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)

ANNOUNCEMENT ON PROGRESS OF REDUCTION OF SHAREHOLDING BY SHAREHOLDER

Reference are made to the announcements of Central China Securities Co., Ltd. (the "**Company**") dated 14 February 2019, 15 February 2019 and 5 June 2019, respectively, in relation to the proposed reduction of shareholding in the Company by Bohai Industrial Investment Fund Management Co., Ltd.* (渤海產業投資基金管理有限公司) (holding the Company's A shares on behalf of Bohai Industrial Investment Fund *(渤海產業投資基金), "**Bohai Company**"), a substantial shareholder of the Company (the "**Proposed Reduction**"). Bohai Company planned to reduce its shareholding in the Company by not more than 77,381,414 A shares by way of centralized bidding within 6 months after 15 trading days from 15 February 2019; reduce its shareholding in the Company by not more than 154,762,828 A shares by way of block trading within 6 months after 3 trading days from 15 February 2019. The total shareholding in the Company to be reduced shall not exceed 232,144,242 A shares (representing 6% of the total number of shares of the Company).

During the period from 8 March 2019 to 27 June 2019, Bohai Company reduced its shareholding in the Company by 38,690,727 A shares by way of centralized bidding, representing approximately 1.00% of the total number of shares of the Company, and 5,290,000 A shares by way of block trading, representing approximately 0.14% of the total number of shares of the Company. The total shareholding in the Company so reduced was 43,980,727 A shares, representing approximately 1.14% of the total number of shares of the Company. The price range for the reduction is between RMB5.00 per share to RMB6.70 per share. As at the date of this announcement, Bohai Company held 564,019,273 A shares of the Company (tradable shares not subject to trading moratorium), representing 14.57% of the total number of shares of the Company. The number of shares of the Company which have been disposed of by Bohai Company by way of centralized bidding has exceeded half of the total number of shares of the Company proposed to be disposed of by way of centralized bidding under the Proposed Reduction and the implementation of the Proposed Reduction has not yet been completed.

The implementation of the Proposed Reduction will neither have an impact on the corporate governance structure or ongoing operations of the Company, nor result in a change in control of the Company. During the implementation of the Proposed Reduction, Bohai Company will decide on whether and how to implement the Proposed Reduction according to market conditions, share price of the Company and other factors. The Company will pay constant attention to the subsequent implementation of the Proposed Reduction by Bohai Company and fulfill its information disclosure obligation in a timely manner in accordance with relevant requirements.

By order of the Board of
Central China Securities Co., Ltd.
Jian Mingjun
Chairman

Henan, the PRC
28 June 2019

As at the date of this announcement, the Board comprises executive directors Mr. JIAN Mingjun and Mr. CHANG Junsheng, non-executive directors Mr. LI Xingjia, Mr. WANG Lixin, Mr. TIAN Shengchun, Mr. ZHANG Xiaoqi and Mr. LU Benson Cheng, and independent non-executive directors Mr. YUEN Chi Wai, Mr. NING Jincheng, Mr. YU Xugang and Ms. ZHANG Dongming.

* *For identification purposes only*