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中州证券

# Central China Securities Co., Ltd.

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

**(Stock Code: 01375)**

# CONTINUING CONNECTED TRANSACTIONS WITH HENAN INVESTMENT GROUP

## CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of the Company dated 23 December 2024 and 30 December 2024 in relation to, among others, the continuing connected transactions entered into between the Company and Henan Investment Group.

Due to the significant increase in the depth and breadth of cooperation between the Group and Henan Investment Group, the Company expects that the existing annual caps for certain continuing connected transactions between the Group and Henan Investment Group and its subsidiaries and/or associates for the two financial years ending 31 December 2026 and 31 December 2027 will not be sufficient to meet the business development needs of the Group.

On 9 June 2026, the Board resolved to enter into the Revised Framework Agreement with Henan Investment Group and to revise or propose the relevant annual caps for the continuing connected transactions contemplated thereunder for the two financial years ending 31 December 2026 and 31 December 2027.

## HONG KONG LISTING RULES IMPLICATIONS

As at the date of this announcement, Henan Investment Group is a substantial shareholder of the Company and, directly and indirectly, holds approximately 22.05% of the total share capital of the Company. Accordingly, Henan Investment Group is a connected person of the Company, and the transactions proposed to be conducted between the Group and Henan Investment Group and its associates under the Revised Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.54 of the Hong Kong Listing Rules, the Company is required to comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules before revising the existing annual caps. As the highest applicable percentage ratio in respect of the proposed new annual caps for the securities and financial products transactions exceeds 5%, the Revised Framework Agreement and such proposed new annual caps are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of each of (i) the revised annual caps for revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates; and (ii) the new annual caps for other services provided by Henan Investment Group and its subsidiaries and/or associates is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to the reporting, announcement and annual review requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The proposed new annual caps for the securities and financial products transactions are established for the purposes of Chapter 14A of the Hong Kong Listing Rules. The Company shall assess the implications under Chapter 14 of the Hong Kong Listing Rules based on the actual transaction value and applicable percentage ratio upon entering into each specific transaction.

Based on the currently available information and the anticipated transaction value, the Company expects that the applicable percentage ratio calculated under Chapter 14 of the Hong Kong Listing Rules in respect of each specific transaction will be less than 5%. In the event that any actual transaction or series of transactions is expected to trigger any requirements for disclosable transactions under Chapter 14 of the Hong Kong Listing Rules, the Company shall comply with the applicable disclosure and approval requirements under Chapter 14 of the Hong Kong Listing Rules as appropriate.

## GENERAL INFORMATION

The Company will convene a shareholders' meeting for the Independent Shareholders to, among others, consider and, if thought fit, approve the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions under the Revised Framework Agreement. Henan Investment Group and its associates will abstain from voting on the relevant resolution(s) at the shareholders' meeting.

The Independent Board Committee comprising all independent non-executive Directors who do not have a material interest in the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions has been established, and the Company has appointed Somerley Capital Limited as the Independent Financial Adviser, to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Framework Agreement and such proposed new annual caps.

A circular containing, among other things, further details of the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions, the recommendation of the Independent Board Committee, the advice of the Independent Financial Adviser and the notice convening the shareholders' meeting will be published on the website of the Stock Exchange and the Company in due course. Printed copies will be despatched to the Shareholders upon request.

# I. INTRODUCTION

References are made to the announcements of the Company dated 23 December 2024 and 30 December 2024 in relation to, among others, the continuing connected transactions entered into between the Company and Henan Investment Group.

As disclosed in the announcements of the Company dated 23 December 2024 and 30 December 2024, the Company and Henan Investment Group entered into the Securities and Financial Services Framework Agreement for a term commencing from 1 January 2025 and ending on 31 December 2027, and the Company set the annual caps for the continuing connected transactions contemplated thereunder for the three financial years ending 31 December 2027.

Due to the significant increase in the depth and breadth of cooperation between the Group and Henan Investment Group, the Company expects that the existing annual caps for certain continuing connected transactions between the Group and Henan Investment Group and its subsidiaries and/or associates for the two financial years ending 31 December 2026 and 31 December 2027 will not be sufficient to meet the business development needs of the Group.

On 9 June 2026, the Board resolved to enter into the Revised Framework Agreement with Henan Investment Group to revise or propose the relevant annual caps for the continuing connected transactions contemplated thereunder for the two financial years ending 31 December 2026 and 31 December 2027.

## II. THE REVISED FRAMEWORK AGREEMENT WITH HENAN INVESTMENT GROUP

### 1. Existing Framework Agreement

The Group has been, in the ordinary and usual course of its businesses, engaged in continuing transactions with Henan Investment Group and its associates. As Henan Investment Group and its associates are connected persons of the Company and transactions between the Group and Henan Investment Group and its associates are continuing connected transactions of the Group, the Company entered into the relevant framework agreement with Henan Investment Group to regulate such continuing connected transactions of the Company.

Under the Securities and Financial Services Framework Agreement with Henan Investment Group entered into on 30 December 2024, the Group and Henan Investment Group may provide securities and financial services to each other during daily operation on normal commercial terms for a term commencing from 1 January 2025 and ending on 31 December 2027. When the Securities and Financial Services Framework Agreement with Henan Investment Group was entered into in December 2024, the Group had not carried out securities and financial products transactions with Henan Investment Group and its associates in 2023 and 2024 and, based on the information then available, the Company expected at that time that there was a substantial likelihood that it would not enter into any securities and financial products transactions with Henan Investment Group for the three years ending 31 December 2027, the existing Securities and Financial Services Framework Agreement with Henan Investment Group did not include securities and financial products transactions, and no annual caps were set for such transactions as well.

Thereafter, the depth and breadth of cooperation between the Group and Henan Investment Group increased. Based on currently available information, the Company expects that the Group may carry out securities and financial products transactions with Henan Investment Group and its associates in 2026 and 2027. Such transactions may provide the Group with additional investment opportunities and investment returns, and the investment risks of the products currently proposed to be traded are expected to be controllable. Subject to compliance with the Group's pricing policies, risk control requirements and internal approval procedures, the Company may make such investments. Accordingly, the Company proposes to include securities and financial products transactions in the Revised Framework Agreement and set annual caps to ensure compliance with the continuing connected transaction requirements.

## 2. Revised Framework Agreement

On 9 June 2026, the Board resolved to enter into the Revised Framework Agreement with Henan Investment Group to revise the existing arrangement with Henan Investment Group for the two financial years ending 31 December 2026 and 31 December 2027, so as to include securities and financial products transactions between the Group and Henan Investment Group and its subsidiaries and/or associates, and other services to be provided by Henan Investment Group and its subsidiaries and/or associates to the Group, and to revise or propose the annual caps for the transactions contemplated thereunder.

Principal terms of the Revised Framework Agreement are set out below:

| Item | Principal terms |
|---|---|
| **Parties** | (i) Henan Investment Group Co., Ltd.; and<br><br>(ii) the Company |
| **Term** | Subject to regulatory requirements and applicable laws, regulations and rules, from the date on which the Revised Framework Agreement is approved at the shareholders' meeting of the Company to 31 December 2027. Upon expiry and subject to compliance with relevant laws, regulations and approval procedures required under the applicable listing rules, the Revised Framework Agreement may be renewed with the consent of both parties. From the date on which the Revised Framework Agreement takes effect, the Securities and Financial Services Framework Agreement shall cease to have legal effect. |
| **Scope of transactions and services** | In accordance with the Revised Framework Agreement, the Group and Henan Investment Group and its subsidiaries and/or associates may conduct the following transactions and services in their ordinary and usual course of business on normal commercial terms and in accordance with market practice: |

**(a) Securities and financial products transactions between the Group and Henan Investment Group and its subsidiaries and/or associates**

— Fixed income securities products, including but not limited to bonds, funds, trusts, wealth management products, asset management plans, asset securitisation products, bond lending and borrowing, structured products, swaps, futures, forwards, options and other financial products transactions with fixed income features;

— Equity-linked products, including but not limited to trading and/or subscription of equity interests (including market-making transactions on the New Third Board), funds, trusts, wealth management products, asset management products, private equity funds and equity derivatives (income swaps, futures, options, etc.); and

— Other related securities and financial products permitted by regulatory authorities, including but not limited to futures, foreign exchange and commodities trading.

The securities and financial products proposed to be traded under the Revised Framework Agreement will be issued by the Company or Henan Investment Group and its subsidiaries and/or associates.

Where the relevant products are subscribed for, redeemed or otherwise traded directly between the issuer and investors, such transactions may be conducted directly between the parties. Depending on the product type and market practice, certain transactions may also be conducted through underwriters or exchanges. In such circumstances, the transaction mechanism, counterparty identification and execution process will follow applicable market rules and regulatory requirements.

If the Group proposes in the future to trade any securities or financial products under the Revised Framework Agreement which are not issued by the Company or Henan Investment Group and its subsidiaries, the Company will, before conducting the relevant transaction, assess the role of the Company or Henan Investment Group in the relevant transaction, the applicable market practice and pricing mechanism, and determine whether further disclosure and/or compliance action is required under the Hong Kong Listing Rules.

**(b) Securities and financial services between the Group and Henan Investment Group and its subsidiaries and/or associates**

— Underwriting and sponsorship services, including but not limited to sponsorship, underwriting and continuous supervision services for stocks, fixed income products, structured products and other derivative products;

— Other investment banking services, including but not limited to financial advisory services relating to corporate restructuring, reorganisation, mergers and acquisitions;

— Brokerage services, including but not limited to securities brokerage and related financial products services as well as futures brokerage services such as National debt futures;;

— Financial products sales agency services, including but not limited to provision of sales agency services for financial products;

— Entrusted asset management services, including but not limited to asset management services for assets entrusted by customers; and

— Other financial and securities advisory, consulting services and commodities services.

In addition, the Group will provide margin loans business to Henan Investment Group and/or its associates according to Henan Investment Group's needs.

**(c) Other services provided by Henan Investment Group and its subsidiaries and/or associates to the Group**

— Information system construction, including procurement, development, upgrade, operation and maintenance and leasing services for various systems;

— Consulting services, including human resources consulting, financial management consulting and strategic planning consulting; and

— Other services to be provided by Henan Investment Group and its subsidiaries and/or associates to the Group as may be separately agreed between the parties.

**Pricing basis**

**(a) Securities and financial products transactions between the Group and Henan Investment Group and its subsidiaries and/or associates**

The securities and financial products transactions will be conducted at prevailing market prices in the ordinary course of the Group's business.

The Company confirms that, based on the transactions currently expected to be conducted under the Revised Framework Agreement, major securities and financial products transactions will generally have prevailing market prices or reliable market-based reference prices.

If a product or transaction does not have a readily available or directly observable market price, the Group will not determine the price solely by negotiation with Henan Investment Group and its subsidiaries and/or associates. Under the Revised Framework Agreement, such circumstances may mainly involve subscriptions of funds, trust, wealth management products and asset management products (the "**Products**"). The pricing of such transactions is determined based on the unit net value of the relevant Products on the date of transaction. The unit net value of such Products is calculated by dividing the net asset value of the Products by the amount of the fund units. The net asset value of the Products is the sum of the values of various marketable securities and notes, principals and interests of bank deposits, fund subscription monies receivables and other assets invested by such Products, less the liabilities of such Products, the calculation of which shall be in compliance with the China Accounting Standards for Business Enterprises. The net value of such Products is provided and audited by a manager, and confirmed by an external audit firm on a regular basis. The calculation method of the unit net value of the Products equally applies to all investors of the Products. If the Company is unable to confirm that the proposed price is fair and reasonable and determined on normal commercial terms or better, the Group will not conduct the relevant transaction with Henan Investment Group and its subsidiaries and/or associates.

In respect of the Group's subscription for financial products launched by Henan Investment Group and its subsidiaries and/or associates, the subscription price shall be the same as the subscription price applicable to other investors. Such subscription price shall be determined by the financial institution launching the relevant financial product after considering the underlying assets/business of the investment. In addition, for transactions of fixed income products conducted through interbanks markets and exchanges, if the transactions are conducted in the secondary market, transactions are carried out through independent intermediary currency brokerage firms, and the buyer and seller do not know the identity of the counterparty before the transaction is concluded, or the transaction is concluded through market inquiry. The transaction interest rate and price shall be determined by integrating market information with factors such as market conditions and transaction prices. Such transactions are executed through the trading systems of the China Foreign Exchange Trade System & National Interbank Funding Center ("**CFETS**") and stock exchanges. If the transactions are conducted in the primary market, the price of these fixed income product transactions is determined through bidding, bookbuilding and filing. All transactions conducted in China's interbank and exchange markets are subject to the supervision of institutions including the CFETS and stock exchanges.

The Group shall comply with the relevant PRC administrative provisions, regulations and measures governing the issuance (including pricing) of financial products. Relevant rules and measures generally require the preparation and disclosure of information and documents, which will require the conduct or preparation of due diligence, valuations, financial information reviews, ratings, etc. for the issuance. In addition, the issue price may need to be determined in accordance with the methods prescribed by the relevant rules and regulations, and all subscribers of the same financial product will subscribe at the same issue price.

**(b) Securities and financial services between the Group and Henan Investment Group and its subsidiaries and/or associates**

For securities and financial services between the Group and Henan Investment Group and its subsidiaries and/or associates, the general pricing principles for service fees, commission or brokerage fees charged shall be based on negotiations between the parties with reference to prevailing market rates and in accordance with the requirements of applicable PRC laws and regulations. More specifically:

— Underwriting and sponsorship services: service fees shall be determined by negotiations between the parties with reference to, among other things, prevailing market rates, the proposed total amount of proceeds and fee rates charged by the Group for the provision of similar services to independent third parties;

— Other investment banking services: service fees shall be determined taking into account factors including the nature and size of transactions, the then market conditions, average fee levels applicable to independent third parties for similar transactions and on the basis of arm's length negotiations between the parties;

— Brokerage services: commissions shall be determined by mutual negotiation with reference to, among other things, commission rates applicable to independent third parties and the estimated scale of brokerage transactions;

— Financial products sales agency services: service fees shall be determined by mutual negotiation based on the quantity of products sold or the estimated size of assets with reference to service fee rates applicable to independent third parties;

— Entrusted asset management services: service fees shall be determined by mutual negotiation based on the quantity of products sold or the estimated size of assets with reference to service fee rates applicable to independent third parties; and

— Other securities and financial services: such fees and commissions shall be determined by mutual negotiation based on the nature of the transactions with reference to prevailing market rates in accordance with applicable laws and regulations.

In addition, for securities and financial service projects required to perform bidding procedures according to regulations, suppliers shall be determined by bidding according to applicable laws and regulations and bidding management system. These procedures generally require not less than three qualified bidders/quoters to participate, and the winning bidder/closing party is determined according to the highest comprehensive score after comprehensive evaluation of qualifications, experience, past performance, quotation, service terms and other factors.

For margin financing or margin loans provided by the Group to Henan Investment Group and its subsidiaries and/or associates, the relevant interest rate and fees shall be determined with reference to rates and fees applicable to comparable transactions with independent third-party customers, taking into account factors such as collateral or guarantees, credit standing, loan size, term and prevailing market conditions, and subject to the Group's internal approval procedures.

**(c) Other services provided by Henan Investment Group and its subsidiaries and/or associates to the Group**

The pricing for other services to be provided by Henan Investment Group and its subsidiaries and/or associates to the Group shall be determined in accordance with market-oriented principles through tender procurement or non-tender procurement methods such as negotiated procurement, inquiry procurement and bidding procurement. For non-tender procurement, service fees shall be determined after arm's length negotiations with reference to factors including the nature and scale of the transactions, the prevailing market conditions, quotations from independent third parties and average fee levels applicable to similar transactions. In considering the service fees for services provided by Henan Investment Group and its subsidiaries and/or associates, the Group will generally obtain and refer to quotations from at least two independent third parties (if any) by telephone, e-mail or website, or through inquiry procurement and bidding procurement.

For procurement by tender, the Group will identify suppliers by means of tender in accordance with applicable laws and regulations and the tender management system. These procedures generally require not less than three qualified bidders/quoters to participate, and the winning bidder/closing party is determined according to the highest comprehensive score after comprehensive evaluation of qualifications, experience, past performance, quotation, service terms and other factors.

The Company hereby clarifies that the above two arrangements apply to different procurement methods. For non-tender procurement, the Group will generally obtain and refer to quotations from at least two independent third parties where practicable, so as to assess, by reference to an independent market benchmark, whether the service fees proposed by Henan Investment Group and its subsidiaries and/or associates are fair and reasonable and determined on normal commercial terms. For tender procurement, the general requirement that not less than three qualified bidders/quoters participate refers to the total number of qualified participants in the tender process. Such qualified bidders/quoters may include Henan Investment Group or its subsidiaries and/or associates, provided that they satisfy the tender qualification requirements and participate in the same tender process as other bidders. Accordingly, a tender process with three qualified bidders/quoters may include one connected person and at least two independent third-party bidders/quoters. Any quotation submitted by Henan Investment Group and its subsidiaries and/or associates must be evaluated under the same selection and approval procedures applicable to independent third parties.

| | |
|---|---|
| | The Company confirms that the transaction and service terms applicable to each pricing basis under the Revised Framework Agreement will be no less favourable than those available to the Group from independent third parties or offered by the Group to independent third parties for comparable transactions or services. |
| **Implementation agreements** | The relevant parties may enter into individual implementation agreements from time to time and as necessary, provided that such implementation agreements shall comply with the principles and terms of the Revised Framework Agreement. |
| **Payment** | The relevant prices, service fees and other fees payable under the Revised Framework Agreement shall be paid in accordance with the terms of the specific transaction contracts or implementation agreements entered into by the relevant parties. |
| **Termination** | Subject to the Revised Framework Agreement, either party to a specific service contract may issue written notice of not less than three months to the other party to terminate the provision of a specific transaction, unless a shorter notice period is adopted according to market practice for the relevant transaction. |
| **Effectiveness** | The Revised Framework Agreement shall become effective upon approval by the Board and the shareholders' meeting of the Company (as applicable), execution by the legal representatives or authorised representatives of both parties and affixation of the company chops of both parties. |

## III. PROPOSED NEW ANNUAL CAPS, REVISED ANNUAL CAPS AND BASIS OF DETERMINATION

As mentioned above, on 9 June 2026, the Board resolved to revise or propose the relevant annual caps for the continuing connected transactions contemplated thereunder for the two financial years ending 31 December 2026 and 31 December 2027, the details of which are set out below.

### 1. Proposed New Annual Caps for Securities and Financial Products Transactions between the Group and Henan Investment Group and its subsidiaries and/or associates

| **Securities and financial products transactions** | **The proposed new annual caps for the year ending 31 December** | |
|---|---|---|
| | **2026** | **2027** |
| | *(RMB million)* | *(RMB million)* |
| Total net cash inflow to the Group | 305.0 | 515.0 |
| Total net cash outflow from the Group | 330.0 | 510.0 |

For the year ended 31 December 2025 and the three months ended 31 March 2026, the Group and Henan Investment Group and its subsidiaries and/or associates did not incur any securities and financial products transactions.

In estimating the proposed new annual caps for the total net cash inflow to the Group, the Company has taken into account (i) the expected redemption of financial products issued by Henan Investment Group and its subsidiaries and/or associates of RMB5.0 million and RMB15.0 million in 2026 and 2027, respectively; and (ii) the expected redemption or sale of bonds issued by Henan Investment Group and its controlled subsidiaries of RMB300.0 million and RMB500.0 million in 2026 and 2027, respectively.

In estimating the proposed new annual caps for the total net cash outflow from the Group, the Company has taken into account (i) the expected subscription for financial products issued by subsidiaries and/or associates of Henan Investment Group of RMB30.0 million and RMB10.0 million in 2026 and 2027, respectively, based on the business strategy and the underlying investment directions of the relevant products; and (ii) the expected subscription for or purchase of bonds issued by Henan Investment Group and its controlled subsidiaries of RMB300.0 million and RMB500.0 million in 2026 and 2027, respectively.

Given the nature of securities and financial products transactions conducted by securities companies in their ordinary and usual course of business, the Company considers that, compared with setting a cap on the total transaction amount or separate annual caps for each category of products or transactions,

setting separate annual caps for the total cash inflow to the Group and the total cash outflow from the Group is more practicable. Such transactions are typically market-driven and may be affected by prevailing market prices, bidding prices, execution timing, market liquidity and product availability. Certain transactions may also be conducted through exchanges, the interbank market, trading systems or other market mechanisms, and the Group may not be able to fully control in advance the exact counterparty, timing or transaction volume of each specific transaction.

As actual transaction volume may fluctuate from time to time and product types may change with market developments and the Group's business needs, setting a cap on the total transaction amount or caps by category may be difficult to estimate accurately and may cause unnecessary delays to the Group's ordinary securities business. Accordingly, the Company considers that setting separate caps for total cash inflow and total cash outflow provides a more practical monitoring mechanism and better reflects the expected cash receipts and payments under such transactions.

In respect of these proposed annual caps, the expected subscription or purchase amount of bonds is estimated by reference to the Group's current investment plan and the expected availability of the financial products and bonds issued by Henan Investment Group or its subsidiaries and/or associates. As of 31 December 2025, the amount of credit bonds purchased/subscribed by the Group in its proprietary business was approximately RMB100.0 billion, and the Group therefore proposes to allocate no more than 0.5% of the purchase amount for each year (0.3% for the second half of 2026) to purchase the bonds issued by Henan Investment Group and its subsidiaries and/or associates, and set relevant annual caps accordingly. The expected redemption or sale amount is estimated by reference to the expected subscription or purchase amount for the relevant year, on the assumption that most of the relevant bonds subscribed for or purchased by the Group during the relevant year may be redeemed or sold within the same year.

**2. New annual caps for other services provided by Henan Investment Group and its subsidiaries and/or associates to the Group**

| | **The new annual caps for the year ending 31 December** | |
|---|---|---|
| | **2026** | **2027** |
| | *(RMB million)* | *(RMB million)* |
| Service fees payable by the Group for other services provided by Henan Investment Group and its subsidiaries and/or associates to the Group | 12.8939 | 11.3779 |

For the year ended 31 December 2025, service fees paid by the Group for other services provided by Henan Investment Group and its subsidiaries and/or associates amounted to RMB2.4571 million. For the three months ended 31 March 2026, service fees paid by the Group for other services provided by Henan Investment Group and its subsidiaries and/or associates amounted to RMB0.151 million.

In estimating the new annual caps for other services, the Company has taken into account (i) the expected fees payable by the Group to Henan Investment Group and its subsidiaries and/or associates for system procurement, operation and maintenance, upgrade and leasing services of RMB10.5939 million and RMB8.8779 million in 2026 and 2027, respectively; (ii) expected additional consulting service fees of RMB0.3 million and RMB0.5 million in 2026 and 2027, respectively; and (iii) estimated amounts of RMB2.0 million for each of 2026 and 2027 for other printing and documentation fees and conference venue rental fees.

In particular, the expected fees payable for system procurement, operation and maintenance, upgrade and leasing services are approximately RMB8.00 million for each year, and determined with reference to the Group's expected needs for digital transformation and system construction in 2026 and 2027. The Group expects that its investment in system construction and related services for digital transformation will increase in the future, and Henan Investment Group and its subsidiaries and/or associates have the capability to provide the relevant services. Accordingly, the relevant annual caps are estimated based on the Group's expected procurement needs for digital system construction and related services in 2026 and 2027.

The expected amount of consulting service fees is determined with reference to the Group's potential consulting service needs and related budgets (namely no more than RMB0.3 million for 2026 and RMB0.5 million for 2027) in respect of strategy, organisational structure and related management matters in the next two years, and the expected engagement from time to time of professional subsidiaries within Henan Investment Group and its subsidiaries and/or associates that provide such services.

The relatively low historical transaction amount was mainly because the Group did not previously have the same scale of digital transformation and system construction needs. The proposed annual caps for 2026 and 2027 are higher mainly because the Group expects increased needs for digital transformation and system construction. The Company considers the proposed annual caps to be fair and reasonable because they are determined based on specific expected business needs, and the pricing of the relevant services will be subject to quotations from independent third parties under tender procurement or non-tender procurement procedures and the Group's internal approval procedures. The Group will conduct the relevant transactions only if the relevant terms are fair and reasonable and no less favourable than those available to the Group from independent third parties for comparable services.

**3. Revision of existing annual caps for revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates**

***(a) The existing annual caps for the two financial years ending 31 December 2027***

| | The existing annual caps for the year ending 31 December | |
|---|---|---|
| | **2026** | **2027** |
| | *(RMB million)* | *(RMB million)* |
| Revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates | 25.1012 | 25.5612 |

***(b) The actual transaction amount of revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates***

The actual transaction amount of revenue from provision of securities and financial services by the Group to Henan Investment Group and its subsidiaries and/or associates for 2025 was RMB1.1135 million. The actual transaction amount of revenue from provision of securities and financial services by the Group to Henan Investment Group and its subsidiaries and/or associates for the three months ended 31 March 2026 was RMB0.4394 million. The Company confirms that, as at the date of this announcement, the actual transaction amount of revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates did not exceed the relevant existing annual cap. The historical utilisation rate of the revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates was relatively low, mainly due to the impact of market competition and the fact that, the scale of services provided by the Group to Henan Investment Group and its subsidiaries and/or associates was lower than expected.

Although the utilisation rate of the annual cap for 2025 was relatively low, the Company intends to further deepen its business focus on serving the real economy and expand the scale of its provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates. Accordingly, the Company proposes to increase the annual caps for 2026 and 2027 in respect of the revenue from provision of securities and financial services.

*(c) Revised annual caps and basis of determination*

| | The revised annual caps for the year ending 31 December | |
|---|---|---|
| | **2026** | **2027** |
| | *(RMB million)* | *(RMB million)* |
| Revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates | 39.9262 | 46.3362 |

In estimating the revised annual caps for revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates, the Company has taken into account (i) the additional expected revenue from sponsorship and underwriting services of RMB14.775 million and RMB20.725 million in 2026 and 2027, respectively, and (ii) the additional expected revenue from securities and futures brokerage services of RMB0.05 million for each of 2026 and 2027.

Among the proposed revised annual caps above, the expected revenue from sponsorship and underwriting services is estimated with reference to the potential issuance scale of Henan Investment Group and its subsidiaries and/or associates and the rates generally charged for comparable sponsorship and underwriting services. The expected additional revenue from securities and futures brokerage services is estimated with reference to the expected investment amount and shareholding scale of Henan Investment Group and its subsidiaries and/or associates in the investment accounts opened by the Group, and the commission rates generally applicable to comparable securities and futures brokerage transactions.

## 4. Unchanged annual caps

For the avoidance of doubt, the annual caps for fees payable by the Group for securities and financial services provided by Henan Investment Group and its subsidiaries and/or associates to the Group and margin loans provided by the Group to Henan Investment Group and its subsidiaries and/or associates for the two financial years ending 31 December 2027 remain unchanged at RMB57.0000 million for each of the two years ending 31 December 2027 as disclosed in the announcement of the Company dated 23 December 2024.

Margin loans provided by the Group to Henan Investment Group and its subsidiaries and/or associates are not included in the scope of the Proposed New Annual Caps for Securities and Financial Products Transactions or the revised annual caps for revenue from provision of securities and financial services, but are covered by the above unchanged existing annual caps. The Company considers this treatment appropriate because the relevant caps remain sufficient to cover the expected transaction amounts for 2026 and 2027.

## IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE REVISED FRAMEWORK AGREEMENT AND THE REVISED ANNUAL CAPS AND THE PROPOSED NEW ANNUAL CAPS

In order to thoroughly implement and fully leverage the Group's core function as the "strategic carrier of the capital market" in Henan Province, and to effectively integrate financial services into the overall development of the real economy in the province, the Group has formulated a clear strategic plan. The Group intends to closely focus on the layout of key industrial clusters in Henan Province, rely on the Group's own resource endowment in investment research capabilities, professional talents and other aspects, focus on core sectors, concentrate advantageous resources, and continuously deepen and strengthen the "investment banking + investment + investment research" three-investment linkage mechanism, with the aim of comprehensively enhancing the value creation capability and overall efficiency of financial services.

Under this strategic framework, business synergy with Henan Investment Group is particularly important. As a comprehensive investment and financing entity with a broad business footprint and diversified industrial layout in Henan Province, Henan Investment Group's scope of business covers a number of key fields such as infrastructure, energy and transportation, finance, advanced manufacturing and modern services, and is highly aligned with the industrial development plan of Henan Province. It is precisely because of the breadth of Henan Investment Group's business and its important position in the regional economy that, in the process of performing the function as the "strategic carrier of the capital market" and serving the real economy in Henan in an all-round manner, the Group will inevitably have multi-level and multi-field business overlaps and cooperation needs with Henan Investment Group and its associated enterprises as important market participants. Such business dealings are not incidental, but are the inherent requirement and inevitable choice for the Group to base itself on its functional positioning, deepen its presence in the regional market and serve the real economy.

Specifically, the securities and financial products transactions and services between the Group and Henan Investment Group can effectively integrate the advantageous resources of both parties and generate significant "1+1>2" business synergy effects. Such synergy effects arise from the complementarity of the resources and business positioning of both parties. On the one hand, this will help the Group connect with and serve major projects and key enterprises in Henan Province more efficiently; on the

other hand, subscribing for quality securities and financial products issued by Henan Investment Group and its associates will also open up diversified and high-quality investment channels for the Group, which is conducive to optimizing asset allocation. Therefore, such connected transactions are an important lever for realizing the Group's strategic objectives and giving play to its functional role. From the perspective of practical effects, Henan Investment Group and its subsidiaries and/or associates may obtain financing support or capital market services through the Group, while the Group may rely on Henan Investment Group's industrial resources and project reserves to access quality investment targets and business opportunities.

In recent years, the Group's proprietary investment business has consistently adhered to the philosophy of prudent operation, actively explored the application of advanced investment strategies including risk parity theory, and coordinated the layout of various businesses. In the complex and ever-changing market environment, it has not only achieved the smooth operation of business, but also promoted a significant enhancement of core capabilities. As of 31 December 2025, the balance of bond positions held was RMB15.9 billion. Central China Blue Ocean, a wholly-owned subsidiary of the Company, focuses on its main responsibilities and principal business, continuously strengthens post-investment management and disposal of existing assets, recoups funds through project exits, secondary market disposals and other means, and continuously optimizes its asset structure and reduces the scale of outstanding investment. As at the end of 2025, the Group's alternative investments involved 40 projects under investment, with an overall investment volume of RMB1.873 billion. The Group's overall existing investment business scale is clear and steady in volume, and it is expected that the cap amount for routine connected transactions will account for a relatively small proportion of the Company's overall scale and remain within a reasonable and controllable range.

Looking ahead, with the acceleration of the Group's "secondary entrepreneurship" and increased support for key industries in Henan Province, the Group's business scale and depth will further expand. This will inevitably increase the frequency and volume of cooperation between the Group and Henan Investment Group in multiple business lines such as underwriting and sponsorship, asset management, product sales agency and financial advisory. In view of this, after prudent assessment, the Group considers that the existing annual caps for the continuing connected transactions between the Group and Henan Investment Group and its subsidiaries and/or associates for the two financial years ending 31 December 2026 and 31 December 2027 will be difficult to satisfy the actual needs of the Group's rapid business development and deepening of its function of serving the real economy. To ensure the smooth development of the Group's various businesses and safeguard the effective implementation of its strategic planning, it is particularly necessary and urgent to adjust and set new annual transaction caps in a timely manner.

## V. DIRECTORS' OPINION

Mr. Li Wenqiang and Mr. Feng Ruofan have abstained from voting on the relevant Board resolution(s)on approving the Revised Framework Agreement, the proposed new annual caps for securities and financial products transactions, the revision of existing annual caps for revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates and the new annual caps for other services. Save as disclosed above, none of the Directors has a material interest in the Revised Framework Agreement and the annual caps thereunder or is required to abstain from voting on the relevant Board resolution(s).

The Directors (excluding Mr. Li Wenqiang and Mr. Feng Ruofan but including the independent non-executive Directors) are of the view that the transactions contemplated under the Revised Framework Agreement will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms or better, and that the Revised Framework Agreement and the terms and conditions therein as well as the proposed new annual caps for securities and financial products transactions, the new annual caps for other services and the revision of existing annual caps for revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates disclosed in this announcement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## VI. INTERNAL CONTROL MEASURES

The Group has adopted a series of internal approval and supervision procedures to regulate the transactions and services under the Revised Framework Agreement and to ensure that the terms of the transactions are on normal commercial terms or on terms no less favourable than terms applicable to independent third parties.

The Group has established internal guidelines and policies for conduct of different types of securities and financial products transactions, securities and financial services and other services, as well as internal procedures and systems for approval and supervision of such transactions and services. Such policies and guidelines set out the requirements for approval authority and procedures, record keeping, supervision and review procedures for different types of transactions and businesses. In addition, trainings will be provided by the Group to traders/dealers and relevant staff on the requirements relating to connected transactions, and all connected transactions, once identified and conducted, will be recorded by the relevant department. The relevant business departments, in accordance with regulatory requirements, are responsible for reviewing whether the transaction pricing complies with the pricing policy. The business department of the Company is responsible for reviewing whether the actual transaction amounts would exceed the annual caps and alert relevant business lines if close to the annual caps (i.e. where the utilisation rate of the annual caps reaches or exceeds 80%). The Office (Office of the Board), the Planning and Finance Headquarter and other specific operational and administrative departments will also collect data

from all business lines and review the actual amounts of different types of transactions and services on a regular or irregular basis to ensure that the annual caps would not be exceeded and remind the business departments on the control of such continuing connected transactions. As regards the frequency of the relevant control procedures, the relevant business departments will submit the proposed transaction amount before each transaction, and the Company will regularly review the actual transaction amounts on a semi-annual basis. The legal and compliance departments will review each framework agreement (if any) entered into for transactions under the Revised Framework Agreement; if there is no framework agreement, they will review each specific agreement before it is signed.

For securities and financial products transactions between the Group and Henan Investment Group and its subsidiaries and/or associates, the Group will determine the pricing terms by reference to market prices, market inquiry results, comparable product prices and applicable regulatory requirements.

For securities and financial services between the Group and Henan Investment Group and its subsidiaries and/or associates, the Group will apply the pricing, approval and supervision procedures under its internal guidelines and the Revised Framework Agreement. Where the Group provides securities and financial services, the Company will offer pricing terms to Henan Investment Group and its subsidiaries and/or associates comparable to those offered to independent third parties and will not provide preferential terms to connected persons. Where Henan Investment Group and its subsidiaries and/or associates provide securities and financial services to the Group, the relevant business departments will consider available market information, compare fee levels and service quality, obtain quotations from at least two independent third parties (if any) where applicable, and go through the corresponding internal decision-making and approval process. Prior to entering into a securities and financial service transaction, whether the pricing is in compliance with the Group's policies and procedures and whether the price is fair and reasonable will be determined.

For services provided by Henan Investment Group and its subsidiaries and/or associates to the Group, including other services, the relevant business departments will consider available market information, evaluate and compare the level of fees/prices and the quality of services, obtain quotations from at least two independent third parties (if any) where applicable, and go through the corresponding internal decision-making and approval process based on factors such as the content of the services and the relevant prices.

The conduct of the continuing connected transactions is also subject to annual review by all independent non-executive Directors and auditors of the Company in accordance with Chapter 14A of the Hong Kong Listing Rules.

## VII. INFORMATION ON THE COMPANY AND HENAN INVESTMENT GROUP

### The Company

The Company is a securities company in Henan Province with a strategic presence in the PRC, which principally engages in, among others, the brokerage, investment banking, investment management and proprietary trading businesses.

### Henan Investment Group

Henan Investment Group is a wholly state-owned enterprise, which is the first state-owned capital operation company in Henan Province. Since its establishment for more than 30 years, it has always closely followed the theme of the times and the provincial strategy. In recent years, according to the positioning of state-owned capital operation companies, with equity investment operation as the main business, direct investment + fund as the tool, and capital operation and financial services as the support, a development pattern of two-wheel drive of finance and industry, mutual promotion of basic industries and emerging industries, and complementary advantages of strong cycle industries and weak cycle industries has been formed. Henan Investment Group is a substantial shareholder and a connected person of the Company. Its de facto controller is the Department of Finance of Henan Province.

## VIII. HONG KONG LISTING RULES IMPLICATIONS

### Hong Kong Listing Rules Implications

As at the date of this announcement, Henan Investment Group is a substantial shareholder of the Company and, directly and indirectly, holds approximately 22.05% of the total share capital of the Company. Accordingly, Henan Investment Group is a connected person of the Company, and the transactions proposed to be conducted between the Group and Henan Investment Group and its associates under the Revised Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.54 of the Hong Kong Listing Rules, the Company is required to re-comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules before revising the existing annual caps. As the highest applicable percentage ratio in respect of the proposed new annual caps for the securities and financial products transactions exceeds 5%, the Revised Framework Agreement and such proposed new annual caps are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of each of (i) the revised annual caps for revenue from provision of securities and financial services to Henan Investment Group and its subsidiaries and/or associates; and (ii) the new annual caps for other services provided by Henan Investment Group and its subsidiaries and/or associates is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to the reporting,

announcement and annual review requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The proposed new annual cap for transactions involving securities and financial products is established for the purposes of Chapter 14A of the Hong Kong Listing Rules. Upon entering into each specific transaction, the Company will assess the implications of Chapter 14 of the Hong Kong Listing Rules based on the actual transaction amount and the applicable percentage ratios.

Based on the information currently available and the expected transaction values, the Company anticipates that the applicable percentage ratios of each specific transaction calculated in accordance with Chapter 14 of the Hong Kong Listing Rules will be below 5%. Should any individual transaction or series of transactions be expected to trigger any disclosable transaction requirements under Chapter 14 of the Hong Kong Listing Rules, the Company will comply with the applicable disclosure and approval requirements set out under Chapter 14 where necessary.

**Shanghai Listing Rules Implications**

Under the Shanghai Listing Rules, the Revised Framework Agreement and the transactions contemplated thereunder and the relevant annual caps are subject to approval by the independent shareholders.

## IX. GENERAL INFORMATION

The Company will convene a shareholders' meeting for the Independent Shareholders to, among others, consider and, if thought fit, approve the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions under the Revised Framework Agreement. Henan Investment Group and its associates will abstain from voting on the relevant resolution(s) at the shareholders' meeting.

The Independent Board Committee comprising all independent non-executive Directors who do not have a material interest in the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions has been established, and the Company has appointed Somerley Capital Limited as the Independent Financial Adviser, to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Framework Agreement and such proposed new annual caps.

A circular containing, among other things, further details of the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions, the recommendation of the Independent Board Committee, the advice of the Independent Financial Adviser and the notice convening the shareholders' meeting will be published on the website of the Stock Exchange and the Company in due course. Printed copies will be dispatched to the Shareholders upon request.

## X. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

| Term | Definition |
|---|---|
| "A Share(s)" | domestic listed ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed and traded on the Main Board of the Shanghai Stock Exchange |
| "Approval Matters" | the Revised Framework Agreement and the proposed new annual caps for securities and financial products transactions under the Revised Framework Agreement, which are subject to approval by the Independent Shareholders under Chapter 14A of the Hong Kong Listing Rules |
| "associate(s)" | has the same meaning as ascribed to it under the Hong Kong Listing Rules |
| "Board" | the board of Directors |
| "connected person(s)" | has the same meaning as ascribed to it under the Hong Kong Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "Group" | the Company and its subsidiaries |
| "H Shares" | overseas listed foreign ordinary shares with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Stock Exchange |
| "Henan Investment Group" | Henan Investment Group Co., Ltd. (河南投資集團有限公司), a wholly state-owned limited liability company incorporated in the PRC which, as at the date of this announcement, is a substantial shareholder of the Company, directly and indirectly holding 1,023,556,847 Shares, representing approximately 22.05% of the total share capital of the Company |
| "Hong Kong Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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|---|---|
| "Independent Board Committee" | the independent board committee of the Company comprising all independent non-executive Directors who do not have a material interest in the Approval Matters, namely Mr. CHEN Zhiyong, Mr. WANG Hui, Mr. WANG Huixuan and Mr. DU Xiaotang, established to advise the Independent Shareholders in respect of the Approval Matters |
| "Independent Financial Adviser" | Somerley Capital Limited (新百利融資有限公司), a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Approval Matters |
| "Independent Shareholders" | Shareholders other than Henan Investment Group and its associates |
| "PRC" or "China" | the People's Republic of China |
| "Revised Framework Agreement" | the daily related-party/continuing connected transactions framework agreement (2026 revision) to be entered into between Henan Investment Group and the Company, the principal terms of which are disclosed in this announcement |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "Securities and Financial Services Framework Agreement with Henan Investment Group" | the securities and financial services framework agreement entered into between Henan Investment Group and the Company on 30 December 2024 for a term commencing from 1 January 2025 and ending on 31 December 2027 |
| "Shanghai Listing Rules" | the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange |
| "Share(s)" | ordinary share(s) of RMB1.00 each in the share capital of the Company, comprising A Shares and H Shares |
| "Shareholder(s)" | shareholder(s) of the Company |

| | |
|---|---|
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiary(ies)" | has the same meaning as ascribed to it under the Hong Kong Listing Rules |
| "substantial shareholder" | has the same meaning as ascribed to it under the Hong Kong Listing Rules |
| "The Company" or "Company" | Central China Securities Co., Ltd. (中原证券股份有限公司) (carrying on business in Hong Kong as "中州证券"), a joint stock company incorporated on 8 November 2002 in Henan Province, the PRC with limited liability, the H Shares and A Shares of which are listed on the Main Board of the Stock Exchange (stock code: 01375) and the Shanghai Stock Exchange (stock code: 601375), respectively |
| "%" | per cent |

By order of the Board of
**Central China Securities Co., Ltd.**
**ZHANG Qiuyun**
*Chairlady*

Henan, the PRC
9 June 2026

*As at the date of this announcement, the Directors of the Company are Ms. Zhang Qiuyun, Mr. Li Wengqiang, Mr. Feng Ruofan, Mr. Tang Jin, Mr. Tian Shengchun and Ms. Zhu Junhong, Mr. Chen Zhiyong*, Mr. Wang Hui*, Mr. Wang Huixuan*, Mr. Du Xiaotang*.*

* *Independent non-executive Director of the Company*