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中州證券

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 “中州證券”)

(Stock Code: 01375)

ANNOUNCEMENT ON RECEIPT OF DECISION LETTER ON ADMINISTRATIVE SUPERVISION MEASURE FROM THE CHINA SECURITIES REGULATORY COMMISSION

This announcement is made by the board of directors (the “**Board**”) of Central China Securities Co., Ltd. (the “**Company**” or “**CCS**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Recently, the Company received the Decision on Suspension of the Bond Underwriting Business of Central China Securities Co., Ltd. from the China Securities Regulatory Commission (the “**CSRC**”) (《關於對中原证券股份有限公司採取暫停債券承銷業務措施的決定》), the original text of which is as follows:

“Upon investigation, the CSRC has found the following violations committed by your company: First, facilitating agreements between bond issuers and investors for bond consulting services to make non-market-based bond issuance by providing subsidies to compensate for differences in coupon rates. Second, failing to conduct adequate due diligence on the solvency of issuers in certain corporate bond projects, leading to overlooking instances of issuer defaults on financial lease contracts and subsequent court rulings declaring them as debtors subject to enforcement. Third, failing to diligently fulfill responsibilities during the ongoing supervision of certain projects, resulting in the failure to detect financial fraud perpetrated by issuers. Fourth, allowing the former head of the quality control department to receive project bonuses while simultaneously participating in quality control procedures, leading to insufficient scrutiny and approval of quality control documentation.

The aforementioned circumstances violate Article 7 and Article 45 of the Administrative Measures for the Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), Article 4 of the Administrative Measures for Securities Issuance and Listing Sponsorship (CSRC Decree No. 58) (《證券發行上市保薦業務管理辦法》), and Article

32 and Article 57 of the Guidelines for Internal Controls of Investment Banking Business of Securities Companies (《證券公司投資銀行類業務內部控制指引》). In accordance with Article 32 of the Administrative Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies (《證券公司和證券投資基金管理公司合規管理辦法》), the CSRC has decided to suspend your company's bond underwriting business for a period from 17 October 2024 to 16 April 2025.

Your company should take this as a serious lesson and earnestly identify and rectify the issues, establish, improve, and strictly implement internal control systems, work flows, and operational procedures for investment banking business, operate with honesty, integrity, and diligence, and effectively enhance the quality of investment banking services. Furthermore, your company should conduct internal accountability procedures for responsible personnel in strict accordance with your internal accountability system and submit a written accountability report to the Henan Bureau of the CSRC.

Should your company disagree with this supervision measure, your company has the right to apply to the CSRC for an administrative reconsideration within 60 days after receiving this decision letter. Alternatively, your company may file a lawsuit with a competent People's Court within six months after receiving this decision letter. During the period of reconsideration or litigation, the aforementioned supervision measure will remain in effect."

At the same time, the Company received the "Decision on the Measures of Having Regulatory Conversation with Li Zhaoxin (李昭欣) and Hua Jinzhong (花金鐘)" (《關於對李昭欣、花金鐘採取監管談話措施的決定》) from the CSRC, requiring the Company's general manager, Mr. Li Zhaoxin, and the former deputy general manager, Mr. Hua Jinzhong, to go to the CSRC for regulatory conversation.

Currently, other business operations of the Company remain normal. The impact of the decision on the suspension of bond underwriting business on future operating results of the Company remains uncertain. Investors are advised to invest rationally and be aware of investment risks.

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

Henan, the PRC
20 October 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; Ms. ZHANG Dongming, Mr. CHEN Zhiyong, Mr. TSANG Sung and Mr. HE Jun as independent non-executive Directors.