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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made by Central China Securities Co., Ltd. (the “**Company**”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The “Announcement on the Action Plan of Central China Securities Co., Ltd. for “Improving Quality and Increasing Efficiency for Better Returns”” published by the Company on the website of Shanghai Stock Exchange is hereby set out for reference only.

By order of the Board
Central China Securities Co., Ltd.
Lu Zhili
Chairman

Henan, the PRC
6 December 2024

As at the date of this announcement, the Board comprises Mr. LU Zhili as executive director; Mr. LI Xingjia, Ms. ZHANG Qiuyun, Mr. TANG Jin and Mr. TIAN Shengchun as non-executive directors; Mr. CHEN Zhiyong, Mr. TSANG Sung and Mr. HE Jun as independent non-executive directors.

Central China Securities Co., Ltd.

ANNOUNCEMENT ON THE ACTION PLAN FOR “IMPROVING QUALITY AND INCREASING EFFICIENCY FOR BETTER RETURNS”

The Board of Directors and all the Directors of Central China Securities Co., Ltd. (the "Company") hereby guarantee that there are no false records, misleading statements, or material omissions in this Announcement, and bear legal responsibility for the truthfulness, accuracy, and completeness of its content.

To deeply follow the guiding principles of the 20th National Congress of the Communist Party of China (CPC) and the Central Financial Work Conference and fully implement the requirements of the State Council and the China Securities Regulatory Commission on the “1+N” policy system of the capital market, Central China Securities Co., Ltd., centering on the missions and responsibilities as a securities company in the new era and on the new expedition and taking into account its realities, focuses on serving the development of Henan's regional economy for its own high-quality development. To protect the lawful rights and interests of investors, especially small and medium-sized investors and better assume the responsibilities as a listed company in the securities industry, the Company has formulated the Action Plan for “Improving Quality and Increasing Efficiency for Better Returns” as follows:

I. Strengthening functional orientation to deepen reforms

Strengthening the core functional orientation. Based on its own reality, the Company determines the functional orientation of the “strategic carrier of the Henan capital market”, and promotes its high-quality

development by playing its roles and functions. **Consolidating consensus on development.** Focusing on the requirements of duties and missions and the strategic choice of regional development in Henan Province, the Company unifies the ideological understanding, brings together its overall synergy as a whole, promotes the measures of internalization of consensus in the work concept and externalization of consensus in the business, and pools the power of cultural concepts to support. **Enriching the connotation of orientation.** The Company, focusing on the development goal of becoming an important contributor to the development of the Henan capital market and a quality service provider for regional direct financing and resident wealth management, determines the direction of business development, optimizes the focus of resource allocation, and clarifies the responsibilities for work, fulfilling its functions and missions. **Building a good foundation for sound development.** The Company, focusing on the high-quality development requirements, implements the new development concept in a comprehensive, accurate and complete manner. In addition, the Company follows the development trend of the industry, adheres to the principle of seeking progress amidst stability, and promotes the focus on improving the capability and strengthening market competitiveness. Stretching its capability, the Company never stops exploring the space for future business development to expand the outreach and connotation of the functional orientation.

Comprehensively advancing and deepening reforms. Since the second half of 2023, the Company has been fully reviewing and reflecting on its development over the past few years in line with the guiding principles of the central government and regulatory requirements for the development of the securities industry. Based on a serious summary of development experiences and deficiencies, the Company, starting from the internal logic of promoting high-quality development for the goal of enhancing core functions and improving core capabilities, has proposed a high-quality development approach for the coming period. Around the new orientation and fresh ideas, the Company, holding to the general tone of seeking progress amidst stability, has updated its development strategy to steadily advance its six major development initiatives: focusing on primary responsibility and principal operations, integrating business resources, deepening business transformation, filling functional gaps, improving management, and preventing risks. By optimizing resource allocation and comprehensively deepening reforms, the Company aimed to enhance its business capabilities and management

towards a path featuring "differentiation and specialization" to become a modern investment bank that provides first-class services in core business and leads in regional market business.

II. Strengthening strategic leadership to enhance core competencies

In response to the industry development trends, the Company works on the implementation of the "professionalism, integration, platform and base" strategies for its enhanced core competencies. Focusing on serving the development of the capital market in Henan, the Company never stops strengthening its robust development foundation to shape its core competitiveness and strive to provide long-term value for the majority of investors.

Advancing the “four major strategies.” The Company, following the industry development, aligns with the best practices to **implement a professionalism strategy**. To make it happen, it puts more resources into its R&D efforts to enhance the training of existing professionals. At the same time, it introduces targeted outstanding talents to put in place a tiered, categorized, and fully covered regular high-efficiency training system. **Integration strategy.** The Company builds a highly collaborative business model that is internally "One Customer" and externally "One Central China" by pooling its business resources. For that, it enriches the Wealth Management Committee and establishes the Corporate Finance Committee to shape its comprehensive and full-chain financial service capabilities. **Platform strategy.** Stretching its empowerment in digitalization, the Company aims to stand an institutional customer service platform with investment banking at its core and upgrade the wealth management service platform represented by up.ccnew.com for better service efficiency and collaboration. The APP service platform of up.ccnew.com boasts a monthly active user base that consistently ranks 22nd in the industry, and recently it has been honored with the "2024 China Securities Industry Digital Pioneer APP Jun Ding Award." **Base strategy.** The Company deeply promotes the "N-nity" service model for the real economy. For that end, it focuses on Henan's industry research and key client service. It approaches local government authorities to meet development research needs as good support in research. For the investment banking business, the Company enhances its coverage of investment and financing needs for key enterprises in Henan to fully be part of Henan's "7+28+N" key industrial chain clusters, and the Company has conducted research visits and engaged with over 230 key enterprises in the industrial chain clusters. For wealth management, the Company, focusing on strengthening the concept of asset allocation and expanding the scale of basic products, enriches its investment product line and reshapes its assets management team to cater to customers. Additionally, it promotes its efforts in an investment advisory service system for better service quality and efficiency. The Company has newly established a bond sales and trading

team, which ranks fourth in the scale of Henan bond sales during the same period. The Company will further expand its business scale. By strengthening resource allocation in regional markets and enhancing business collaboration, the Company aims to enhance its competitive capabilities for its high-quality development.

Strengthening the implementation of measures. To shape a strategic implementation and promotion system that aligns with the mission and the actual strategic measures for timely and reliable feedback and orderly and efficient optimization, the Company works to accelerate the efforts in a strategic control framework covering the entire process from strategy formulation, management, and evaluation to adjustment. The Company will improve the strategic management process, optimize the strategic promotion mechanism, and establish a sound strategic management system to promote the implementation of key development measures and enhance the strategic leadership.

III. Implementing the mission as a State-owned enterprise to serve the real economy

Building a full life cycle service model. Guided by the "eight adherence" initiative from the Central Financial Work Conference and following the requirements for the work on the "7+28+N" industrial chain in Henan Province, the Company strengthens its daily communication and cooperation with local government authorities, key industrial chain alliances, Henan provincial-managed enterprises, and key industrial parks, clusters, or innovation alliances in cities. The Company works to involve itself in the establishment and operation of various government-guided funds or industry funds and enhance tracking research on the development of strategic emerging industries, future industries, and the transformation and upgrading of traditional industries. The Company manages to cater to the capital market service needs of regional science and technology innovation, advanced manufacturing, and green and low-carbon enterprises to improve the inclusive capital market service for micro, small and medium-sized enterprises. The Company, leveraging the advantages of being listed on both the A and H stock markets, has cumulatively assisted over 20 Henan-based enterprises in securing direct foreign financing, aiding outstanding companies in their international expansion efforts. In terms of inclusive finance, the Company has supervised Henan's New Third Board listed companies, accounting for 20% of the total, and has seen a cumulative total of 12 companies from Central China Equity Exchange Co., Ltd. transfer to the Shanghai and Shenzhen stock exchanges, with 30 transferring to the New Third Board. Underpinned by this, the Company will have in place a classified and graded service management system for corporate customers. Specifically, the Company will strengthen the tiered cultivation services featured by "approaching one, restructuring and standardizing one, guiding and cultivating one, and filing and listing one." The Company will accelerate its work on a full life cycle capital market service model for

enterprises, which is marked by "stock exchange platform, fund leadership, research priority, investment banking empowerment, proprietary business promotion, and branch reach."

IV. Enhancing awareness of rewarding shareholders and elevating operational standards

Embracing an "investor-centric" approach. The Company is dedicated to the principle of protecting investors, particularly small and medium-sized investors. To achieve this, the Company will implement multiple initiatives to build a "long-term, stable, and sustainable" mechanism for returning value to shareholders. Since being listed on both markets, the Company has implemented a total of 15 profit distributions, accumulating a total dividend payout of RMB3.385 billion. Going forward, the Company will, taking into consideration the industry development and market conditions, adhere to prudent operations. Within the framework of legal and regulatory compliance, and in conjunction with its own development realities, the Company will continue to focus on promoting market pricing that accurately reflects its intrinsic value.

Enhancing corporate governance and ensuring robust support. The Company is committed to a customer-centric service philosophy and strictly adheres to the requirements of laws and regulations such as the Company Law and the Securities Law, as well as relevant normative documents. The Company diligently fulfills its fiduciary duties by revising and improving its internal governance systems. This includes clearly defining the boundaries of powers and responsibilities of each governance body, standardizing deliberation procedures, and establishing a governance mechanism that ensures coordinated operations and effective checks and balances. Meanwhile, the Company works on improving the duties and deliberation procedures, establishing the list of the performance of Directors' duties, and refining the requirements and safeguards for such performance. Moreover, the Company focuses on enhancing the decision-making efficiency and risk prevention and control capacity of the Company. These measures are designed to elevate its corporate governance mechanisms, ensuring they provide strong support for its standardized and compliant operations. The Company actively embraces the concept of Environmental, Social, and Governance (ESG) to foster harmonious integration between its business operations, society, and the environment. The Company is

dedicated to fulfilling its social responsibilities and further promoting its sustainable development.

Strengthening accountability and responsibility. The Company is devoted to the theme of high-quality development, concentrating on its primary responsibility and principal operation. The Company's efforts are centered on serving the development of regional capital markets. Through comprehensively deepening reforms, the Company is advancing the integration of institutions and standardizing functional settings, ensuring the orderly optimization and adjustment of its management structure. To support these initiatives, the Company has established and continuously improved mechanisms for senior management compensation, and compensation clawback and accountability. The Company is also continuously refining its incentive and constraint mechanisms to enhance responsibility and accountability at all levels of management. These measures aim to ensure the effective implementation of all reform and development initiatives.

V. Upholding integrity to improve results in investor relationship

Improving information disclosure quality. The Company strictly adheres to all information disclosure rules and consistently promotes voluntary disclosures in a standardized manner. The Company's disclosures are guided by the principles of truthfulness, accuracy, completeness, timeliness, and fairness, ensuring that they provide a clear and accurate picture of its operational and developmental status. By enhancing the readability and effectiveness of its announcements, the Company aims to improve investors' understanding and insight into its true operating conditions. This transparency promotes greater recognition and acceptance of its operational strategies and measures among investors.

Enhancing communication effectiveness. The Company is committed to enhancing the proactivity and specificity of its communications with shareholders, investors, and investment researchers. To this end, the Company will regularly hold earnings briefings, maintain effective communication with investors through the investor hotline, investor email box, and SSE E-interactive platform and promptly address investors' concerns. The Company actively connects with professional investment researchers and, in full compliance with legal and regulatory requirements, employs various methods to convey its true operating conditions to the market.

The forward-looking descriptions including future plans and development strategies involved in this Plan do not constitute material commitments by the Company to investors. This is hereby announced that the implementation of this Action Plan may be subject to uncertainties due to internal and external environments. Investors are advised to be aware of the associated risks.

Board of Directors of Central China Securities Co., Ltd.

7 December 2024