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 PROPOSED REDUCTION OF SHAREHOLDING BY WAY OF CENTRALIZED BIDDING BY SHAREHOLDER

References are made to the announcements of the Company dated 14 February 2019, 15 February 2019, 5 June 2019, 28 June 2019 and 4 September 2019, in relation to the 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. During the period from 8 March 2019 to 3 September 2019, Bohai Company reduced its shareholding in the Company as an aggregate amount of 65,390,933 A shares, representing approximately 1.69% 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. References are also made to the announcements of the Company dated 5 September 2019, 27 December 2019 and 27 March 2020, in relation to the further reduction of shareholding in the Company by Bohai Company. During the period from 30 September 2019 to 27 March 2020, Bohai Company reduced its shareholding in the Company as an aggregate amount of 8,299,300 A shares, representing approximately 0.21% of the total number of shares of the Company. The price range for the reduction is between RMB4.74 per share to RMB5.23 per share. As at the date of this announcement, Bohai Company held 534,309,767 A shares of the Company, representing approximately 13.81% of the total share capital of the Company. Such shares were issued before the initial public offering and listing of A shares of the Company and were released from sale restrictions on 3 January 2018.

Recently, the Company received the *Notice Letter of Shareholding Reduction Plan* (the "**Notice Letter**") from Bohai Company. It is mentioned in the Notice Letter that based on its own funding arrangement, Bohai Company plans 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 11 June 2020 (i.e. from 6 July 2020 to 2 January 2021). For centralized bidding transactions, the total number of shares to be reduced shall not exceed 1% of the total number of shares of the Company for any 90 consecutive days, and the price for shares involved in the reduction shall be determined based on the market price. The implementation of this reduction plan 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. Bohai Company will decide on whether and how to implement this reduction plan according to market conditions, share price of the Company and other factors. The Company will pay constant attention to the subsequent implementation of the reduction plan by Bohai Company and fulfil 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
10 June 2020

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*