering an enterprise annuity plan to further improve the welfare protection for employees.

This year has witnessed us conscientiously implementing the major decisions and deployments of the CPC Central Committee and the State Council on carbon dioxide emissions peaking and carbon neutrality, as well as contributing to green finance. Adhering to the corporate mission of "leading the green and low-carbon life", we actively integrated into the major national strategies of achieving "dual-carbon" and promoting ecological protection and high-quality development in the Yellow River Basin. We utilized our professional financial services to help "dual carbon" enterprises to raise funds; as the sponsor of BCCY's convertible bond project, we successfully raised CNY 420 million, aiming to promote the development of environmental protection enterprises; our investment in Liying Technology has achieved fruitful results in the field of harmless treatment of medical wastes.

We have much to do and a long way to go, so it is time for us to set sail and break the waves. The year of 2024 is the 75th anniversary of the founding of the People's Republic of China, the opening year of the construction of a financial power, and a key year for the high-quality development of Central China Securities. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics in the New Era, we will effectively implement the spirit of the central government as well as the decisions and industry regulatory requirements put forward by the provincial Party committee and the provincial government into practice. We will adhere to the general principle of seeking progress in a stable manner, and persist in the path of characteristic and differentiated development, on the basis of enhancement of professional competence driven by customers' needs. Focusing on our key responsibilities and businesses, we will carry out comprehensive business integration, deepen business transformation, compensate for functional shortcomings, and promote management improvement and risk mitigation. Success does not happen overnight, but requires steadfast efforts. We will persistently promote the effective improvement of our business competitiveness and management level, and achieve our own high-quality development while serving the high-quality development of the real economy, so as to reward our investors with excellent results and pay tribute to the 75th anniversary of the Republic!



Founded in 2002, Central China Securities is a comprehensive securities firm that specializes in investment banking and other investment businesses, mainly engaging in securities brokerage services, credit services, futures services, investment bank services, investment management services, proprietary trading services and overseas services. The Company was listed on the main board of HKSE and SSE in 2014 and 2017 respectively, thus becoming the 8th A+H securities trader in China's securities industry, and the first financial enterprise listed in SSE and HKSE in Henan Province.

212 million

13.903 billion



As of the disclosure date of this report

subsidiaries

5

branches

31

business divisions

76

Distribution of subsidiaries	
Region	Number of Subsidiaries
Henan Province	3
Beijing City	1
Hong Kong	1

Distribution of Branches	
Region	Number of Branches
Henan Province	17
Shanghai City	2
Guangdong Province	2
Shandong Province	2
Beijing City	1
Jiangsu Province	1
Sichuan Province	1
Hainan Province	1
Hubei Province	1
Hunan Province	1
Shaanxi Province	1
Zhejiang Province	1

Distribution of Business Divisions	
Region	Number of Business Divisions
Henan Province	66
Shanghai City	2
Jiangsu Province	2
Zhejiang Province	1
Hunan Province	1
Shandong Province	1
Hebei Province	1
Tianjin City	1
Shanxi Province	1



Honors in 2023

Emerging Enterprises in ESG in Central Plains, awarded at The 18th Yellow River Fortune Forum

Social-Responsible Enterprise in Henan for 2022 – Award for the Enterprise of the Year

Honorary Award of Governing Unit, awarded by China VC & PE Capital ESG Alliance

Advanced Collective for Culture Construction in Securities and Futures Industry in Henan Province (2022-2023)

Outstanding Contribution Award for Enterprises

Top Ten Enterprises in the Digital Economy Industry of Henan Province

Most Popular Self-media of a Futures Management Organization of the Year

Outstanding Performance Award for the Best Futures Company App of the Year

Award of the Year for Innovation in Investor Protection and Education

Second Prize of Excellent Investor Education Works

Award for Outstanding Customer Service

Award to a Futures Talent Training Organization Making the Best Contribution

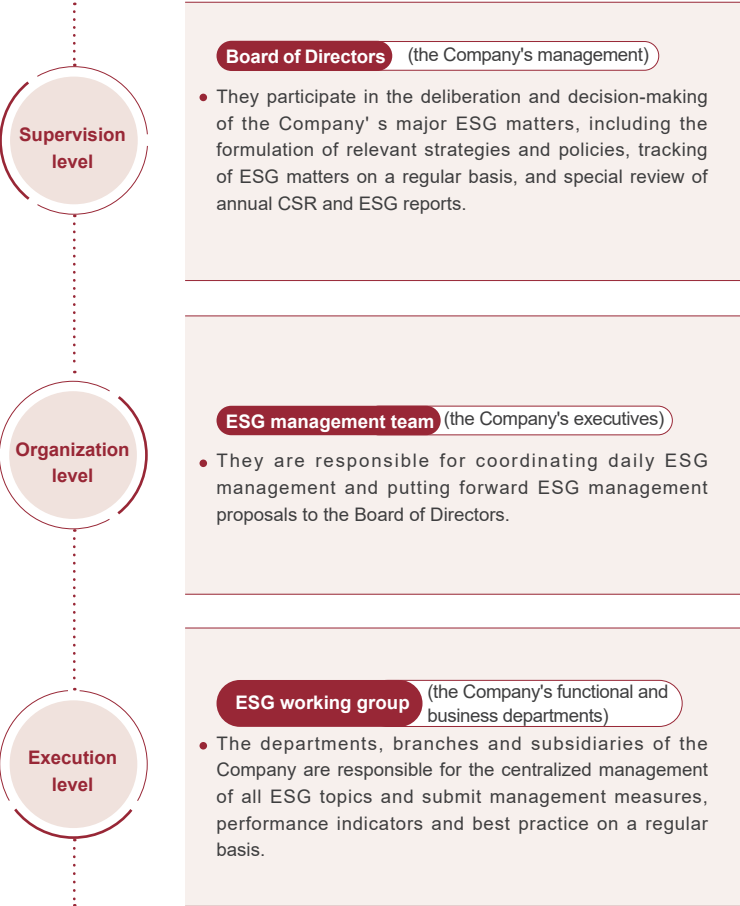
Outstanding Contributor to the Financial Development of Zhengdong New District in 2023

Team Award for Excellent Trading of Treasury Bond Futures in 2023

Market Influencer for 2023 – Active Trader

ESG and Social Responsibility Management

As a securities company listed in Shanghai and Hong Kong, Central China Securities has always taken practicing ESG concepts as an important path to promote the Company's high-quality and sustainable development. The Board of Directors has issued a Responsible Management Statement and constructed an ESG governance structure, and regularly conducts ESG-related trainings, while being concerned about stakeholder demands, actively communicating with stakeholders and responding to key topics. In 2023, the Company incorporated ESG management matters into the responsibilities of the Board of Directors and the Board Strategy Committee. Going forward, the Company will promote the integration of green governance concepts into the Company's strategy in order to play a leading role in green strategy.



ESG management structure and responsibilities



Central China Securities identifies and analyzes ESG material topics based on securities industry features, economic policy trends, ESG development trends and ESG standards. In order to ensure the effectiveness and transparency of communication, the Company actively builds communication channels and establishes interactive feedback mechanisms for all stakeholders. We conduct internal and external stakeholder surveys on a regular basis each year to prioritize topics and disclose relevant information in detail.

By closely integrating the concept of sustainable development with our development strategies and business activities, the Company translates the concept of responsibility and commitment to stakeholders into concrete actions in order to continuously promote the effective implementation of ESG work. The Board of Directors pays attention to the status of the Company's ESG management, considers the annual ESG report and other related matters, and continuously optimizes the ESG management structure and system, so as to put the Company's ESG strategic concepts into practice.

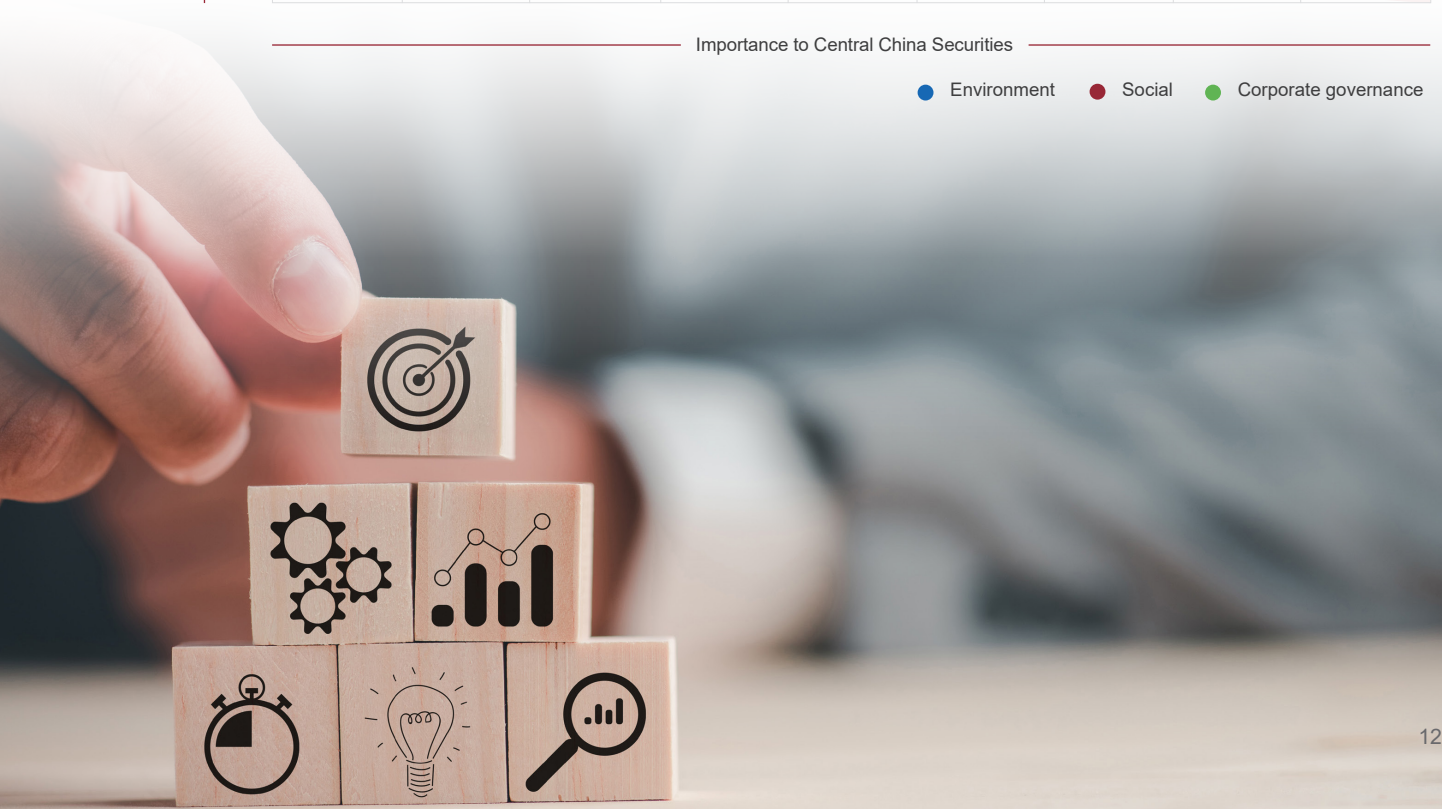
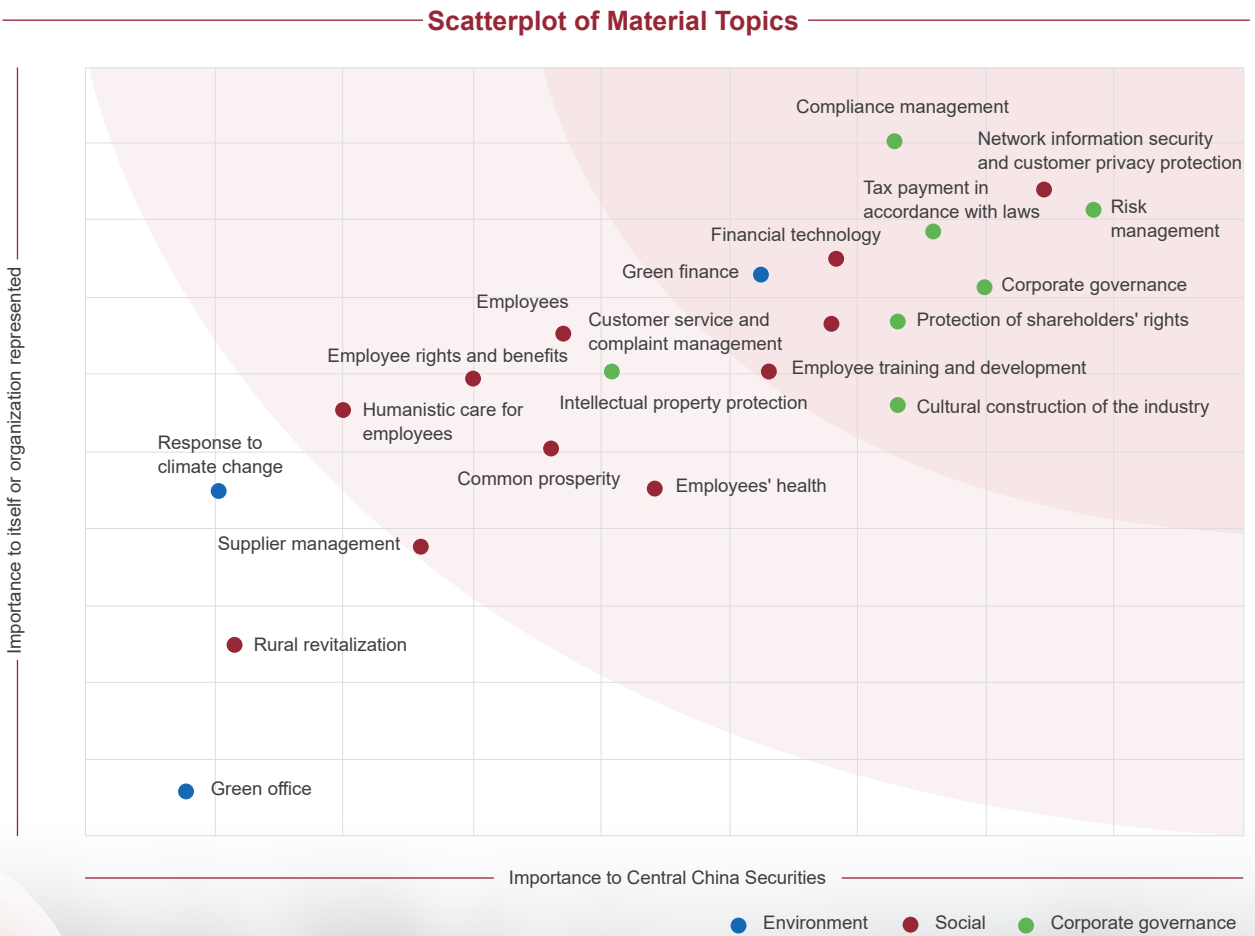
► Communication with Stakeholders

The Company identifies our major stakeholders based on our development strategies and stages, as well as peer practices and expert advice. Meanwhile, we maintain communication with stakeholders through information disclosure, shareholders' meetings, cooperation and exchanges, as well as occasional visits and research to understand their expectations and demands. Based on stakeholder feedback and expert opinions, we identified material topics of importance to the Company and stakeholders, and summarized them to form an topic database containing 21 key topics, in which the importance of each topic is analyzed and ranked.

Key Stakeholder	Topics of Concern	Communication and Response
 Government and regulatory authorities	<ul style="list-style-type: none">• Party-building and culture construction• Serving the real economy• Compliance management• Risk management• Business ethics	<ul style="list-style-type: none">• Enhanced Party-building and culture construction• Development of green finance and contribution to the development of the real economy• Compliance with laws and regulations and regulatory policy implementation• Adherence to the red line of compliance and risk control• Integrity building and clean practices
 Shareholders and investors	<ul style="list-style-type: none">• Corporate governance• Compliance management• Risk management• Investor rights and interests• Business ethics	<ul style="list-style-type: none">• General Meeting of Shareholders, Board of Directors and specialized committees, Board of Supervisors• Good practices of information disclosure• Adherence to the red line of compliance and risk control• Official website, investor hotline, official email, SSE E-interactive and performance briefing• Integrity building and clean practices
 Customer	<ul style="list-style-type: none">• Professional financial services• Serving the real economy• Responsible marketing• Responsible investment• Investor education• Data security	<ul style="list-style-type: none">• Quality financial services• Development of green finance and contribution to the development of the real economy• Improvement of customer services and rights protection• Investor education• Network and information security
 Employees	<ul style="list-style-type: none">• Remuneration and benefits• Establishment of development platform• Health and safety protection• Enriched employee activities	<ul style="list-style-type: none">• Equal and Standardized employment• Improvement of remuneration and benefits system• Establishment of communication mechanism• Enhanced employee training• Smooth growth paths• Focus on production safety• Caring for employees' health• Rich activities
 Suppliers and partners	<ul style="list-style-type: none">• Compliance management• Business ethics• Win-win cooperation	<ul style="list-style-type: none">• Fair procurement and compliance with agreements• Cooperation and exchanges• Integrity building and clean practices
 Community and public	<ul style="list-style-type: none">• Fulfillment of social responsibility• Public welfare and charity• Response to climate change• Green operation	<ul style="list-style-type: none">• Contribution to rural revitalization• Implementation of charitable activities• Low-carbon operation, energy saving and emission reduction• Development of green finance• Implementation of environmental protection activities

► Material Topics

The Company conducts research on the identified material topics for internal and external stakeholders, and builds an topic-importance matrix by inviting stakeholders to fill out questionnaires so we can understand their focus, and we then evaluate the topics by combining on-site interviews and expert judgment.



Special Topic

Leveraging the momentum and assimilating the spirit of the Yellow River's surge into the sea, Central China Securities contributes to industry development.

Enhancing financial service capabilities in the wave of digitization

"We should lead the construction of a modernized industrial system with scientific and technological innovation: vigorously promote new industrialization, develop the digital economy, and accelerate the promotion of artificial intelligence; widely apply digital and green technologies to accelerate the transformation and upgrading of traditional industries; strengthen basic research for application and cutting-edge research, and reinforce the status of enterprises as the mainstay of scientific and technological innovation."

– The Central Economic Working Conference, December 2023

With the rapid development of the new generation of information and communication technologies, digital technology is accelerating to drive industrial change, transformation, and upgrading, and the development of the digital economy and the promotion of the deep integration of the digital economy and the real economy has become an important goal of the new era. Central China Securities has established a digital financial system and continued to improve the customer service experience. The Company is fully committed to digital transformation, taking digital innovation as the new engine of corporate development, continuing to improve the digital financial system, and building a fintech business platform. We enhance our business efficiency internally and optimize our financial infrastructure externally, aiming to promote data-enabled customer services and enhance customer satisfaction.

With the goal of "improving the Company's digital capabilities, empowering business differentiation and competitiveness, and promoting the Company's digital transformation", we put forth effort to improve the "nine capabilities", and adopt three lines of actions for digital transformation, namely, P (people), B (business), and T (technology): we promote and popularize digital work styles among our people; carry out digital restructuring around our business; and improve the middle platform, , solidify the foundation and enhance capabilities around technology.

People	Business	Technology
<ul style="list-style-type: none">Continuously popularize and promote robotic process automation (RPA) applicationsCustomize a personalized enterprise WeChat app to drive efficient employee collaborationEnable efficient business analysis and management decisions with data	<ul style="list-style-type: none">Build a business development platform that integrates online and offline experiences using WeChat as a carrierBuild a digital marketing and operation systemBuild a digital investment advisor platform based on a high standard planPromote data application service innovation and high-quality development capacity enhancement	<ul style="list-style-type: none">Build an agile and efficient independent R&D teamAccelerate the system construction of the business middle platform and improve the ability to respond quickly to business needsConstruct a system of a data middle platform, improve the data governance capability, and consolidate the data security foundation

Optimizing and upgrading Caishengbao app for a full lifecycle operation scenario

Case

The Company continues to improve the standard service system integrating online and offline experiences around the Caishengbao app, creating a full lifecycle operation scenario. In 2023, the Caishengbao app completed the iterative upgrade of version 5.0 and other versions, with the addition of new conditional orders, simulated stock speculation, global search, and flash orders. The new elderly-aid function is a revamped function for the needs of the elderly, and users can switch to this function with one tap. The optimization of a series of functions, such as securities margin trading, market quotation, bank-securities transfer and privacy policy, also meets the needs of users, and continuously improves the user experience. As of December 31, 2023, the content coverage of this standard service system reached 96.23%, and over 95% of financial orders were placed through the Caishengbao app. The average monthly active users have stabilized at over 1 million, while our online and offline operation capabilities have steadily improved.

Blockchain technology innovations empowering enterprise services

Case

As Equity Exchange Co. continues to explore the application scenarios of new-generation information technology, such as blockchain, cloud computing, big data, and artificial intelligence to drive the digital transformation of business, we insist on empowering new services with new technology to promote improved service quality and efficiency. Equity Exchange Co. has been approved as a pilot of blockchain innovation and application in regional equity markets by China Securities Regulatory Commission and a pilot of blockchain innovation and application in Henan Province. It has gradually constructed the "1114" Technical Service System (with 1 blockchain underlying platform, 1 enterprise digital archive, 1 comprehensive financial service platform for SMEs, and 4 blockchain application scenarios such as blockchain+capital connection). The system uploads all the data of the business process and results of the equity registration and trusteeship, listing, trading, capital connection, and policy connection to the chain. It also facilitates the construction of a trusted system by leveraging the characteristics of blockchain such as multi-centrality, consensus and trustworthiness, tamper-proofing, and traceability to promote business process establishment, standardization, normalization and transparency, and to enhance service quality and data governance, thus establishing a digital trusted pedestal for the enterprise and its equity services while reducing labor and time costs.

Contributing to the common prosperity of society from an investment perspective

"Common prosperity is an essential requirement of socialism and an important feature of Chinese modernization."

– The 10th Meeting of the Central Financial and Economic Commission, August 2021

Central China Securities actively responds to and implements the decision of the CPC Central Committee on "solidly promoting common prosperity", and establishes an investor education system combining online and offline services in order to continuously improve our education services to investors and protect their interests. The Company continues to enhance the professional capabilities of investment advisors and optimize the allocation of residents' wealth in order to realize the preservation, appreciation and inheritance of residents' wealth; and to contribute to the common prosperity by helping customers to continuously accumulate property income under the high-quality development of the real economy.

Investor education

Adhering to the concept of "healthy investment", Central China Securities formulated and improved the Investor Education System, aiming to standardize investor education and protection at the institutional level. The Company has also established an all-around investor education system, publishing business rules, warnings against non-compliance, and unoriginal investor education products online through the official account of Central China Investor Education Base on the WeChat official account, WeChat channel, and TikTok. We also organize and carry out all kinds of public welfare activities offline through the Central China Investor Education Base to advocate rational investment, value investment and long-term investment, with the aim to cultivate a mature culture of rational investment.

Taking investment knowledge and investment concepts as the core, the Company continues to standardize and improve the service level of investor education staff, designs and develops a series of investor education products featuring cultural innovation, content innovation and interactive innovation, and writes the "Mobile Lectures of Financial Culture" for case study. We links up various branches to extend the scope of investor education services through digital technology and to improve the management of investor education work. The Company carries out various investor education programs in schools, communities, Central China Investor Education Base and branches around China, such as Financial Classes for College Students, Investor Education Bases in Listed Companies, and Investor Education Bases in Communities. The Company conducts various kinds of public welfare activities with rich content and distinctive features on the theme of investor education and provides comprehensive and specialized financial knowledge and services for investors of all ages to help promote investor education in a deeper and more practical way.

During the reporting period



Investor Education in 100 Colleges: Escort for growth with financial knowledge – An investor education activity in Zhengzhou College of Finance and Economics

Case

In order to promote the integration of investor education into the national education system, enhance the financial literacy of college students, and cultivate a team of qualified and rational investors, Central China Securities, together with Zhengzhou College of Finance and Economics, launched the "Investor Education in 100 Colleges – An Investor Education Activity in Zhengzhou College of Finance and Economics". We popularized the basic financial knowledge for the 115 teachers and students present through on-site case presentations and teaching, which helped to cultivate their concepts of rational investment and value investment.




Central China Securities holds an investor education activity in Zhengzhou College of Finance and Economics

Caring for Investors Together – Series of activities themed "May 15 National Investor Protection Publicity Day"

Case

On the occasion of the Fifth May 15 National Investor Protection Publicity Day, Central China Securities and Central China Investor Education Base jointly launched a series of online and offline investor education and publicity activities under the theme of "Caring for Investors Together – To Embrace the Reform of the Comprehensive Registration System and Protect the Legitimate Rights and Interests of Investors".



Online investor education and publicity activities

The Company conducted a three-day online quiz with prizes through the WeChat official account of Central China Investor Education Base to guide investors to learn and understand the reform policy of the full implementation of the registration system, and to resist and prevent the infringement of illegal securities and futures activities. We continued to publish typical cases of prevention of illegal securities and futures infringement and publicized the latest developments of investor education activities through the WeChat official account of Central China Investor Education Base and the CLS.CN app (investor education column), in order to further enhance the coverage of the activities. We also actively participated in the "18 Cities in Henan Talking about the Registration System", a short video broadcasting activity organized by the Henan Securities Regulatory Bureau to explain the significance and positive impact of the full implementation of the registration system for the issuance of stock certificates from the different perspectives of securities practitioners and investors.

Onsite investor education activities to the public

In squares, the Company, under the theme of "Caring for Investors Together – To Embrace the Reform of the Comprehensive Registration System and Protect the Legitimate Rights and Interests of Investors", displayed promotional cartoons and exhibition boards, distributed leaflets, and conducted the "Shareholders Are Coming" quiz. The purpose of these activities was to help the public understand the capital market and popularize knowledge about the registration system.

Onsite investor education activities in listed companies

The Company carried out an activity in the theme of "Caring for Investors Together" in CPEPGC Corporation, organizing more than 40 investors to visit the exhibition hall and production plant of the listed company, and to make face-to-face exchanges with the executives of the listed company. This activity aims to help investors further understand the production and operation of listed companies, deepen their understanding of the market and the industry, and enhance their awareness of risk prevention and rational investment.

Special Topic: Leveraging the momentum and assimilating the spirit of the Yellow River's surge into the sea, Central China Securities contributes to industry development.

Special Topic: Leveraging the momentum and assimilating the spirit of the Yellow River's surge into the sea, Central China Securities contributes to industry development.

Promotion of local culture – Building a specialty education base

Case

The Company promoted the construction of a specialty investor education base. During the reporting period, the Company completed the upgrading and remodeling of the on-site exhibition hall of the Central China Investor Education Base, which was systematically designed and remodeled according to the characteristics of the local culture of Henan Province, with the image of the brand mascot "Yuan Yuan" integrated into its design. We also installed additional hardware equipment such as touch screens, an automatic crowd monitoring system, and electronic photo albums in order to continuously enhance and improve the efficiency of the maintenance and operation of the base. During the reporting period, the Central China Investor Education Base delivered investor education by carrying out activities such as the "E-Common Prosperity" mock trading contest, the Zhengkai Marathon Race, the health run initiated by the Securities Association of China, and the opening ceremony of the base's upgrading and renovation project. It also compiled the "Mobile Lectures of Financial Culture" for case study, and actively promoted the incorporation of it into the case base of colleges and universities.



The investor education base

In the annual assessment of national securities and futures investor education bases organized by the China Securities Regulatory Commission (CSRC) for 2022-2023, the Central China Investor Education Base received a "good" rating.

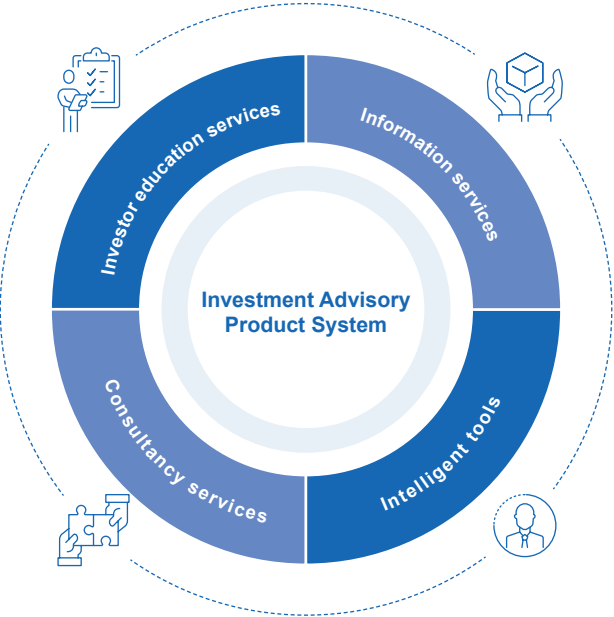
Investment advisory business

In 2023, aiming at the development goal of "constructing a learning organization and building a data-driven investment consulting ecosystem in three to five years to develop the differentiated core competitiveness of Central China Securities", the Company's special working group on investment advisory business is fully committed to advancing the construction of product systems, investment consulting teams, investment consulting platforms, and business systems, as well as vigorously developing the investment advisory business in order to comprehensively assist in the preservation and appreciation of investor's wealth.

In order to ensure the compliant and efficient development of the investment advisory business under the premise of meeting the regulatory requirements of the industry, during the reporting period, the Company revised and improved the Administrative Provisions for Securities Investment Advisory Business and the Guidelines for the Management of Investment Advisory Products, and formulated systems including the Code of Conduct for Wealth Management and Securities Investment Advisory Business (For Trial Implementation), Revenue and Performance Allocation Mechanism of Investment Advisory Products, Relevant Standards for Consultancy Service Products under the Category of Investment Advisory Products, and Central China Securities' Evaluation Standards for Investment Advisory Products.

During the reporting period, the Company focused on promoting the construction of the investment advisory product system and enriching the product contents to meet the needs of customers in different scenarios.

In order to promote the talent cultivation and echelon construction of the investment advisor team, during the reporting period, the Company established the process of investment advisor team construction and standardized the mechanisms of selection and withdrawal, grading, performance evaluation and incentives, among others, for the sponsors of investment advisor products, so as to ensure that the product developers focus on the development of high-quality products, the provision of high-value services, and the continuous enhancement of the specialization level of the products.



The process of investment advisor team construction

Working together to promote the rapid development of the enterprises

"We should maintain a reasonable abundance of liquidity, keep the growth rate of the broad money supply and the scale of social financing basically matched with the nominal economic growth rate, and guide financial institutions to increase support for small and micro enterprises, scientific and technological innovation, green development and other areas."

– The Central Economic Working Conference, December 2022

Adhering to the original mission of serving the real economy with financial services, Central China Securities has formed a comprehensive financial service system that is led by research and supports the synergy and integration of the businesses of investment banking, investment, wealth management, asset management, stock pledging, regional equity exchanges and futures. The system focuses on providing tailor-made integrated financial services to enterprises controlled by Henan Province, listed companies, companies to be listed, and outstanding private enterprises, further enhancing the quality and effectiveness of our services to the real economy.

The Company integrates the concept of responsible investment, continues to help micro-, small- and medium-sized enterprises (MSMEs) and real enterprises, explores the new path of financial inclusion in the securities industry, and contributes to the common prosperity. Focusing on the development of the capital market and the construction of the industrial chain group in Henan Province, the Company's research institute took active actions to develop the White Paper on Capital Market of Henan Province for 2023, the Analysis Report on the Development of Superhard Materials Industry in Henan Province, and the Service Handbook for Province-controlled Enterprises, as our commitment to boosting the high-quality development of the local economy with our financial intelligence services.

During the reporting period

The Company served **8** real economy enterprises through equity financing in Mainland China, with equity financing amounting to CNY **1.712** billion

Served **186** real economy projects in Mainland China through bond financing, with an underwriting amount of CNY **16.264** billion

The investment banking division of our subsidiary, Central China International, participated in the underwriting of **4** IPO listings on the stock exchange, including Luzhu Biotech, Fourth Paradigm, Guoquan Food and Jinyuan Hydrogenated. We also joined hands with the Hong Kong Stock Exchange to organize the Henan-Hong Kong Capital Markets Exchange in Zhengzhou, aiming to help enterprises in Mainland China access overseas capital markets.

The subsidiaries ZDKY Venture Capital, CCBO and Kaiyuan Private Equity invested in a number of enterprises engaged in scientific and technological innovations, such as Liying Technology, Keyi Gas, NexSilicon, Hengpu Jiguang and Mstar Technologies, with an investment amount of more than CNY **57** million. We also set up the first special fund of BSE, Dingyu Xiangbei Fund, and Weihui Industry Fund, with a new subscription scale of CNY **800** million for the whole year.

Special Topic: Leveraging the momentum and assimilating the spirit of the Yellow River's surge into the sea, Central China Securities contributes to industry development.

Promoting the successful IPO of Yatang Precision Mechanical as the lead underwriter

Case

During the reporting period, the IPO of Yantai Yatang Precision Mechanical Corporation (Yatang Precision Mechanical), which was underwritten by Central China Securities, was successfully issued and listed on the main board of SSE.

Assisting Lizhong Group in issuing convertible bonds

Case

The Company assisted Lizhong Sitong Light Alloys Group Co., Ltd. (Lizhong Group) in the refinancing project of convertible bonds as a sponsor and underwriter. The funds raised from the convertible bonds are mainly used for Lizhong's project in Mexico with an annual production capacity of 3.6 million ultra-lightweight aluminum alloy wheels and the project of the R&D center for the heat-treatment-free, highly thermally conductive, and highly electrically conductive materials, which is aimed at enhancing the competitiveness of Lizhong Group's aluminum alloy wheels in the global market and increasing the share of Lizhong Group's products globally. This will help realize Lizhong Group's globalization strategy, and help the group to build a national brand and develop into a world-class auto parts supplier, complying with the original intention of helping Chinese enterprises go global.

Serving MSMEs

The Company actively implements national strategies related to financial institutions' support for MSMEs in order to support the healthy development of the private economy. During the reporting period, the Company focused on serving and supporting enterprises with the characteristics of "specialization, refinement, specialty and novelty" (SRSN) as well as development potential, guiding bank funds into the high-quality enterprises sponsored by the Company, thus addressing the financial challenges of small- and medium-sized enterprises (SMEs). Equity Exchange Co., a subsidiary of the Company, built a blockchain-based comprehensive financial service platform for SMEs, and joined hands with Bank of Zhengzhou and other financial institutions to develop innovative fintech products, which will help reduce information asymmetry, save due diligence costs, and thus lower the cost of financing. Our subsidiaries, ZDKY Venture Capital, CCBO and Kaiyuan Private Equity, have been included in the list of investment cooperation organizations for "loans to enterprises with the characteristics of SRSN" issued by the Henan Provincial Department of Industry and Information Technology.

Equity Exchange Co. assisting MSMEs with high-quality development

Case

Equity Exchange Co. is the only legitimate regional equity market in Henan Province, undertaking the operation of the Henan service bases of SSE, BSE and National Equities Exchange and Quotations, which is an important local financial infrastructure. Adhering to the original mission of serving the real economy with financial services, Equity Exchange Co. provides comprehensive capital market financial services for high-quality MSMEs in Henan Province, supports enterprise innovation and development, cultivates enterprises for regulated listing, and contributes to the high-quality development of the regional capital market.

Now, Equity Exchange Co. has completed the preparatory work for Henan's SRSN Board. During the reporting period, Equity Center became one of the first organizations to sign a memorandum of cooperation with National Equities Exchange and Quotations on green channel supervision, which will provide a more convenient path towards the capital market for innovative enterprises represented by the enterprises with SRSN.

During the reporting period

416 new enterprises were listed

New enterprise financing amounted to CNY 2.891 billion

8 listed enterprises transferred to GEM and National Equities Exchange and Quotations



The Company was honored with the titles of Capital Market Service Base in Henan and the Henan Service Base



Special Topic: Leveraging the momentum and assimilating the spirit of the Yellow River's surge into the sea, Central China Securities contributes to industry development.

Empowering SMEs through training to enhance their capital market awareness

Case

In order to help SMEs build up in-depth understanding of equity financing, we promote them to actively connect to the capital market, so as to realize the win-win effect of financing + intelligence. In October 2023, Equity Exchange Co., together with Yichuan County Financial Service Center, successfully held the Special Training Session on Enterprise Equity Financing for 2023, which helped enterprises in the county understand knowledge related to equity financing, and provided specific measures of "financing + intelligence" services. The training further enhanced SME owners' understanding of the capital market as well as their awareness of financing.

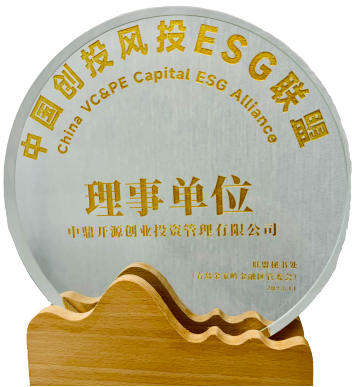


The Special Training Session on Enterprise Equity Financing for 2023

Responsible investment

Central China Securities focuses on the concept of responsible investment. On the one hand, the Company evaluates the development space, growth potential, and operation ability of the management based on value investment. On the other hand, the Company always pays attention to the performance of CSR practice and examines and considers the balance of interests among all parties, including the environment, employee safety, suppliers, clients, and shareholders.

The Company evaluates the environmental, social, and governance responsibilities of the investee enterprise in the work guidelines of investment due diligence. The Company is concerned about whether the enterprise develops a circular economy, and whether we evaluate the environmental responsibility of the investee enterprise in accordance with the principle of "reduction, reuse, and recycling" and eco-friendly requirements. The Company evaluates investee enterprises in terms of various aspects such as human resource management, employee diversity and equal opportunities, supply chain risk and management, legal marketing measures, product safety and responsibility, promotion of the employment, social responsibility, social assistance, and increase of the tax revenue. We incorporate the responsible investment factor into decision making to strengthen risk management.



Honorary medal of the council member awarded by China Venture Capital ESG Alliance

Green finance

The Company earnestly implements major decisions and plans on the national "carbon peak and carbon neutrality", and actively integrates major national strategies into its own business. Taking innovation in science and technology as the lead and capital operation as the carrier, the Company gathers strength to inject financial capital power for the green transition of enterprises and the innovation of green projects.

Facilitating the refinancing of green enterprises to improve the local ecological environment

Case

Central China Securities acted as the joint sponsor brokerage of the convertible bond project of the Cevia Enviro Inc. (referred to as "Cevia") to help Cevia issue convertible bonds for environmental governance. The project is still under way. The funds raised by issuing convertible corporate bonds to unspecified targets will all be invested in eco-friendly projects such as garbage incineration for power generation, renewable resources from hazardous waste, comprehensive disposal of hazardous waste, and sewage treatment to help improve the social environment.

Facilitating the refinancing of green enterprises to promote the progress of the eco-friendly industry

Case

Central China Securities acted as the sponsor underwriter of the convertible bond project of Henan BCCY Environmental Energy Co., Ltd. (referred to as "BCCY"), with a financing amount of CNY 420 million. The funds raised from convertible bonds will be invested in major business in line with the guidelines of energy development and "carbon peak and carbon neutrality" and closely around BCCY's biogas power generation business, which is conducive to enhancing the Company's overall strength to promote the development of the biogas power generation industry and help the eco-friendly industry make further progress.

Investing in Liying Technology to facilitate the technology innovation and management upgrade of medical waste treatment

Case

Central China Blue Ocean Investment Management Co., Ltd., a subsidiary of Central China Securities, invested in the National Equities Exchange and Quotations enterprise Henan Liying Environmental Protection Technology Co., Ltd. (referred to as "Liying Technology") an amount of CNY 9 million. Liying Technology is committed to the R&D and application of harmless disposal technology for medical waste, and provides a platform for various medical waste treatment peers to improve technology application and management methods. The project of Central China Securities' investment in Liying Technology will help to promote the continuous progress of China's medical waste treatment and management.

Investing in Jalon to facilitate the improvement of independent R&D capabilities in fields related to new energy

Case

Zhongding Kaiyuan Venture Capital Co., Ltd., a subsidiary of Central China Securities, and its subordinate company Henan Kaiyuan Private Equity Fund Management Co., Ltd. invested CNY 34.92 million in Luoyang Jalon Micro-nano New Materials Co., Ltd. (referred to as "Jalon"). Jalon is mainly committed to the R&D, production, sales, and technical services of molecular sieve adsorbents and catalysts in fields such as medical oxygen, energy and chemical industry, environmental protection, energy-saving building materials, and refrigeration systems. The investment helps enterprises to develop new products in the field of clean energy and environmental governance, including products applied to diesel vehicle exhaust gas denitration, flue gas denitration, organic waste gas treatment, and nuclear wastewater treatment, as well as improve China's independent R&D capabilities in fields related to new energy.

Governance Responsibility

Central China Securities continues to improve the level of corporate governance, strictly abide by laws and regulations and related industry requirements, and formulate relevant management systems. We disclose major information to stakeholders promptly and effectively, fine-tune communication channels for investors, and carry out investor education activities regularly. The Company continues to strengthen risk management as well as anti-money laundering and integrity in business, improve the supply chain responsibility management system, and do well in intellectual property management, promoting the long-term development of the Company with practical actions.



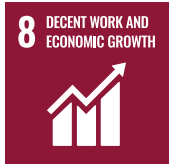
Improving corporate governance



Controlling compliance risks



Adhering to business ethics



"We will strive to shape modern state-owned enterprises with new development models, new corporate governance, new operating mechanisms, and new layout structures."
— October 2023, Party Committee of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council

Improving corporate governance

➤ Operations of three boards

Standard and perfect governance structure is the cornerstone for corporate governance. The Company establishes and improves the corporate governance structure, comprised of the shareholders meeting, the Board of Directors, the Board of Supervisors, and management, in strict accordance with the requirements of Company Law, Securities Law, Code for Governance of Listed Companies, Listing Rules of Stock Exchange, as well as other laws, regulations, and normative documents. The Board of Directors has established the Development Strategy Committee, Audit Committee, Remuneration and Nomination Committee and Risk Control Committee to provide effective support for the decision-making of the Board of Directors, ensuring the coordinated operation and sustainable development of the Company's business.

During the reporting period, the Company actively implemented the spirit of the Party Central Committee, the decisions and plans of Henan provincial Party committee and provincial government, and the requirements of industry supervision, optimized corporate governance, and promoted the governance bodies to play effective roles. The Company revised and improved the Articles of Association, Rules of Procedure of the Board of Directors, Rules of Procedure of the Board of Supervisors, Rules of Procedure of the Party Committee, Rules of Procedure of the Executive Committee, and Rules for the Implementation of Three Major and One Great Matters, so as to clarify the rights and responsibilities of the Company's governance bodies, standardize the procedures, and form a governance mechanism with coordinated operation and effective counterbalances, improving the Company's decision-making efficiency and risk prevention and control ability.

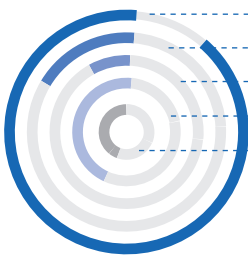


During the reporting period

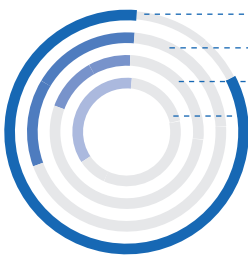
During the reporting period, the Company convened **10** board meetings and **18** special committee meetings, and deliberated and adopted **68** important

The Company convened **4** stockholders' meetings, and deliberated and adopted **22** proposals

The Company convened **5** meetings of the Board of Supervisors, and deliberated and adopted **28** proposals



Composition of Board of Directors:



Composition of Board of Supervisors:

➤ Information disclosure

The Company continues to improve the information disclosure system, revise the Information Disclosure Management System, Investor Relations Management System, Information Disclosure Manual for Connected Transactions, Information Disclosure Manual for Equity Change, Manual for Difference Between A+H Share Information Disclosure Rules, and other documents. Through actions such as developing a standardized workflow of information disclosure and writing operating specification manuals of information disclosure positions, we continue to strengthen the institutionalization and standardization of the information disclosure process, as well as strictly control the risk of information disclosure, promoting the high-quality development of information disclosure work. The Company continues to focus on changes in laws and regulations and the latest requirements of information disclosure at home and abroad, as well as carry out training on information disclosure regulations to improve employees' awareness of information disclosure compliance. This helps us ensure the compliance, timeliness and effectiveness of information disclosure, as well as investors' right to know.

During the reporting period

The Company disclosed **333** announcements of various types throughout the year

Investor relations

The Company always upholds the concept of providing quality services for investors. Taking the protection of the legitimate rights and interests of investors as a foothold, we continue to expand the channels of communication with investors online and offline. The Company has established and improved a daily communication mechanism with investors, maintained communication in multiple channels and dimensions with investors on the SSE-e interactive platform, investor email and hotline, on-site reception, performance presentation, investor meetings, road shows and other forms. We have also comprehensively protected investors' right to know and participate, especially small and medium-sized investors, maintaining good relationships with investors.

During the reporting period

The Company actively participated in the online collective reception day activities for investors of listed companies, organized **3** performance presentations and **2** analyst research activities, and received a total of **435** investors.



The Company participated in the "2023 Online Collective Reception Day for Investors from Listed Companies in Henan Province" activity with the theme of "leveraging sincere communication to deliver value"



The Company held the 2023 Q3 performance presentation



The Company organized the analyst research activity

Corporate culture

The Company deeply implements the industry culture concept of "compliance, integrity, professionalism and stability", and practices the corporate culture spirit of "simple and kind, honest and generous, rigorous and persistent, pragmatic and effective" to strengthen the construction of industry culture across the board, providing strong value leadership and spiritual support for the Company's high-quality development. During the reporting period, the Company actively echoed the document Further Consolidating and Promoting the Work Arrangement for the Cultural Construction of the Securities Industry issued by the Securities Association of China, implemented various work requirements on cultural construction, formulated clear work plans and objectives, made every effort to do well in the key work of cultural construction, and organized multiple activities on corporate culture construction.

Work requirements

According to the Initiative of Establishing the Concept of Honor and Disgrace in the Securities Industry issued by the Securities Association of China, we cooperated with professional institutions to design and print learning cards and posters, and organized all departments and branches of the Company to actively conduct the publicity and learning of the concept of honor and disgrace in the industry.

Key work

We actively participated in the training of industry culture construction organized by the Securities Association of China, strengthened cooperation with relevant departments, and formulated key work plans to improve the effectiveness of corporate culture construction.

The management measures taken by Central China Securities to strengthen cultural construction

The Company and Central China Investor Education Base jointly organized the eighth health run (Zhongzhou Securities Station) for the prevention of illegal fundraising in the securities industry.

The Company's labor union carried out a five-player basketball exchange competition themed "Central China Securities Cup". The venue promoted the core cultural concepts of the securities industry through displays and banners to enhance the cohesion of employees.



The Company participated in the selection of "2022-2023 Advanced Collective of Cultural Construction" organized by Securities Futures and Funds Association of Henan Province, and Zhengzhou Huanghe Road Securities Branch was awarded the above honor in the Henan securities and futures industry, showcasing that our efforts in industry culture construction have been fully recognized.



2022-2023 Advanced Collective of Cultural Construction

Controlling compliance risks

➤ Prudent compliance management

The Company deeply implements the idea that "compliance creates value, everyone is responsible for compliance, and compliance is the lifeline". According to the Measures for the Compliance Administration of Securities Companies and Securities Investment Fund Management Companies issued by the China Securities Regulatory Commission, as well as the internal Measures for the Compliance Administration, the Trial Provisions on Compliance Supervision and Management Measures, the Measures for the Administration of Compliance Inspections, we have established a compliance management system with clear responsibilities and a risk-oriented compliance management mechanism and process. In 2023, the Company continued to promote the construction of related compliance systems, optimize the compliance management workflow, improve the standardization and fine-management level of compliance management, and increase the audit and consulting support for key businesses. We carried out compliance supervision and management within the scope of the Company and subsidiaries, organized a number of compliance inspections, and deepened compliance publicity and training, thus improving the level of compliance management.

During the reporting period

Provisions

Existing effective compliance management provisions

58

The compliance management provisions revised and improved

10

Training

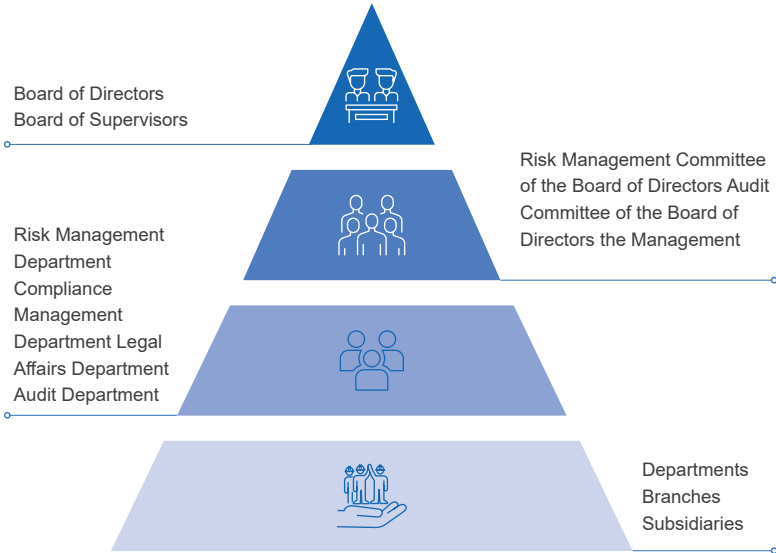
We organized more than 20 internal training sessions, involving the interpretation of the new regulations on securities brokerage business and investment bank registration system, information security management, staff investment behavior management and so on.

We organized and participated in nearly 30 external training sessions, involving special research on investment bank business under the registration system, interpretation training on the Measures for the Administration of Securities Brokerage Business, and improvement of investment bank practice ability under the registration system.

➤ Comprehensive risk control management

The Company attaches great importance to the prevention of financial risks. We have improved the risk management structure and system, strengthened the construction of the risk management information technology system, optimized the risk control index system, and strengthened the risk response mechanism, constantly improving the Company's risk management level.

The Company establishes and continues to improve comprehensive risk management systems, which include the risk management system, risk monitoring provisions, and various risk management tools covering a wide range of risks, businesses, and subsidiaries. The Company has formulated many risk management provisions such as the Comprehensive Risk Management System, the Measures for the Administration of Market Risks, the Measures for the Administration of Credit Risks, the Measures for the Administration of Operational Risks, and the Measures for the Administration of Reputation Risks to clarify various risk management mechanisms and measures.



Structure of corporate risk management

Strengthening risk management

In 2023, in order to improve the Company's risk management ability, we continued to improve the risk management system, formulated or revised 16 systems, and carried out a series of optimization projects in terms of the market risk, credit risk, operation risk, and reputation risk to enhance our risk prevention and control ability. The Company continued to strengthen the construction of the risk management talent team, improve the construction of corporate risk management culture, and enhance the professional ability of risk management. In addition, the Company established and improved multiple risk management information technology systems, including risk monitoring platforms covering various types of business and comprehensive risk management provisions covering net capital, stress testing, and various types of risks and subsidiaries, so as to measure, warn, and monitor various types of business risks and further strengthen the Company's overall risk management capabilities.

Market risk management

- We optimized market risk management and improved the mechanisms for risk identification, monitoring, and emergency response.
- We effectively implemented the Company's sound risk preference and optimized the risk quota indicators of self-operated fixed income business.
- We continued to strengthen the management of proprietary equity securities pools and improve risk control measures for entrusted investment business.
- We established a risk control index system for quantitative investment and OTC derivative business, optimized the exposure management and hierarchical authorization system for the concentration of a single target, and controlled business risks through the management of the target pool, risk exposure, stop loss, and other aspects.
- We established or upgraded risk control systems for OTC derivatives, standard bond forwards, and public offering REITs to continuously improve the timeliness, accuracy, and comprehensiveness of business data collection.

Credit risk management

- We improved the quota index system, including optimizing the risk quota index of financing business, and refining the concentration limit of private placement bond investment of overseas subsidiaries.
- We improved the Company's authorization management system for financing business and optimized the unitary securities authorization decision-making process of stock pledge business.
- We improved the quota management of bond pool and counterpart pool of bond investment transactions, optimized the management of pledges and maturity dates of bond reverse repurchase transactions, and increased the concentration and leverage control requirements of the same issuer and its related parties.
- We improved counterpart access requirements for OTC derivative business and optimized the classification management and credit control of counterparts.
- We strengthened the centralized management of the same client, improved the unified credit requirements for financing business, and intensified the credit review of overseas margin business.

Operational risk management

- We optimized the key risk indicators of operational risks, set a consistent indicator system for the same business, and made the key risk indicators more tailored and effective.
- We further standardized the collection of loss data due to operational risks and refined the standard and collection process of loss data due to operational risks.
- We regularly carried out self-assessment for operational risks and the control of them.

Reputation risk management

- We revised the emergency plan system for reputation risks and strengthened reputation risk management by optimizing the emergency mechanism.
- We optimized the reputation risk management system, updated the data source, and improved the recognition ability and dynamic monitoring effect of reputation risk by optimizing the process of public opinion monitoring and risk disposal via the system.
- We conducted reputation risk management training to enhance the awareness of reputation risk prevention of all staff.

Measures taken by the Company to improve the risk management provisions in 2023

During the reporting period

The Company organized relevant personnel to conduct **7** risk knowledge training sessions on operational risk, reputation risk, management of consolidated balance sheets, and credit investigation, with a total of **262** participants.

Conducting training on reputation risk management to enhance risk prevention awareness

Case

During the reporting period, in order to further strengthen the Company's reputation risk management and enhance the staff's awareness of reputation risk prevention, the Risk Management Department organized reputation risk management training.

The training included the interpretation of the Guidelines for Reputation Risk Management of Securities Companies and the Emergency Plan for the Company's Reputation Risk, explaining and sharing the types and sources of public opinion of securities companies, the characteristics of public opinion in the new media era, and thoughts on media relationship management. The training helped further intensify all staff's awareness of reputation risk prevention.

Interpreting the Guidelines for Operational Risk Management of Securities Companies to strengthen operational risk management

Case

During the reporting period, in order to further strengthen the Company's operational risk management, the Risk Management Department organized operational risk management training.

The training mainly focused on the Guidelines for Operational Risk Management of Securities Companies newly issued by the Securities Association of China, interpreting risk identification and assessment, control and mitigation, monitoring and reporting. The training helped establish the management concept of all staff preventing and controlling operational risks.

Adhering to business ethics

Integrity management

Central China Securities makes every effort to promote the construction of "integrity state-owned enterprises". We incorporated the construction of integrity culture, integrity management objectives and general requirements into our Articles of Associations, developed the Measures for the Administration of Integrity in Business, strictly complied with the requirements of Several Provisions on Integrity of Leading Personnel of State-owned Enterprises and Regulations on Integrity of Securities and Futures Trading Agencies and Their Staffs, and improved our integrity management system. The Company promotes the in-depth development of integrity state-owned enterprise construction with high-quality political inspections, which is uniformly led by the Company's Party committee and implemented by the inspection work leading group, with coordination of the inspection work office and collaboration of relevant departments. All employees of the Company are required to sign the pledge of integrity in business on an annual basis.

The Company vigorously promotes the construction of the integrity risk prevention and control mechanism, continuously strengthens the integrity warning education of employees, and seriously investigates and deals with corruption and other violations of discipline and law. In conjunction with industry violation cases, the Company compiles and issues regulatory dynamics and case compilation to warn employees to effectively strengthen the staff's awareness of integrity practice. The Company organizes the Discipline Inspection Work Department, Compliance Management Department, Discipline Inspection and Supervision Team in the Company, Inspection Work Office, and other departments, in accordance with the implementation plan of the Company's integrity enterprise construction, to carry out a wide range of legal discipline learning, theme publicity, warning education, and other practical activities. The Company, on a monthly basis, reports work records of integrity enterprise construction to promote integrity culture deeply into the people's heart, and continues to foster the integrity enterprise culture. In addition, the Company organizes relevant departments and subsidiaries to increase the content of laws and regulations related to integrity in business through the investor education and investor relation columns on the Company's official website, Caisheng website, and the official WeChat account to strengthen the publicity and guidance of integrity in business for shareholders and clients, as well as the Company's integrity management. In 2023, the Company faced no corruption lawsuits against the Company or its employees.

Conducting special training on integrity management to enhance employees' awareness of integrity

Case

During the reporting period, the Company conducted training from several aspects such as the laws, regulations, and regulatory penalties of integrity in business, the definition and specific work requirements of integrity in business, and the Central China Securities' implementation of the provisions on integrity in business, and led employees to deeply understand the importance of integrity in business, further deepening employees' awareness of integrity in business and promoting the construction of "integrity state-owned enterprises".



Training on integrity management

Shooting industry cultural promotional videos to strengthen the publicity of integrity culture

Case

During the reporting period, the Company actively responded to the call of Henan Securities Regulatory Bureau to strengthen the promotion of industry culture, and took seriously the work required by the Securities Association of China to shoot short videos of industry culture publicity. We collected script materials from the whole company, completed 1 episode of "With Integrity in the Heart to Shape a Refreshing Environment" and 9 episodes of the "Code of Professional Ethics" series of promotional videos to strengthen the publicity construction of the Company's integrity culture.



The "Code of Professional Ethics" series of promotional videos was selected into the training case database of the Securities Association of China

➤ Anti-money laundering management

The Company strengthens the organizational leadership of anti-money laundering work, continuously improves the systems, regulatory departments, and workflow of anti-money laundering, optimizes the construction of anti-money laundering information system and improves the prevention and control capability of anti-money laundering risks in accordance with the requirements of various regulatory documents such as the Anti-money Laundering Law, the Measures for the Administration of Client Identification and Retention of Client Identity Information and Transaction Record of Financial Institutions, and the Measures for the Administration of Large Transaction and Suspicious Transaction Reports of Financial Institutions, among others.

The Company completed the risk assessment related to money laundering, in accordance with the Measures for the Supervision and Administration of Anti-money Laundering and Anti-terrorist Financing of Financial Institutions, the Guidelines for Self-assessment of Money Laundering and Terrorist Financing of Financial Institutions and the Measures for the Self-assessment Administration of Money Laundering and Terrorist Financing Risks.

2023 measures taken by the Company to carry out anti-money laundering management



Improve the management system of anti-money laundering

We optimized the organizational structure and institutional mechanism of anti-money laundering risk management, further promoted business management or support departments to strengthen the main responsibility of money laundering risk management, and improved risk control measures.



Strengthen the risk management of money laundering

We continued to improve the information security of anti-money laundering management system and strengthened identification and other functions to further increase the quality and benefit of money laundering risk prevention and control.



Improve the work efficiency of anti-money laundering

We organized the risk assessment of money laundering and examined the shortcomings and weak links in anti-money laundering work to improve the effectiveness of anti-money laundering work in a targeted manner.

During the reporting period

The Company had no money laundering risk cases, no internal personnel suspected of money laundering cases, and no other illegal situations.

Provisions

The Company revised the Work Guidelines for Anti-money Laundering Publicity and Training.

There were a total of **17** current anti-money laundering management provisions.

Publicity

The Company released **12** newsletters, involving anti-money laundering regulatory dynamics, punishment cases, and new regulations.

The Company carried out the collection and exhibition activities of anti-money laundering publicity works with the theme of "building a solid defense to prevent money laundering risks", and played promotional videos and warning cases through the official Wechat account for **8** times

Monitoring

The Company further strengthened the due diligence of clients, continued to enhance the identification and monitoring of money laundering risks, optimized the suspicious transaction monitoring model, and submitted a total of **42** suspicious transaction reports, subsequent reports, and large transaction reports to the Anti-money Laundering Center of the People's Bank of China

Training

The Company conducted **6** special internal training sessions on anti-money laundering

Active participation in **9** specialized external training for financial institutions on anti-money-laundering and counter-terrorist financing inspection practices, etc.



The Company conducted interpretation training on the Measures for the Administration of Securities Brokerage Business from the anti-money laundering perspective

➤ Supplier responsibility management

The Company conducts strict management of suppliers, aiming to build a sustainable and responsible supply chain, and formulates management systems such as the Bidding and Procurement System to strengthen supplier management. In 2023, the Company revised and improved the Measures for the Administration of Information Technology Suppliers, the Measures for the Administration of Information Technology Outsourcing Services, and other system documents to ensure the smooth work of supplier management. The Company continued to promote the work of supplier access, refining the audit standards of suppliers in technical services, emergency response, quality assurance system, and more, to ensure that we can comply with relevant business rules.

As of December 31, 2023, 126 information technology suppliers had passed the access audit, and the Company will conduct the 2023 service evaluation and special inspection on the service quality, delivery time, service level, credit performance, and cooperation degree of suppliers in accordance with the provisions. In addition, the Company regularly conducted relevant management training for suppliers to improve their business capabilities and strengthen their service awareness.

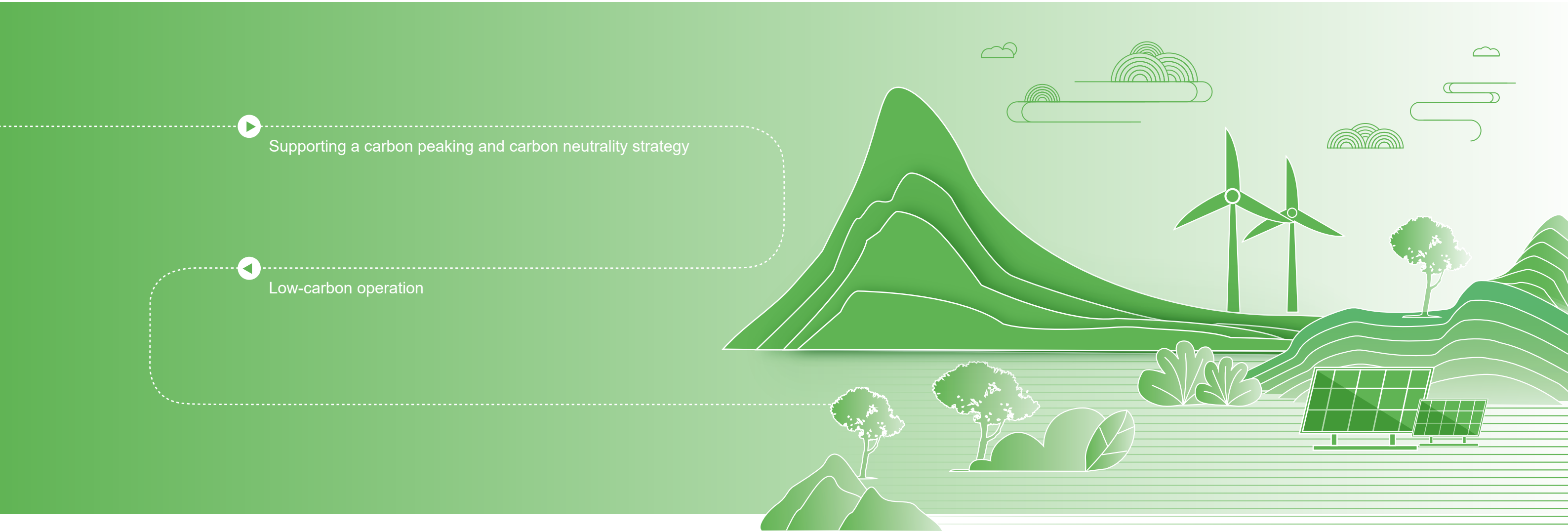
➤ Protecting intellectual property

The Company strictly complies with laws and regulations, such as the Trademark Law, Patent Law, Copyright Law, Regulations on the Protection of the Right to Information Network Dissemination, Regulations on the Protection of Computer Software. The Company also formulates the Measures for the Administration of Intellectual Property, the Action Plan on Strengthening and Improving the Management of Intellectual Property and other internal management documents to protect the intellectual property and business information of itself, clients, and third-party organizations.

During the reporting period, the Company improved the intellectual property protection mechanism, continued to guide and serve relevant departments to deal with intellectual property disputes, and prompted relevant functional departments to strengthen management. The Company regularly conducted legal training on intellectual property, such as the Guide on Legal Risks and Avoidance of Intellectual Property, to help employees build awareness of intellectual property protection. The Company strengthened the legal review of the terms in intellectual property contracts in the daily review process, and continued to do well in legal work related to intellectual property management.

Environmental Responsibility

In order to address climate change and actively respond to the national "dual carbon" strategy, Central China Securities has gradually incorporated the impact of climate change into the consideration of daily operations and business development, and actively advocated for a green office, and strengthened energy conservation and emission reduction, contributing to the low-carbon transition of the economy and society with practical actions.



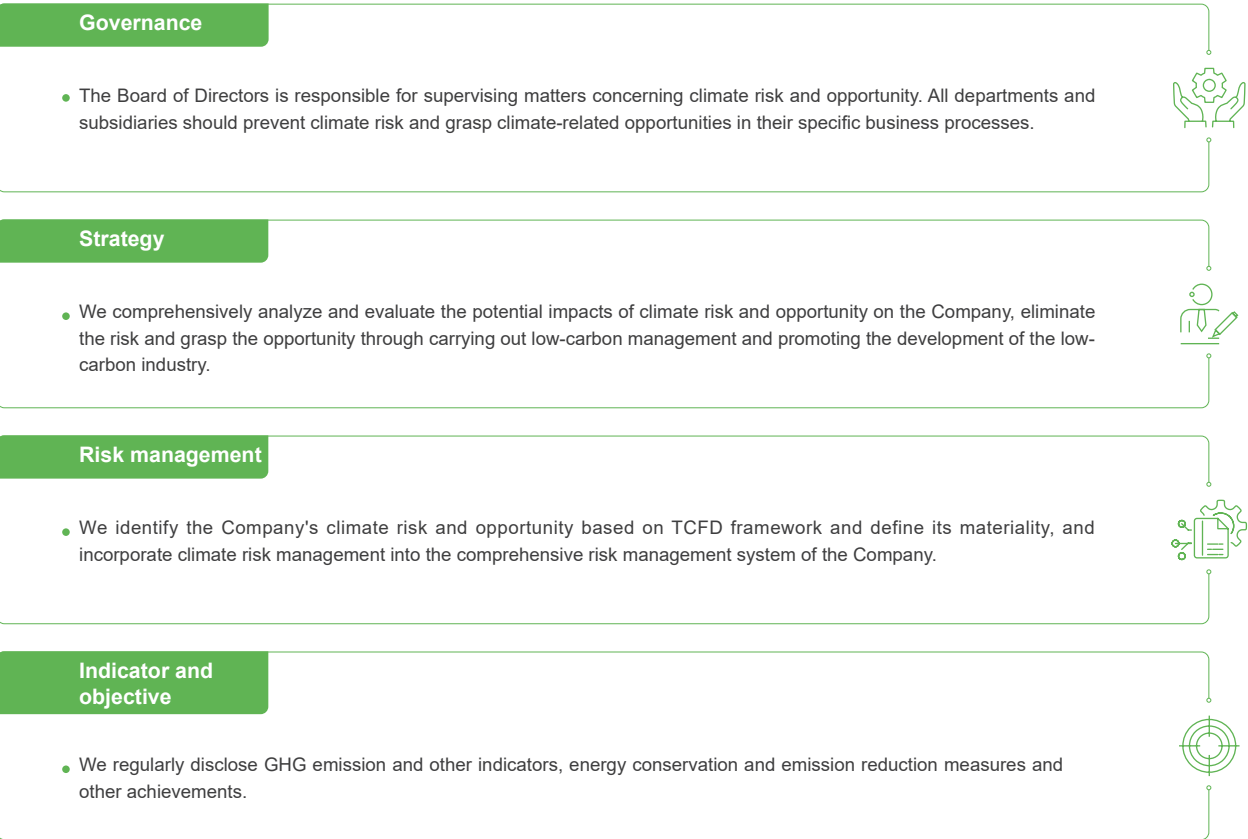
China's ecological civilization construction has entered a critical period with carbon reduction as the key strategic direction. It is imperative to transit from controlling the total amount and intensity of energy consumption to controlling those of carbon emissions.

— The second meeting of the Central Commission for Comprehensively Deepening Reform (CCCCR) held in July 2023

Supporting the carbon peaking and carbon neutrality strategy

Green development is one of China's new development concepts and an important part of building a global community with a shared future for mankind. "We must accelerate the green transition of development methods, implement a comprehensive conservation strategy, develop green low-carbon industries, advocate green consumption," and "we must work actively and prudently towards the goals of carbon peak and carbon neutrality and actively participate in global governance to address climate change," states the report to the 20th National Congress of the Communist Party of China (CPC).

At present, China's economy has entered a new period of sustainable and high-quality development, and integrating ESG investment concepts into the top-level design, policy, planning, and guideline of China's financial market has become an inevitable path for China to achieve its own green and low-carbon development. The Company, based on Environmental Information Disclosure Guide released by the People's Bank of China and the proposed framework of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), identifies business operation-associated climate risks and opportunities, provides solutions based on identification result, grasps new opportunities of green development, and facilitates the realization of the national dual carbon goals.



Climate change management system

Analysis of climate-related risks and their impacts on Central China Securities' finance

Risk Type	Risk Description	Potential Impacts on Finance	Management Actions
Policy and legal risk	The release of national climate policies may make companies, clients, and investment targets face penalties and lawsuits due to failing to meet regulatory requirements, thus affecting their solvency and valuation.	Portfolio value ↓ Operating revenue ↓	<ul style="list-style-type: none">Pay attention to changes in climate-related laws, regulations, and regulatory policies, and strengthen measures on energy conservation and emission reduction.Pay attention to climate-related risks and negative public opinions of clients and investment targets, and promptly control the related risks of the Company.
Market risk	With the increasing social concern about climate change and the release of various green financial policies, the attention of the capital market to green financial products and services continues to rise. If the Company does not take the initiative to develop green finance-related products and expand the scale of green investment, we will be at a disadvantage in market competition, which is not conducive to the growth of the operating revenue.	Portfolio value ↓ Operating revenue ↓	<ul style="list-style-type: none">Pay more attention to green investment and green finance, and focus on industry clients and investment targets more affected by climate change.
Credit risk	Stakeholders pay more attention to the transformation of the low-carbon economy. If any negative report occurs, it may cause damage to the Company's reputation, affecting our revenue and credit, and increasing financing costs.	Operating revenue ↓ Operating costs ↑	<ul style="list-style-type: none">Strengthen climate risk management, and actively disclose the Company's efforts and achievements in addressing climate change and facilitating the transition to a low-carbon economy.

Analysis of climate-related opportunities and impacts on Central China Securities' finance

Opportunity Type	Opportunity Description	Potential Impacts on Finance	Management Actions
Product and Service	According to national strategies and industry orientation, the Company provides financial services to, or invests in, climate-friendly enterprises that develop and innovate low-carbon products and technologies, which may help us benefit from the shift in the market supply and demand structure and improve our competitive position.	Portfolio value Operating revenue	<ul style="list-style-type: none">Develop green finance business, underwrite green bonds or provide financing and other financial services for green infrastructure.
Market Opportunity	The Company seeks new markets, products, and services in the transition to a low-carbon economy to gain a more favorable competitive position.	Operating revenue	<ul style="list-style-type: none">Develop green financial products such as funds with the theme of energy saving, environmental protection, and carbon neutrality, increase research on green industries, and tap market opportunities.
Energy Source	Climate change may increase energy costs, and more use of the clean energy and low-emission energy will help save energy costs in the future.	Operating costs	<ul style="list-style-type: none">Strengthen the statistical analysis of energy costs and carbon emissions, and pay attention to the use of clean energy.

➤ Greenhouse gas emissions

Scope of greenhouse gas emissions	Unit	2021	2022	2023
Direct Emissions (Scope 1)	Tons of carbon dioxide equivalent	66.09	64.55	64.18
Indirect Emissions (Scope 2)	Tons of carbon dioxide equivalent	1,126.19	867.88	667.21

Low-carbon operation

Central China Securities attaches great importance to the impact of its own business on the environment, strictly abides by relevant laws and regulations, and actively advocates low-carbon and eco-friendly operations and work styles. The Company establishes a sound management system, guides employees to integrate the concept of energy conservation and environmental protection into work and life, and advocates green construction, maximizing to save social resources, protect the environment, and reduce pollution.

➤ Green construction

Central China Securities Building is the headquarters under construction of an international, modern, and large-scale financial holding group, located in Longhu Financial Center, Zhengdong New District, Zhengzhou City, with an area of 10,003 square meters. From the preliminary design to the mid-term construction, the project aims to build a green building, and leverages various ways to save energy and resources in response to the national call for energy conservation and emission reduction.

Green design

Central China Securities Building is planned and designed in accordance with the requirements of relevant statutory documents such as the Design Standards for Energy Saving of Public Buildings, the Implementation Rules of Design Standards for Energy Saving of Henan Public Buildings, the Design Standards for Building Lighting, the Design Standards for Building Daylighting, the Design Codes for Sound Insulation of Civil Buildings, the Design Codes for Lighting of Urban Night Scenes and the Quality Standards for a Sound Environment. The project adopts four new technologies such as high-strength steel bars, buckle scaffolding, BIM technology, and intelligent construction. Through the application of key smart site technologies, the construction site leverages a series of applications such as intelligent systems, green construction, BIM technology, real name system of labor, smart site platform. All these efforts help save resources and manpower, reduce safety risks, standardize construction management, and enhance our corporate image.



Data decision system of smart sites

Green construction

The Company sets management objectives for green projects, makes green construction planning in accordance with evaluation standards for green construction, formulates green construction measures at each stage of the project, and organizes project management personnel to disclose. The project is implemented in strict accordance with the plan during construction.



Central China Securities Building is awarded as the Henan demonstration project with green construction technologies

Management objectives for environmental protection <ul style="list-style-type: none">Control of dust heightConstruction wasteControl of noiseControl of water pollutionControl of light pollution	Management objectives for materials saving <ul style="list-style-type: none">Use of local materialsReuse of prefabricated houses and fencesTarget loss of steel, concrete, wood, modules, and air blocks	Management objectives for energy saving <ul style="list-style-type: none">Occupation of temporary facilitiesEmployee dormitoriesProtected landsThe construction land rate of the unit construction area ≤ 25%The ratio of the green area to the occupied area = 35%Arrangement of on-site roadsAll the temporary facilities built in the planned unoccupied square
Management objectives for water saving <ul style="list-style-type: none">Equipment of water saving appliancesUse of non-municipal tap waterUse of non-traditional water sourcesConcrete conservationWater for firefighting and dust reductionTarget water consumption of CNY 10,000 output value	Management objectives for energy saving <ul style="list-style-type: none">Equipment of energy saving facilitiesUse of air energySwing-away prefabricated buildingTarget power consumption of CNY 10,000 output value	

Management objectives for green construction

➤ Green operation

In strict accordance with the requirements of the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, and other documents, as well as the principle of energy conservation and environmental protection, the Company rigorously carries out waste management, advocates green office, and promotes green operation.

Paperless publicity

During the reporting period, to implement the Company's work requirements of reducing costs, increasing efficiency, and decreasing waste of resources, the Company carried out electronic renovation of the investor bulletin board in branches to display the Company's qualification information, basic knowledge of securities, and complaint channels through electronic displays. The Company pushed electronic posters in a centralized way and encouraged branches to display their own network information, employee information, and other content to reduce the consumption of paper resources in the process of publicity.

Green office

In the office area, the Company advocates the use of eco-friendly office supplies to improve the awareness of a green office. Instead of printing and photocopying, the Company uses email to send meeting agendas and documents to attendees in advance to reduce the use of paper, and advocates printing on both sides when using printers or photocopiers. The Company advocates less use of plastic products to reduce white pollution, and requires all employees to use short-time screensavers to make computers quickly enter low-energy mode.

Energy saving and consumption reduction

The Company values water and electricity saving, efficiently uses lights and electrical equipment, and strengthens the management of daily water and electricity saving to reduce office energy consumption. The Company uses infra-red sensor taps and urinals to improve water efficiency, and puts up signs to remind employees to save water. The Company has installed LED energy-saving lamps for all offices, and reminded employees at the switch to save electricity, ensuring the lights are off when people leave. In addition, the Company intensifies the lighting inspection in public areas, and especially arranges full-time personnel to carry out inspections at night to turn off non-essential lighting.

Strengthening vehicle management to effectively reduce fuel consumption

Case

The Company takes various measures to reduce the fuel consumption of vehicles such as stopping the use of high-fuel consumption, high-fault, and high-risk vehicles, reasonably controlling the driving speed, scientifically optimizing the driving route, and minimizing the waiting time of the vehicle for idling, so as to continuously improve vehicle management. Compared with 2022, the range of the Company's official vehicles in 2023 increased from 44,000 kilometers to 67,000 kilometers, achieving a reduction in energy consumption per kilometer from 0.171 liters to 0.13 liters.

Use of energy and resources**

Indicator	Unit	2021	2022	2023
Electricity	kWh	1,938,371.47	1,521,796.47	1,169,919.80
Natural gas	Cubic meters	11,554.00	16,121.00	19,619.00
Water consumption	Cubic meters	5,348.54	9,645.80	7,392.07
Gasoline	Liters	15,170.28	11,161.44	8,166.67

*The statistical caliber of data in 2023 is from Central China Securities, Central China Futures, ZDKY Venture Capital and Equity Exchange Co.

Waste management

The Company's waste is mainly solid waste. A number of garbage sorting and recycling points are set up in the Company. Disposing of solid waste at will is prohibited. For electronic and hazardous waste, the Company only allows qualified third parties to carry out recycling. In addition, the Company's scrapped vehicle are sent to accredited motor vehicle recycling and dismantling enterprises for registration, dismantling, and destruction in accordance with relevant provisions. The registration certificate, license plate, driving license of scrapped motor vehicles are returned to the traffic management department of the public security organ for cancellation.

Discharge of waste

Indicator	Unit	2021	2022	2023
Total water consumption	Tons	5,348.54	9,645.80	7,392.07
Water consumption per person	t/person	2.01	3.61	2.70
Amount of office waste	Tons	22.81	27.52	30

Social Responsibility

Central China Securities has always adhered to the people-oriented employee management philosophy, and endeavors to build a safe and harmonious office environment for employees and a career path for steady growth, in a bid to make progress hand in hand with its employees. The Company is committed to carrying forward the spirit of great love, inherits Chinese virtues, cares for the disadvantaged, further enhances the sense of corporate mission and social responsibility, consolidates the achievements of poverty alleviation and effectively connects with the revitalization of the countryside, and makes positive contributions to maintaining social fairness and stable development.

▶ Building a happy and harmonious workplace

◀ Creating a perfect service experience

▶ Shouldering social responsibility



"Its immutable goal is to meet the people's growing expectation of a better life and translate the achievements of development into quality of life, thus continuously strengthening the people's sense of fulfillment, happiness and security. The happiness and well-being of the people are the ultimate goals of promoting high-quality development."

— A speech by General Secretary of the CPC Central Committee, Xi Jinping at the First Session of the 14th National People's Congress

Building a happy and harmonious workplace

Central China Securities actively implements the essence of the 20th CPC National Congress, adheres to the people-centered approach, helps to improve the people's sense of gain, happiness and security, adheres to the principle of equal employment, strictly abides by the laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and continuously improves internal management provisions and regulations on protecting the rights and interests of the employees and accompanying the growth of the employees. The Company takes the introduction of core business, leading and internationalized talents as an important direction for the Company's sustainable development and enhancement of core competitiveness, and strictly prohibits any form of discrimination against the employees based on the gender, race and ethnicity, and resolutely eliminates the employment of child labor. During the reporting period, the Company did not have any irregularities in matters such as the employment of child laborer or violation of mandatory labor regulations.



Protection of employee rights and benefits

The Company strictly complies with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, signs labor contracts with employees in accordance with the law, pays labor remuneration and insurance and housing fund for employees on time and in full, provides benefits such as enterprise annuity, supplementary medical insurance, paid leave, and allowances, and takes multiple measures to protect the legitimate rights and interests of the employees.

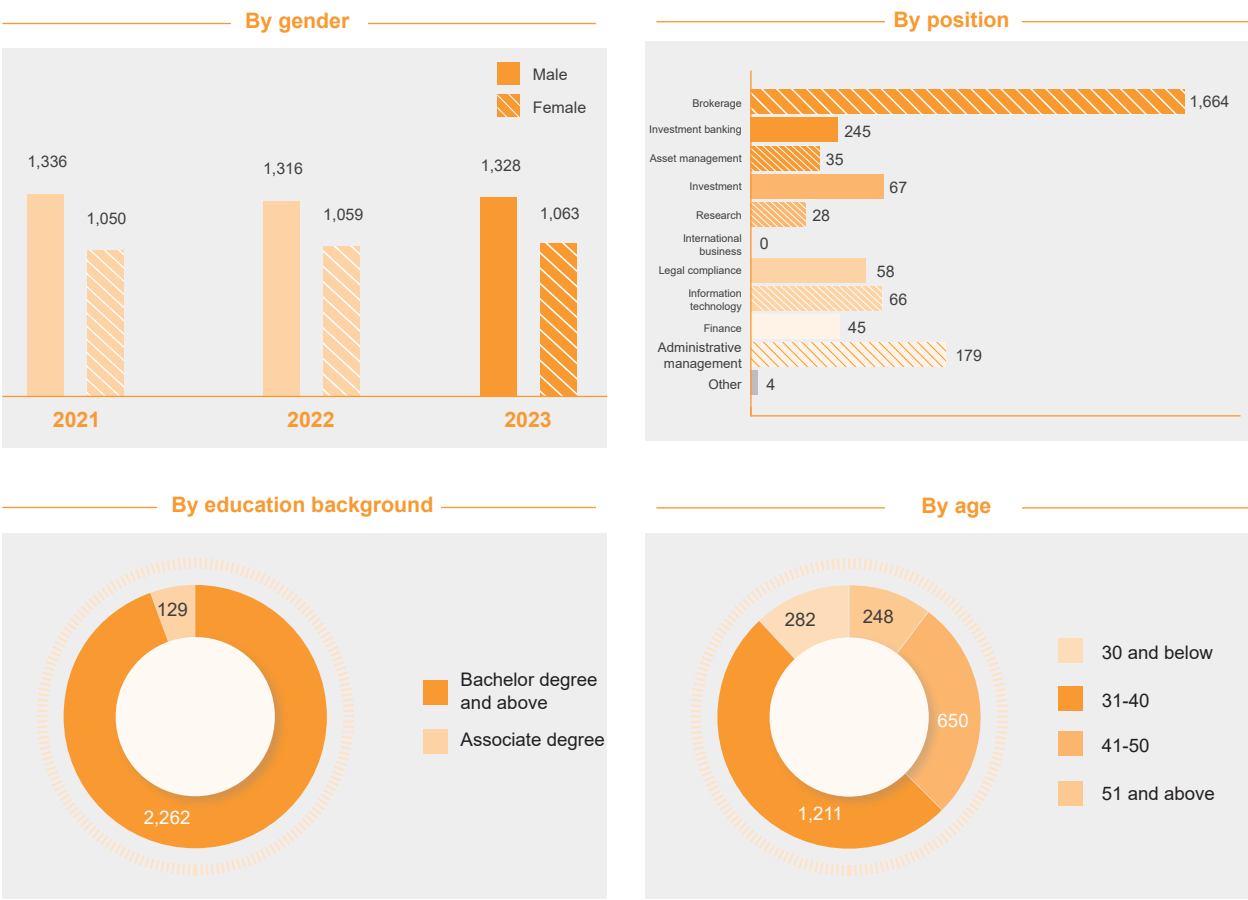
Employment

Central China Securities has formulated internal rules and regulations, such as the Administrative Measures for Employee Recruitment and Recruitment and the Administrative Measures for Attendance to establish a complete employment management system, aiming to protect the legitimate rights and interests of employees. In terms of talent team building work like talent recruitment and personnel deployment, the Company ensures that the recruitment process is fair and transparent, and selects the right talents according to the needs to meet the actual development needs of the Company. The Company is committed to building an orderly, fair and open working environment, ensuring that the rights and interests of employees are fully protected by improving the rules and regulations and implementing the management actions, and maintaining an efficient human resource management system. We adhere to the principle of equal pay for equal work, strictly prohibit any form of discrimination, resolutely resist the use of child labor and forced labor, safeguard the legitimate rights and interests of employees, and foster a fair, respectful and diverse work environment.

Employee structure

During the reporting period, the total number of employees of the Company* was 2,391, an increase of 16 from 2022. The turnover rate dropped to 6.81% from 7.29% in the previous year.

The data is the number of people in Central China Securities Co., Ltd., excluding subsidiaries



Remuneration incentives

Central China Securities continuously improves its remuneration and benefit system. For the "fair internally and competitive externally" remuneration incentive goal and based on the principles of fairness, reasonableness, and "more pay for more work," we put emphasis on rewarding employees who have made outstanding contributions to the Company to attract talents and mobilize the motivation of the employees. The Company adopts a market-oriented performance-based employee remuneration structure and implements a multi-level and all-around assessment system centered on performance and management objectives. The Company's employee remuneration consists of base pay allowances, performance bonuses and benefits.

The Company continues offering the fees, allowance, and incentives for examinations like CIIA and CFA. In addition, the Company changes and improves the allowance and incentive policy for the seven qualification examinations in conjunction with the industry's latest regulations on qualification examinations and practicing aptitude tests, in a bid to incentivize employees to enhance their expertise and improve the Company's professional service level.

Remuneration and benefits

- The Company pays the insurance and housing fund for employees in full and on time in accordance with the law, with 100% coverage rate during the reporting period.
- The Company provides employees with enterprise annuity plan and takes out supplementary medical commercial insurance to improve the level of employee welfare.

Working hours and holidays

- Our employees are entitled to statutory holidays, annual leave, sick leave, marriage leave and maternity leave.
- The standard working hours is 40 hours per week, and a special working hour system is adopted for special work.

Other

- The Company distributes gifts on traditional festivals;
- The Company regularly hold seminars on health and safety for employees;
- The Company cares for employees' difficulties and offers help timely and properly.

Democratic communication

The Company has formulated the Measures for the Implementation of Workers' Congress in accordance with relevant provisions of the Company Law, Labor Union Law and Labor Law to ensure that the employees can fully exercise their democratic rights. During the reporting period, the Company jointly convened the 10th Session of the 1st Workers' Congress and the annual work meeting of the Company, and organized the staff representatives to listen to and consider the annual work report on site. The Company convened the 11th Session of the 1st Workers' Congress, organized the staff representatives to consider the Company's revised important systems, made public the remuneration of the Company's leaders, the budget of operational expenditure and its implementation, and listened to the on-site presentation of duties by staff supervisors, effectively safeguarding the legitimate rights and interests of the employees.



The 10th Session of the 1st Workers' Congress of the Company in 2023

Supporting employee development

Central China Securities provides employees with favorable career development paths and training opportunities, including internal training programs and cross-departmental exchanges, to help employees continue learning, make progress, and achieve their career goals.

Promotion management

The Company implements the technical rank rating for all employees. Based on the tracking feedback, the Company continuously transforms the "soft power" of rank reform into the "hard support" for the Company's development, continuously promotes the integration of positions and ranks, integrates classification management, highlights continuous incentives, and further optimizes the relevant technical rank reform programs.

Employee training

The company continues putting more efforts on employee training to promote the rapid growth of employees. The Company has established a hierarchical training system for new employees and on-the-job employees to provide targeted business training.

For new employees

The objective of the training is to ensure that their knowledge and ability meet the basic job requirements. The training content covers the company profile, company culture, development strategy, management system, job skills, and work flow. The effectiveness of the training is checked in conjunction with the assessment.

For on-the-job employees

The objective of the training is to improve their ability to fulfill their job responsibilities. We developed differentiated training content, focusing on strengthening business knowledge, research and development capabilities, marketing services, business management and other knowledge and skills, and promote training by examinations.



The Company holds the 2023 "New Talent Program – Fight for Dreams" new employee training



Management Ability Improvement Training for Middle Management

During the reporting period*

2,391 employees received training

With a coverage rate of 100%

2,289 junior employees received training

150,155 training hours in total for employees

62.8 training hours per employee in average

141,315 training hours for junior employees in training

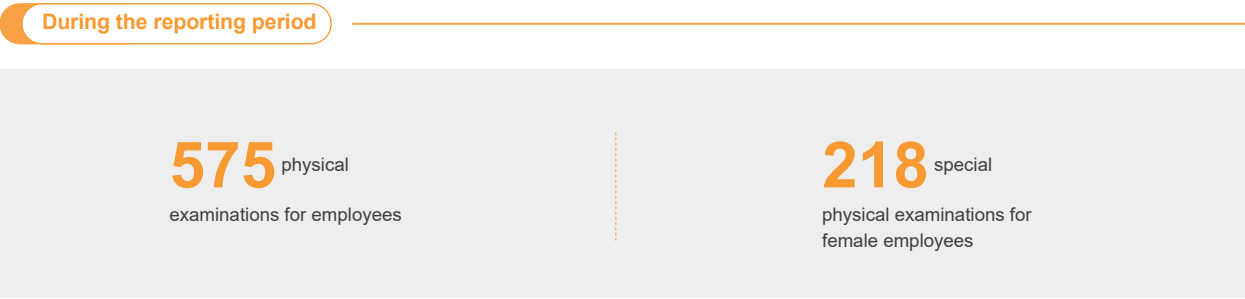
7,820 training hours for employees of middle management

1,020 training hours for senior employees

The data is the number of people in Central China Securities Co., Ltd., excluding subsidiaries

➤ Protecting employees' health

The Company attaches great importance to the physical and mental health of its employees, takes out supplementary medical commercial insurance for the employees and provide them with enterprise annuity plan to improve the level of employees welfare. During the reporting period, in addition to reporting chronic diseases of the employees and taking out the supplementary medical insurance for employees, the Company handled the supplementary medical insurance for the immediate family members of employees based on the principle of "voluntary and self-pay," further reducing the burden of medical expenses on employees and enhancing their happiness and security.



Conducting emergency drill training to enhance emergency handling capability

Case

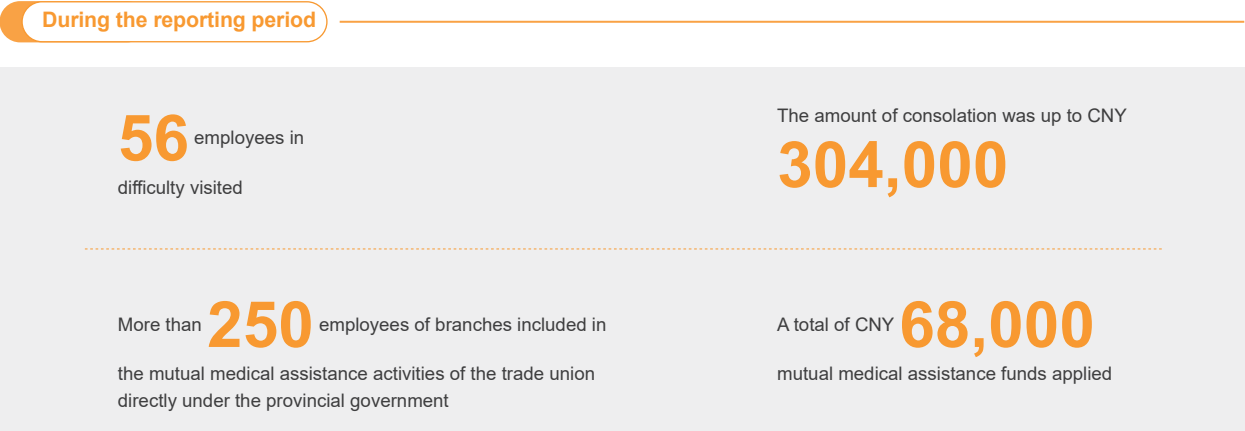
During the reporting period, the Company organized three fire safety training sessions and two emergency evacuation drills to popularize the knowledge of fire safety, enhance the awareness of fire safety, improve the emergency escape capability, and build up the fire safety barrier of the Company. Fire safety training and emergency evacuation drills, an important part of safety guarantee, are conducted to further improve the Company's response mechanism to handle the emergencies by allowing employees to firmly grasp the escape skills and the use of fire equipment, and realize the importance of improving fire safety awareness and mastering self-rescue ability.






Fire Safety Training and Emergency Evacuation Drill

➤ Caring for employee growth

The Company provides a wide range of benefits for the employees, pays continuous attention to the implementation of summer cooling and mutual medical assistance, and actively carries out activities such as collective condolences on traditional festivals, as well as condolences for illness, childbirth, and retirement. The Company cares for female groups, focuses on safeguarding the legitimate rights and interests of female employees, and organizes female employees to watch the "Lecture for Women in Organs Directly under the Provincial Government." Additionally, the Company carried out a freehand sketching activity with the theme of "You Shine the World" on the Women's Day to further enhance the cohesion and sense of belonging of female employees. The Company organized the retired cadres to write Spring Festival couplets, and participate in collective birthday parties, marathons and other cultural and sports activities to promote emotional exchanges between employees, enhance the collective sense of honor, and create a positive, active and warm working atmosphere.





The Company carried out a variety of activities such as organizing retired cadres to write Spring Festival couplets, and holding collective birthday parties and a marathon



Visiting employees in difficulty

The Company organized a thousand-person walking activity of "Striving for a New Journey, Walking with Me"

The Company organized the "Helping Enterprise Cup" basketball match

Creating a perfect service experience

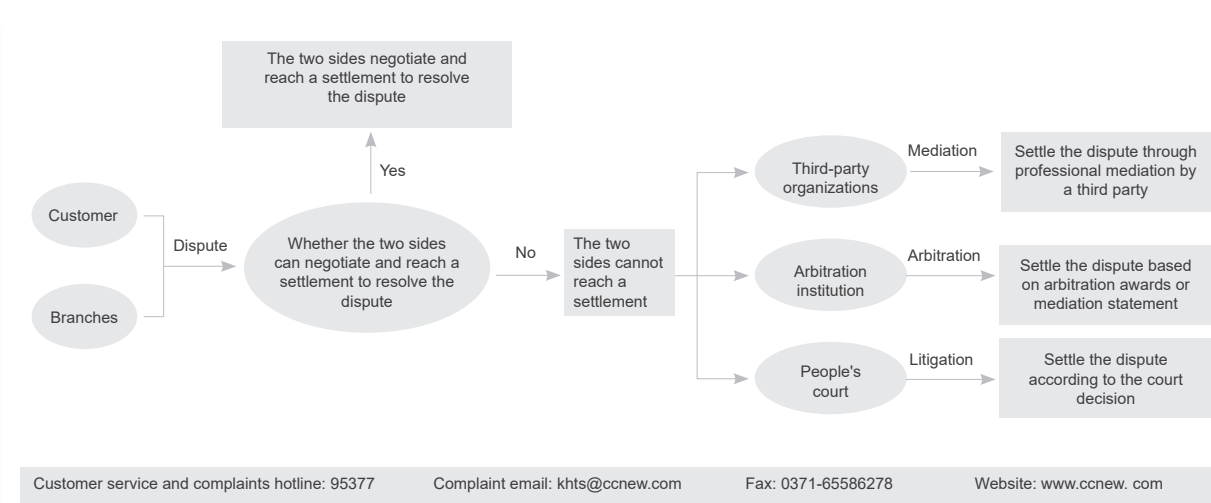
Customer service system

Focusing on customers' needs, Central China Securities strives to build an internet + wealth management service system, continuously consolidate the customer base, coordinate service resources such as users, channels, marketing, platforms and products, and use digital intelligent means to promote the formation of a service system with online channel as the main service channel, strengthen online standardized service functions, and improve the convenience of online transactions and business handling, and reduce the handling time for customers. During the reporting period, the Company completed 15 times of new version planning, research and development, the testing and release of the Caishengbao app, and completed the iterative upgrading of Caishengbao 5.0 and other versions. In addition, the Company enhanced the service support capacity of the headquarters, perfected the organizational structure of the branches, and optimized the layout of the outlets. The Company also organized training for the employees of the branches, improved the capacity of customer service, paid attention to the trend of the customers, responded to the customers' needs in a timely manner, and established the "Manager Hotline" at branches. As of the disclosure date of this report, the Company had 106 wealth management branches, including 30 securities branches and 76 sales offices, establishing a comprehensive and refined customer service guarantee system.

Customer complaint management

The Company has formulated the Measures of Central China Securities for the Management of Customer Complaints in accordance with the Guidelines for the Handling of Investor Complaints by Securities, Fund and Futures Operating Institutions (For Trial Implementation) and other regulatory provisions and applicable rules and regulations of the Company, to standardize the acceptance, handling, feedback and return visit of customer complaints, to specify the division of responsibilities of each organization and to improve the handling efficiency, in a bid to ensure that customer complaints can be handled in a timely manner. The "Manager Hotline" established at branches allows customers to inquire about issues, as well as provide comments, suggestions and feedback via such means as telephone, WeChat, and email 24 hours a day and 7 days a week.

Customer Dispute Handling Process of Branches of Central China Securities



Customer Dispute Handling Process

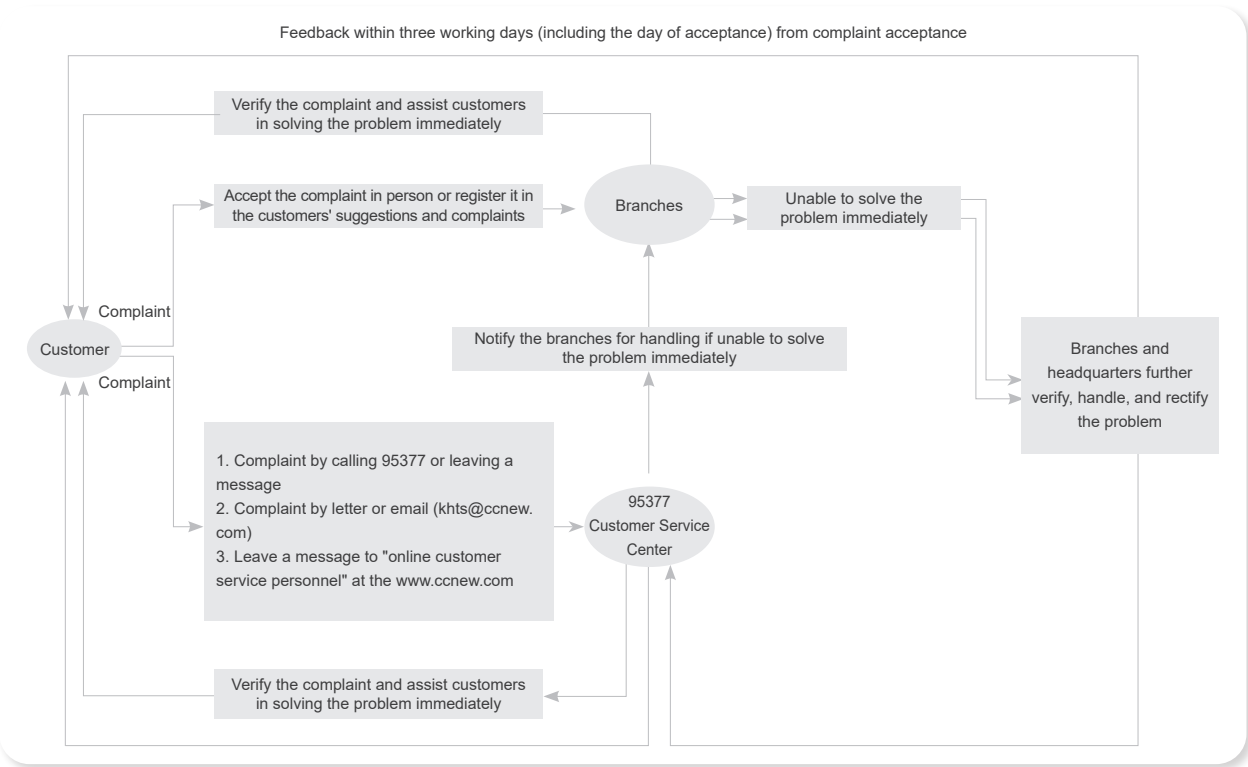
Customer satisfaction survey

In order to better serve customers, the Company has built the net promoter score (NPS) indicator system and customer satisfaction indicator, formulated the Measures for the Management of Customer Complaints, and collects customer satisfaction scores through multiple channels by means of digital intelligence technology. We also organized a customer satisfaction survey at the end of 2023. In the future, the Company will continue optimizing the weak links and continuously improve the reputation of our service.

Indicator	Unit	2021	2022	2023
Number of customer complaints accepted	Nr.	52	26	17
Complaint handling rate	%	100	96.15	100
Complaint handling rate	%	76.92	76.92	82.35
Total number of violations of laws and regulations on marketing (including advertising, promotion and sponsorship)	Nr.	0	0	0
Number of violations in product and service labeling	Nr.	0	0	0

Customer service satisfaction survey

Customer Complaint Handling Process of Central China Securities



Customer Complaint Handling Process Mechanism

Upgrading service capability

The Company has comprehensively strengthened its capability to conduct business in a compliant manner and enhanced the customer service efficiency through the establishment of rules and regulations, outlet layout, operation analysis, mechanism optimization and training management. In order to meet the financial needs of different customers throughout the life cycle, the Company organized internal trainings for special capacity enhancement and cooperated with exchanges, associations and the People's Bank of China to organize employee training through online and offline systems, including training for ETF strategists, training for operational managers, interpretation of business rules, training for marketing and service skills for high-net-worth customers, complaint handling, anti-money laundering and the full registration system, so as to improve their professional service capability and further improve the service reputation of the Company. The Company encourages its employees to actively participate in the qualification examinations for securities investment advisors and practitioners, and adopts incentive measures to motivate its employees to continuously enhance their professional abilities and professionalism.



*Note: Online session is mainly in the form of live broadcast of Fortune Lecture

Honors for customer service



➤ Information security and privacy protection

The Company strictly abides by the Measures for the Management of Network and Information Security in the Securities and Futures Industry, further standardizes the management of network and information security in the securities and futures industry, continuously enhances system security, establishes early-warning and preventive mechanisms, protects the information security of investors, and improves the ability of security operation and guarantee.

Improving information security management

The Company continuously improves the information management system, and has formulated a practical work plan in accordance with the Three-year Improvement Plan for Network Information and Security of Securities Companies (2023-2025). By sorting out and improving the system construction of change management, supplier management, data backup capacity management and security management, the Company has steadily and orderly promoted the upgrade of the Company's technical architecture to plan the goals and implementation paths for further improving the Company's system security guarantee capacity.

During the reporting period, the Company completed the revision of network emergency response plan, data management system, security management system and test management system; utilized the big data platform to expand the scope of the monitoring system, constructed 43 fault alarm analysis scenarios for 14 application systems, and initially constructed a comprehensive and efficient intelligent monitoring and early-warning system to enhance the information system security guarantee capability; actively participated in the network protection actions carried out by the supervisory authorities and public security organs, engaged a third-party agency to carry out penetration and security reinforcement, conducted comprehensive and in-depth system security inspections, and organized emergency drills in a timely manner.

Investor information protection

The Company effectively protects the security of investor information by putting more efforts on the protection of investor information, defining the basic principles of investor information, establishing a security system for the protection of investor information, improving the investor information protection system, clarifying the Company's security protection requirements in the processing and sharing of investor information, strengthening the technical guarantee, adopting security protection measures, enhancing the network security technology protection capability of investor information, and preventing and resolving the risks of divulgence, alteration and loss of investor information.

During the reporting period, the Company continued promoting the construction of the data security system, completed the testing and demonstration of the data classification system and the cloud desktop system; constructed the automated data export process and tools to export data automatically and add watermarks so as to reduce the exposure of customers' sensitive data, realize the traceability of data file divulgence, and effectively reduce the risk of investor data divulgence.



Shouldering social responsibility

Central China Securities fulfills social responsibility and actively participates in education, rural revitalization and other public welfare and charity activities to give back to society and further enhance the sense of corporate mission and social responsibility.

➤ Contribution to rural revitalization

As a practitioner of financial services for the development of agriculture, rural areas and farmers and helping rural revitalization, the Company actively responds to the policy call of the Opinions of the Central Committee of the Communist Party of China and the State Council on the Implementation of the Rural Revitalization Strategy, continues devoting itself to the construction of rural revitalization, gives full play to the professional advantages and inclusive functions of financial institutions, makes efforts in rural revitalization, consolidating the achievements of poverty alleviation, and helping common prosperity, conveys warmth and strength, and demonstrates responsibility with practical actions.



Assistance through consumption

In the procurement of collective welfare condolences for employees for the Mid-autumn Festival and National Day, the Company continued purchasing characteristic agricultural products valued at CNY 270,500 from villages and counties under paired assistance. The Company insists on forming industrial guidance with assistance through consumption, in an effort to drive the majority of villagers to increase their income and prosperity.

Assistance through culture

The Company organized the donation of books to help rural revitalization, mobilized 579 employees in 67 trade union groups of the Company to donate 2,636 books worth more than CNY 65,900 to assist the construction of a rural library in Luo Chen Village, and to promote the high-quality development of rural revitalization with the high-quality construction of rural cultural bases. The Company donated office computers to Luo Chen Village to smooth information channels and help the local social security service station to better provide livelihood services.



Our Donations

➤ Public welfare and charity

The Company supports the development of charity, and strives to promote the sustainable development of social charity, contributing to the construction of a harmonious socialist society with Chinese characteristics.

During the reporting period

The Company organized its employees to participate in the "9.9 Public Welfare Day" activity of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government, and **1,764** employees of the Company donated more than CNY **130,000**, demonstrating the Company's political responsibility as a state-owned financial company and making contributions to the construction of a harmonious society.

List of KPIs

Economic performance

Economic¹

Indicator	Unit	2021	2022	2023
Total profit	CNY 100 million	7.18	1.13	2.12
Total tax payment	CNY 100 million	4.72	2.01	1.82
Total assets	CNY 100 million	537.48	501.83	517.02

Note 1: Data hereof is from the consolidated financial statements prepared by the Company according to Chinese Accounting Standards for Business Enterprises or is calculated based on data of the aforesaid statements.

Social performance

Anti-corruption

Indicator	Unit	2021	2022	2023
Number of anti-corruption training sessions	Nr.	6	1	2
Number of employees participating in anti-corruption training	Person	651	200	230

Compliance management

Indicator	Unit	2021	2022	2023
Number of anti-money laundering training sessions	Nr.	14	14	15
Number of people participating in anti-money laundering training ¹	Person	550	900	1,377
Number of compliance supervisions	Nr.	226	224	182
Number of compliance advocacies	Nr.	202	171	254
Participated in compliance education ²	Person	2,000	2,400	2,700

Notes 1 and 2: [Statistical caliber] This is the data of Central China Securities. The numbers of persons participating in anti-money laundering training and compliance education are conservatively estimated, and the actual numbers are higher than those in the above table.

Employment¹

Indicator	Unit	2021	2022	2023
Total number of employees	Person	2,386	2,375	2,391
By gender	Male	1,336	1,316	1,328
	Female	1,050	1,059	1,063

Indicator		Unit	2021	2022	2023
By employment	Full-time	Person	2,385	2,375	2,391
	Part-time	Person	0	0	0
By age	51 and above	Person	131	143	248
	41-50	Person	557	551	650
	31-40	Person	1,207	1,217	1,211
	30 and below	Person	491	464	282
By educational background	Bachelor degree and above	Person	2,221	2,216	2,262
	Associate degree	Person	165	159	129
Number of new employees		Person	193	170	179
Number of minority employees		Person	83	71	72
Number of employees from Hong Kong SAR, Macao SAR, and Taiwan region and other countries		Person	0	0	0
Employee turnover ²		%	8.13	7.29	6.81
By gender	Male	%	8.39	7.26	7.00
	Female	%	7.90	7.35	6.50
By age	51 and above	%	10.06	11.21	12.10
	41-50	%	6.31	6.11	3.07
	31-40	%	6.27	6.15	6.11
	30 and below	%	15.83	10.22	15.70
By region	Employees working in the Chinese Mainland	%	8.13	7.29	6.81
	Employees working in Hong Kong, Macau or Taiwan	%	0	0	0
	Employees working in other countries/regions	%	0	0	0
Labor contract signing rate		%	100	100	100
Number of penalties for violation of the laws and regulations on labor and employment		Nr.	0	0	0

Notes 1: [Statistical caliber] This is the data of Central China Securities.

Note 2: [Calculation method] Employee turnover = the number of lost employees of this type/the total number of employees of this type.

Employee health and safety ¹

Indicator	Unit	2021	2022	2023
Number of work-related fatalities	Person	0	0	0
Percentage of employees who die due to work ²	%	0	0	0
Number of lost days due to injury	Day	199	218	120
Number of safety trainings for employee	Next	2	2	3

Notes 1: [Statistical caliber] This is the data of Central China Securities.
Note 2: [Calculation method] Percentage of employees who die due to work = number of employees who die due to work/ total number of employees.

Employee training ¹

Indicator		Unit	2021	2022	2023
Coverage of employee training ²		%	100	100	100
By gender	Number of male employees trained	Person	1,335	1,316	1,328
	Coverage of male employee training	%	100	100	100
	Number of female employees trained	Person	1,050	1,059	1,063
	Coverage of female employee training	%	100	100	100
By employee type	Number of trained general employees and junior managers	Person	2,152	2,186	2,289
	Coverage of training for junior managers and general employees	%	100	100	100
	Number of middle and senior managers trained	Person	233	189	102
	Coverage of training for middle and senior managers	%	100	100	100%
Average annual training hours for all employees ³		Hour	42.5	53.6	62.8
By gender	Average training hours for male employees	Hour	42.7	48.8	62.80
	Average training hours for female employees	Hour	42.3	48.1	62.80
By employee type	Average training hours for general employees and junior managers	Hour	39.7	46	61.74
	Average training hours for middle and senior managers	Hour	68.8	76.2	86.67

Notes 1: [Statistical caliber] This is the data of Central China Securities.
Note 2: [Formula] Coverage of training for employee of a particular type = the number of employees trained of this type / the total number of employees of this type.
Note 3: [Formula] Average training hours of employee of a particular type = total training hours of employees of this type/ total number of employees of this type.

Supplier

Indicator	Unit	2021 ¹	2022 ¹	2023 ²
Number of suppliers from Chinese mainland	Nr.	7	4	126
Number of suppliers from Hong Kong SAR, Macao SAR, Taiwan Region and other countries	Nr.	0	0	0

Note 1: [Statistical caliber] This data was from Central China Securities and did not include information technology related suppliers.
Note 2: [Statistical caliber] Data changes due to changes in statistical caliber, including the parent company's information technology suppliers.

Customer service ¹

Indicator	Unit	2021	2022	2023
Number of customer complaints accepted	Nr.	52	26	17
Complaint handling rate	%	100	96.15	100
Satisfaction rate of complaint handling	%	76.92	76.92	82.35
Number of violations of laws and regulations on marketing (including advertising, promotion and sponsorship)	Nr.	0	0	0
Number of violations in product and service labelling	Nr.	0	0	0

Notes 1: [Statistical caliber] This is the data of Central China Securities.

Community investment

Indicator	Unit	2021	2022	2023
Value of agricultural products purchased from low-income regions	CNY 10,000	66	49.94	27.05

Environmental performance

Environment ¹

Indicator	Unit	2021	2022	2023
Total GHG emissions (Scope 1 and Scope 2) ²	Tons of carbon dioxide equivalent	1,192.28	932.43	731.39

Indicator	Unit	2021	2022	2023
Scope 1 GHG emissions	Tons of carbon dioxide equivalent	66.09	64.55	64.18
Scope 2 GHG emissions	Tons of carbon dioxide equivalent	1,126.19	867.88	667.21
Total GHG emission per person (Scope 1 and Scope 2)	CO2 equivalent (t)/person	0.40	0.35	0.27
Total electricity consumption	kWh (kilowatt hours)	1,938,371.47	1,521,796.47	1,169,919.80
Electricity consumption per person	kWh/person	729.53	569.96	427.29
Total natural gas consumption	Cubic meters	11,553.57	16,121.00	19,619.00
Natural gas consumption per person	m/person	4.35	6.04	7.17
Gasoline consumption of vehicles owned by the Company	Liters	15,170.28	11,161.44	8,166.67
Gasoline consumption of company-owned vehicles per person	Liters	-	4.18	2.98
Total water consumption	Tons	5,348.54	9,645.80	7,392.07
Water consumption per person	t/person	2.01	3.61	2.07
Amount of office waste	kg	22,806.24	27,524.00	30,000.00
Office domestic waste generation intensity	kg/person	8.58	10.31	10.96

Note 1: [Statistical caliber] The statistical caliber of data in 2023 is from Central China Securities, Central China Futures, ZDKY Venture Capital and Equity Exchange Co.

Note 2: [Calculation method] GHGs emissions (Scope 1) included direct GHG emissions from the companies' natural gas consumption and gasoline consumption of vehicles owned by the companies. In 2023, the carbon emission factors of natural gas refer to the Methodology and Reporting Guidelines for GHGs Emissions of Enterprises in Other Industrial Sectors (Trial) issued by the National Development and Reform Commission, and the carbon emission factors of gasoline for company-owned vehicle refer to the unleaded petrol emission factors in the HKSE's "How to Prepare an ESG Report Appendix II: Reporting Guidance on Environmental KPIs." GHGs emissions (Scope 2) included indirect GHG emissions from purchased electric power. The carbon emission factor of electric power purchased in 2023 is in accordance with the 2023 National Grid emission factors set forth in the Notice on the Management of GHGs Emissions Reporting by Enterprises in the Power Generation Industry from 2023 to 2025 issued by the Ministry of Ecology and Environment of the People's Republic of China.

Index

Index of Global Reporting Initiative's GRI Standard

Statement of use	Central China Securities reported the information quoted in this GRI content index according to GRI Standards between January 1, 2023 and December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Chapter
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	About this report Company Profile
2-2	Entities included in the organization's sustainability reporting	Company Profile
2-3	Reporting period, frequency and contact point	About this report
2-4	Restatements of information	List of KPIs
2-5	External assurance	The Company has no such disclosure.
Activities and workers		
2-6	Activities, value chain and other business relationships	Company Profile
2-7	Employees	Building a happy and harmonious workplace List of KPIs
2-8	Workers who are not employees	Building a happy and harmonious workplace List of KPIs
Governance		
2-9	Governance structure and composition	Company Profile ESG and Social Responsibility Management Improving corporate governance See the Company's Annual Report 2023
2-10	Nomination and selection of the highest governance body	ESG and Social Responsibility Management Improving corporate governance See the Company's Annual Report 2023

GRI Standard	Disclosure	Chapter
2-11	Chair of the highest governance body	ESG and Social Responsibility Management Improving corporate governance See the Company's Annual Report 2023
2-12	Role of the highest governance body in overseeing the management of impacts	ESG and Social Responsibility Management Improving corporate governance See the Company's Annual Report 2023
2-13	Delegation of responsibility for managing impacts	ESG and Social Responsibility Management Improving corporate governance Controlling compliance risks
2-14	Role of the highest governance body in sustainability reporting	ESG and Social Responsibility Management
2-15	Conflicts of interest	Improving corporate governance Strengthening compliance and risk control
2-16	Communication of critical concerns	ESG and Social Responsibility Management
2-17	Collective knowledge of the highest governance body	ESG and Social Responsibility Management
2-18	Evaluation of the performance of the highest governance body	See the Company's Annual Report 2023
2-19	Remuneration policies	Building a happy and harmonious workplace
2-20	Process to determine remuneration	Building a happy and harmonious workplace
2-21	Annual total remuneration ratio	See the Company's Annual Report 2023
Strategies, policies and practices		
2-22	Statement on sustainable development strategy	ESG and Social Responsibility Management Message from the Chairman
2-23	Policy commitments	Strengthening compliance and risk control Adhering to business ethics Supporting a carbon peaking and carbon neutrality strategy Low-carbon operation Building a happy and harmonious workplace Creating a perfect service experience Shouldering social responsibility

GRI Standard	Disclosure	Chapter
2-24	Embedding policy commitments	Strengthening compliance and risk control Adhering to business ethics Supporting a carbon peaking and carbon neutrality strategy Low-carbon operation Building a happy and harmonious workplace Creating a perfect service experience Shouldering social responsibility
2-25	Processes to remediate negative impacts	Strengthening compliance and risk control Creating a perfect service experience
2-26	Mechanisms for seeking advice and raising concerns	ESG and Social Responsibility Management Strengthening compliance and risk control
2-27	Compliance with laws and regulations	Strengthening compliance and risk control Adhering to business ethics Low-carbon operation Building a happy and harmonious workplace Creating a perfect service experience
2-28	Membership associations	The Company has no such disclosure.
Stakeholder engagement		
2-29	Approach to stakeholder engagement	ESG and Social Responsibility Management
2-30	Collective bargaining agreements	Building a happy and harmonious workplace
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	ESG and Social Responsibility Management
3-2	List of material topics	ESG and Social Responsibility Management
3-3	Management of material topics	ESG and Social Responsibility Management
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Company Profile List of KPIs
201-2	Financial implications and other risks and opportunities due to climate change	Supporting a carbon peaking and carbon neutrality strategy
201-3	Defined benefit plan obligations and other retirement plans	Building a happy and harmonious workplace
201-4	Financial assistance received from government	The Company has no such disclosure.

GRI Standard	Disclosure	Chapter
GRI 202: Market Performance 2016		
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	The Company has no such disclosure.
202-2	Proportion of senior management hired from the local community	The Company has no such disclosure.
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Central China Securities contributes to industry development Shouldering social responsibility
203-2	Significant indirect economic impacts	Creating a perfect service experience Shouldering social responsibility
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	List of KPIs
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Adhering to business ethics
205-2	Communication and training about anti-corruption policies and procedures	Adhering to business ethics List of KPIs
205-3	Confirmed incidents of corruption and actions taken	Adhering to business ethics
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Adhering to business ethics
GRI 207: Tax 2019		
207-1	Approach to tax	See the Company's Annual Report 2023
207-2	Tax governance, control, and risk management	See the Company's Annual Report 2023
207-3	Stakeholder engagement and management of concerns related to tax	See the Company's Annual Report 2023
207-4	Country-by-country reporting	The Company has no such disclosure.
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	The Company has no such disclosure.
301-2	Recycled input materials used	The Company's products are financial products only, so this indicator is not applicable.

GRI Standard	Disclosure	Chapter
301-3	Reclaimed products and their packaging materials	The Company's products are financial products only, so this indicator is not applicable.
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Low-carbon operation List of KPIs
302-2	Energy consumption outside the organization	List of KPIs
302-3	Energy intensity	List of KPIs
302-4	Reduction of energy consumption	Low-carbon operation
302-5	Reductions in energy requirements of products and services	The Company has no such disclosure.
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Low-carbon operation
303-2	Management of water discharge-related impacts	Low-carbon operation
303-3	Water withdrawal	The Company is in the financial industry, so this indicator is not applicable.
303-4	Water discharge	The Company is in the financial industry, so this indicator is not applicable.
303-5	Water consumption	Low-carbon operation List of KPIs
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Company has no relevant operational sites.
304-2	Significant impacts of activities, products, and services on biodiversity	The Company has no such disclosure.
304-3	Habitats protected or restored	The Company has no such disclosure.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	The Company has no such disclosure.
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	List of KPIs
305-2	Energy indirect (Scope 2) GHG emissions	List of KPIs
305-3	Other indirect (Scope 3) GHG emissions	The Company has no such disclosure.

GRI Standard	Disclosure	Chapter
305-4	GHG emissions intensity	List of KPIs
305-5	Reduction of GHG emissions	List of KPIs
305-6	Emissions of ozone-depleting substances (ODS)	The Company has no such disclosure.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	The Company has no such disclosure.
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Low-carbon operation
306-2	Management of significant waste-related impacts	Low-carbon operation
306-3	Waste generated	Low-carbon operation
306-4	Waste diverted from disposal	The Company has no such disclosure.
306-5	Waste directed to disposal	The Company has no such disclosure.
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Adhering to business ethics
308-2	Negative environmental impacts in the supply chain and actions taken	Adhering to business ethics
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Building a happy and harmonious workplace List of KPIs
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Building a happy and harmonious workplace
401-3	Parental leave	Building a happy and harmonious workplace
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding significant operational changes	The Company has no such disclosure.
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Building a happy and harmonious workplace
403-2	Hazard identification, risk assessment, and incident investigation	Building a happy and harmonious workplace
403-3	Occupational health services	Building a happy and harmonious workplace

GRI Standard	Disclosure	Chapter
403-4	Worker participation, consultation, and communication on occupational health and safety	Building a happy and harmonious workplace
403-5	Worker training on occupational health and safety	Building a happy and harmonious workplace
403-6	Promotion of worker health	Building a happy and harmonious workplace
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Building a happy and harmonious workplace
403-8	Workers covered by an occupational health and safety management system	The Company has no such disclosure.
403-9	Work-related injuries	List of KPIs
403-10	Work-related ill health	The Company has no such disclosure.
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	List of KPIs
404-2	Programs for upgrading employee skills and transition assistance programs	Building a happy and harmonious workplace
404-3	Percentage of employees receiving regular performance and career development reviews	Building a happy and harmonious workplace
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Building a happy and harmonious workplace List of KPIs
405-2	Ratio of basic salary and remuneration of women to men	Confidentiality restrictions
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Building a happy and harmonious workplace
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The Company has no such disclosure.
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	The Company has no such disclosure.
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	The Company has no such disclosure.
GRI 410: Security Practices 2016		

GRI Standard	Disclosure	Chapter
410-1	Security personnel trained in human rights policies or procedures	The Company has no such disclosure.
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	The Company has no such disclosure.
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Central China Securities contributes to industry development Creating a perfect service experience Shouldering social responsibility
413-2	Operations with significant actual and potential negative impacts on local communities	The Company has no relevant operational sites.
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Adhering to business ethics
414-2	Negative social impacts in the supply chain and actions taken	Adhering to business ethics
GRI 415: Public Policy 2016		
415-1	Political contributions	The Company has no such disclosure.
GRI 416: Customer Health and Safety 2016		
416-1	Assessments of the health and safety impacts of product and service categories	The Company's products are financial products only, so this indicator is not applicable.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Strengthening compliance and risk control
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Strengthening compliance and risk control Central China Securities contributes to industry development Creating a perfect service experience
417-2	Incidents of non-compliance concerning product and service information and labeling	The Company has no such disclosure.
417-3	Incidents of non-compliance concerning marketing and communications	The Company has no such disclosure.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None Creating a perfect service experience

Environmental, Social and Governance Reporting Guide of HKEX

Aspects, General Disclosures and KPIs	Chapter
A Environment	
A1 Emissions	Environmental responsibility
KPIA1.1	List of KPIs
KPIA1.2	List of KPIs
KPIA1.3	Low-carbon operation
KPIA1.4	Low-carbon operation
KPIA1.5	Supporting a carbon peaking and carbon neutrality strategy Low-carbon operation
KPIA1.6	Low-carbon operation
A2 Use of resources	Environmental responsibility
KPIA2.1	List of KPIs
KPIA2.2	List of KPIs
KPIA2.3	Low-carbon operation
KPIA2.4	Low-carbon operation
KPIA2.5	The Company's products are financial products only, so this indicator is not applicable.
A3 The environment and natural resources	Environmental responsibility
KPIA3.1	Low-carbon operation
A4 Climate change	Environmental responsibility
KPIA4.1	Supporting a carbon peaking and carbon neutrality strategy
B Social	
Employment and Labor Practices	
B1 Employment	Building a happy and harmonious workplace
KPIB1.1	List of KPIs
KPIB1.2	List of KPIs
B2 Health and safety	Building a happy and harmonious workplace
KPIB2.1	List of KPIs
KPIB2.2	List of KPIs
KPIB2.3	Protecting employees' health

Aspects, General Disclosures and KPIs	Chapter
B3 Development and training	Building a happy and harmonious workplace
KPIB3.1	List of KPIs
KPIB3.2	List of KPIs
B4 Labor Standards	Building a happy and harmonious workplace
KPIB4.1	Building a happy and harmonious workplace
KPIB4.2	Building a happy and harmonious workplace
Operational Practices	
B5 Supply chain management	Adhering to business ethics
KPIB5.1	List of KPIs
KPIB5.2	Adhering to business ethics
KPIB5.3	Adhering to business ethics
KPIB5.4	Adhering to business ethics
B6 Product responsibility	Governance responsibility Social responsibility
KPIB6.1	The Company's products are financial products only, so this indicator is not applicable.
KPIB6.2	List of KPIs Creating a perfect service experience
KPIB6.3	Protecting intellectual property
KPIB6.4	The Company's products are financial products only, so this indicator is not applicable.
KPIB6.5	Creating a perfect service experience
B7 Anti-corruption	Governance responsibility
KPIB7.1	Adhering to business ethics
KPIB7.2	Adhering to business ethics
KPIB7.3	List of KPIs
Community	
B8 Social investment	Social responsibility
KPIB8.1	Shouldering social responsibility
KPIB8.2	List of KPIs



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