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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 CHANGES IN ACCOUNTING ESTIMATES

The board (the “**Board**”) of directors of Central China Securities Co., Ltd. (the “**Company**”) hereby announces that the Company intended to make changes to the accounting estimates.

I. Summary of the Changes in Accounting Estimates

(1) Accounting Estimates Adopted before the Changes

In accordance with the relevant requirements under the Opinions On Management Of Withdraw And Usage Of Educational Fees by Staff Of An Enterprise (Cai Jian [2006] No. 317) (《關於企業職工教育經費提取與使用管理的意見》(財建[2006]317號)) jointly issued by 11 departments including the Ministry of Finance and the State Administration of Taxation, general enterprise shall withdraw 1.5% of the total fully paid salary of staff as educational training fees and for enterprises which requires higher technical standard, more intense training and with better economic benefits, the withdrawal percentage is 2.5%. Those amounts shall be charged as cost expenses. Currently, the Company withdraws 2.5% of the total salary of staff for educational fees.

(2) Reasons for the Changes and Accounting Estimates Adopted after the Changes

As of 30 September 2024, the remaining educational training fees of the Company (together with its PRC subsidiaries) amounted to RMB137.0181 million, such amount is relatively large. In consideration of the actual and recent situation of the Company, the Company intends to withdraw 1.5% of the total salary of staff as educational fees, effective from 1 January 2025.

(3) Consideration Procedure

On the 31st meeting of the seventh session of the Board and 22nd meeting of the seventh session of the supervisory committee held on 2 December 2024, the resolution on Changes in the Accounting Estimates of the Company (《關於公司會計估計變更的議案》) has been passed. The changes in the accounting estimates need not be put to the general meeting of the Company.

II. Effects of the Changes in Accounting Estimates on the Company

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 28 — Changes in accounting policies and estimates, and correction of errors (《企業會計準則第28號 — 會計政策、會計估計變更和差錯更正》), the Company will apply the changes in the accounting estimates prospectively and no retrospective adjustment to the already disclosed financial statements of the Company is required, and the changes will not affect the financial position and operating result for the respective years.

1. Effects of the Changes in Accounting Estimates on the Current and Future Periods

It is expected that the changes in accounting estimates will be implemented from 1 January 2025 and will not affect the financial position and operating results of the Company for 2024. It is expected that no significant effect will be caused to the financial position and operating results of the Company in the future period.

2. Effects of the Changes in Accounting Estimates on the Three Years Preceding to the Changes and the Period from January to September 2024

For the three years preceding to the changes in accounting estimates and for the period from January to September 2024, assuming to adopt such changes in accounting estimates, the affected amount of total profit, total assets and net assets of the Company are as follows:

Unit: RMB'0000

Items	2021	2022	2023	January to September 2024
Total profit	1,032.19	693.29	564.97	298.93
Total assets	-258.05	-173.32	-141.24	-74.73
Net assets	774.15	519.97	423.73	224.20

Note 1: the affected amounts above are accumulated affected amounts for the corresponding years during which the changes in accounting estimates are assumed to be adopted. Positive numbers indicate an increment in the effects and negative numbers indicate a decrease in the effects;

Note 2: the sum may not equal to total amount of the items due to rounding.

III. Audit Opinion

(1) Opinions of the Supervisory Committee

The supervisory committee of the Company believes that the decision procedures on changes in accounting estimates comply with the requirements under the relevant laws and regulations, accounting standards and articles of associations, and without prejudice to the interests of the Company and its shareholders. The supervisory committee agrees on the changes in accounting estimates.

(2) The Audit Committee's Consideration

The audit committee of the Board of the Company resolved to pass such resolution and believes that the changes in accounting estimates comply with the law and regulation as well as the actual operating status of the Company without prejudice to the interests of the Company and all shareholders, especially the minority shareholders. It agrees to propose such resolution to the Board of the Company for consideration.

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

Henan, the PRC
2 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.