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)

2023 FIRST QUARTERLY REPORT

The Board of the Company is pleased to announce the unaudited financial information of the Company and its subsidiaries for the first quarter ended 31 March 2023, prepared in accordance with the China Accounting Standards for Business Enterprises. This announcement is made pursuant to the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Listing Rules.

This announcement contains the Chinese original version and the English translation of the "2023 First Quarterly Report of Central China Securities Co., Ltd." as published on the website of the Shanghai Stock Exchange, and is provided for your reference only. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Board"	the board of Directors of the Company
"Company", "Central China Securities"	Central China Securities Co., Ltd. (中原证券股份有限公司)
"Director(s)"	the director(s) of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Period", "Reporting Period"	1 January 2023 to 31 March 2023

"Same period in the previous year"	1 January 2022 to 31 March 2022
"RMB"	the lawful currency of the PRC, Renminbi, with the basic unit of "yuan"
"PRC" or "State" or "China"	the People's Republic of China
"Supervisor(s)"	Supervisors of the Company
"Supervisory Committee"	the supervisory committee of the Company
"%"	per cent.

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

Henan, the PRC
21 April 2023

As at the date of this announcement, the Board comprises executive Director Mr. JIAN Mingjun, non-executive Directors Mr. LI Xingjia, Ms. ZHANG Qiuyun, Mr. TANG Jin, Mr. TIAN Shengchun, Mr. ZHANG Xiaoqi and Mr. LU Benson Cheng, and independent non-executive Directors Ms. ZHANG Dongming, Mr. CHEN Zhiyong, Mr. TSANG Sung and Mr. HE Jun.

CENTRAL CHINA SECURITIES CO., LTD.
2023 FIRST QUARTERLY REPORT

The Board and all Directors of the Company warrant that there is no false representation, misleading statement contained herein or material omission from this announcement, and they will assume legal liabilities for the truthfulness, accuracy and completeness of the contents of this announcement.

IMPORTANT CONTENT NOTICE

The Board and the Supervisory Committee, together with the Directors, Supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the information contained in the quarterly report and that there is no false representation, misleading statement contained herein or material omission from this quarterly report, for which they will assume joint and several liabilities.

Mr. Jian Mingjun, head of the Company, Mr. Li Zhaoxin, officer in charge of accounting affairs and the Chief Accountant and Ms. Yang Bo, head of the accounting department warrant that the financial statements set out in the quarterly report is true, accurate and complete.

Whether the first quarterly report has been audited

☐ Yes ✓ No

I. KEY FINANCIAL DATA

(I) Key accounting data and financial indicators

Unit: Yuan Currency: RMB

Items	The Reporting Period	Changes for the Reporting Period as compared to the same period of the previous year (%)
Operating income	**463,516,307.36**	19.31
Net profit attributable to shareholders of the listed company	**70,497,329.89**	282.45
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	**63,800,558.77**	364.58
Net cash flows from operating activities	**-1,887,075,641.20**	N/A
Basic earnings per share (RMB/share)	**0.02**	400.00
Diluted earnings per share (RMB/share)	**0.02**	400.00
Weighted average return on net assets(%)	**0.51**	Increase by 0.38 percentage points

	As at the end of the Reporting Period	As at the end of the previous year	Changes as at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	**53,811,410,944.62**	50,182,639,547.46	7.23
Equity attributable to shareholders of the listed company	**13,813,066,111.24**	13,757,829,045.04	0.40

(II) Items and amounts of non-recurring profit and loss

✓ Applicable ☐ Not applicable

Unit: Yuan Currency: RMB

Items	Amount for the Reporting Period	Description
Profit and loss on disposal of non-current assets	**94,115.93**	
Government subsidies that are included in the current profit and loss, except for those which are closely related to the normal business of the Company and are continuously enjoyed in accordance with the provisions of national policies and in accordance with certain standard quota or quantitative amount	**9,462,931.04**	Mainly due to the government subsidies
Other non-operating income and expenses other than the above items	**-549,372.51**	
Less: amount of impact of income tax	**2,251,918.62**	
Amount of impact of minority shareholders' equity (after tax)	**58,984.72**	
Total	**6,696,771.12**	

Explanation on defining the non-recurring profit and loss items illustrated in the Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 1 — Non-recurring Profit and Loss (《公開發行證券的公司信息披露解釋性公告第1號 — 非經常性損益》) as recurring profit and loss items

☐ Applicable ✓ Not applicable

(III) Changes in key accounting data and financial indicators and corresponding reasons

✓ Applicable ☐ Not applicable

Items	Change ratio (%)	Reason for changes
Net profit attributable to shareholders of the listed company	**282.45**	Mainly due to the recovery of investment business performance during the Period
Net profit attributable to shareholders of the listed company after deducting non-recurring profit and loss	**364.58**	
Basic earnings per share (RMB/share)	**400.00**	
Diluted earnings per share (RMB/share)	**400.00**	
Net cash flows from operating activities	**N/A**	Mainly due to the increase in the scale of financial instruments measured at fair value through profit or loss during the Period

II. INFORMATION ON SHAREHOLDERS

(I) Total number of ordinary shareholders, total number of holders of preference shares with voting rights restored and shareholdings of the top 10 shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	130,782 Among them, A shares 130,744; H shares registered shareholders 38	Total number of holders of preference shares with voting rights restored as at the end of the Reporting Period (if any)	

Shareholding of the top 10 shareholders

Name of shareholders	Type of shareholders	Number of shares held	Shareholding percentage (%)	Number of shares held subject to trading moratorium	Pledged, marked or frozen shares Status of shares	Pledged, marked or frozen shares Number of shares
HKSCC Nominees Limited	Foreign legal person	1,195,143,850	25.74	0	Nil	
Henan Investment Group Co., Ltd. (河南投資集團有限公司)	State-owned legal person	822,983,847	17.73	0	Nil	
Anyang Iron & Steel Group Co., Ltd. (安陽鋼鐵集團有限責任公司)	State-owned legal person	177,514,015	3.82	0	Pledged	65,000,000
Jiangsu SOHO Holdings Group Co., Ltd. (江蘇省蘇豪控股集團有限公司)	State-owned legal person	140,947,707	3.04	0	Nil	
China Pingmei Shenma Holding Group Co., Ltd. (中國平煤神馬控股集團有限公司)	State-owned legal person	63,694,267	1.37	0	Nil	
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 國泰中證全指證券公司交易型開放式指數證券投資基金)	Others	51,374,034	1.11	0	Nil	
Zheng Yu (鄭宇)	Domestic natural person	51,003,190	1.10	0	Nil	
Anyang Economy Development Group Co., Ltd. (安陽經濟開發集團有限公司)	State-owned legal person	48,824,693	1.05	0	Pledged	24,412,346
Henan Railway Construction and Investment Group Co., Ltd. (河南省鐵路建設投資集團有限公司)	State-owned legal person	47,239,915	1.02	0	Nil	
China Construction Bank Corporation- Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 華寶中證全指證券公司交易型開放式指數證券投資基金)	Others	43,234,664	0.93	0	Nil	

Shareholdings of the top 10 shareholders not subject to trading moratorium

Name of shareholders	Number of tradable shares not subject to trading moratorium	Type and number of shares	
		Type of shares	Number of shares
HKSCC Nominees Limited	1,195,143,850	Overseas-listed foreign shares	1,195,143,850
Henan Investment Group Co., Ltd.	822,983,847	RMB-denominated ordinary shares	822,983,847
Anyang Iron & Steel Group Co., Ltd.	177,514,015	RMB-denominated ordinary shares	177,514,015
Jiangsu SOHO Holdings Group Co., Ltd.	140,947,707	RMB-denominated ordinary shares	140,947,707
China Pingmei Shenma Holding Group Co., Ltd.	63,694,267	RMB-denominated ordinary shares	63,694,267
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	51,374,034	RMB-denominated ordinary shares	51,374,034
Zheng Yu	51,003,190	RMB-denominated ordinary shares	51,003,190
Anyang Economy Development Group Co., Ltd.	48,824,693	RMB-denominated ordinary shares	48,824,693
Henan Railway Construction and Investment Group Co., Ltd.	47,239,915	RMB-denominated ordinary shares	47,239,915
China Construction Bank Corporation- Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	43,234,664	RMB-denominated ordinary shares	43,234,664

Explanation on related party or concert party relationship among the above-mentioned shareholders	The Company is not aware of any related party relationship among the above-mentioned shareholders or whether they are parties acting in concert as defined in the Measures for the Administration of the Takeover of Listed Companies (《上市公司收購管理辦法》)
Description of the top 10 shareholders and top 10 shareholders not subject to trading moratorium involved in margin financing and securities lending business and refinancing business (if any)	1. China Pingmei Shenma Holding Group Co., Ltd. holds 63,694,267 shares through a credit guarantee account; 2. ZhengYu holds 51,003,190 shares through a credit guarantee account. 3. Anyang Iron & Steel Group Co., Ltd. holds 142,505,515 shares through an ordinary account and 35,008,500 shares through a credit guarantee account, totaling 177,514,015 shares. Save as disclosed above, the Company is not aware of any other top 10 shareholders and top 10 shareholders not subject to trading moratorium involved in margin financing and securities lending business and refinancing business.

Note: As at the end of the Reporting Period, 822,983,847 A shares of the Company were held by Henan Investment Group Co., Ltd. (河南投資集團有限公司), it also held 46,733,000 H shares of the Company through its wholly-owned subsidiary, Dahe Paper (Hong Kong) Co., Limited, and held 153,840,000 H shares of the Company through Southbound Trading under Shanghai-Hong Kong Stock Connect, totaling 1,023,556,847 shares of the Company, accounting for 22.05% of the total share capital of the Company.

III. OTHER IMPORTANT INFORMATION

Other important information on the operating conditions of the Company during the Reporting Period of which the investors should be aware

□ Applicable ✓ Not applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Type of audit opinion

□ Applicable ✓ Not applicable

(II) Financial Statements

CONSOLIDATED BALANCE SHEET
31 March 2023

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Items	31 March 2023	31 December 2022
Assets:		
Cash and bank balances	**11,474,375,718.05**	10,211,630,004.39
Including: customer's capital deposit	**9,531,062,916.94**	8,649,580,319.71
Clearing settlement funds	**2,259,419,970.02**	3,115,104,687.58
Including: customer reserve	**2,377,461,099.34**	3,044,014,034.04
Margin accounts receivable	**7,185,479,487.86**	7,016,885,351.83
Derivative financial assets	**5,800.00**	2,246.26
Refundable deposits	**1,016,213,564.24**	939,945,921.04
Accounts receivable	**82,452,622.31**	87,679,998.85
Financial assets held under resale agreements	**1,736,384,569.66**	1,141,428,012.55

Items	31 March 2023	31 December 2022
Financial investment:		
Financial assets at fair value through profit or loss	**25,003,103,217.59**	21,614,103,009.80
Financial assets measured at amortised costs	**236,123,199.27**	195,991,199.27
Financial assets at fair value through other comprehensive income	**1,160,587,176.03**	2,288,258,640.42
Equity instruments at fair value through other comprehensive income	**1,400,000.00**	
Long-term equity investments	**1,597,240,768.04**	1,577,559,888.94
Investment properties	**26,893,488.32**	27,121,164.72
Fixed assets	**192,918,206.76**	190,751,282.28
Construction in progress	**119,068,006.73**	118,898,335.11
Right-of-use assets	**196,533,727.50**	195,647,216.10
Intangible assets	**245,397,246.22**	256,964,174.85
Goodwill	**18,376,131.19**	18,602,742.39
Deferred income tax assets	**568,267,668.69**	582,436,188.07
Other assets	**691,170,376.14**	603,629,483.01
Total assets	**53,811,410,944.62**	50,182,639,547.46
Liabilities:		
Short-term loans	**8,291,503.61**	66,075,016.67
Short-term financing instruments payable	**5,662,076,499.70**	4,132,771,764.91
Due to banks and other financial institutions	**1,500,570,611.10**	1,502,279,361.14
Financial liabilities at fair value through profit or loss	**1,534,821,154.07**	1,525,542,658.61
Derivative financial liabilities	**1,136,640.00**	793,800.00
Financial assets sold under repurchase agreements	**12,227,816,081.15**	9,887,887,932.32
Accounts payable to brokerage clients	**12,316,383,988.74**	11,849,666,807.82
Employee benefits payable	**369,301,480.16**	654,516,584.99
Taxes payable	**85,355,045.65**	111,898,833.01
Accounts payable	**29,419,876.31**	237,527,662.62
Contract liabilities	**6,614,636.49**	5,866,855.62
Provisions	**1,186,481.49**	1,186,481.49
Bonds payable	**5,286,924,574.17**	5,364,791,008.73
Lease liabilities	**187,269,718.60**	192,051,033.00
Deferred income tax liabilities	**34,475,597.32**	35,947,914.23
Other liabilities	**301,460,980.20**	406,462,258.85
Total Liabilities	**39,553,104,868.76**	35,975,265,974.01

Items	**31 March 2023**	31 December 2022
Owners' equity (or shareholders' equity):		
Paid up capital (or share capital)	**4,642,884,700.00**	4,642,884,700.00
Capital reserve	**6,304,933,461.30**	6,304,933,461.30
Other comprehensive income	**47,662,981.04**	62,923,244.73
Surplus reserve	**942,510,767.79**	942,510,767.79
General risk reserve	**1,593,860,925.02**	1,593,318,760.87
Retained earnings	**281,213,276.09**	211,258,110.35
Total equity attributable to owners (or equity attributable to shareholders) of the parent company	**13,813,066,111.24**	13,757,829,045.04
Non-controlling interests	**445,239,964.62**	449,544,528.41
Total owners' equity (or shareholders' equity)	**14,258,306,075.86**	14,207,373,573.45
Total liabilities and owners' equity (or shareholders' equity)	**53,811,410,944.62**	50,182,639,547.46

Head of the Company:	*Officer in charge of accounting affairs and the chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Li Zhaoxin**	**Yang Bo**

CONSOLIDATED INCOME STATEMENT

January–March 2023

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan   Currency: RMB   Type of audit: Unaudited

Item		2023 First Quarter	2022 First Quarter
I.	**Total operating income**	**463,516,307.36**	388,483,697.61
	Net interest income	**39,689,917.61**	9,769,477.43
	Including: interest income	**204,099,139.91**	217,931,930.11
	Interest expenses	**164,409,222.30**	208,162,452.68
	Net fee and commission income	**175,921,184.98**	303,072,410.64
	Including: brokerages business	**129,311,431.50**	168,292,020.01
	Investment banking	**18,596,205.37**	106,299,112.68
	Assets management	**13,097,958.97**	8,445,079.93
	Investment income (loss stated with "-")	**135,768,106.91**	372,804,464.78
	Including: Investment income from associates and joint ventures	**12,376,050.40**	-971,832.59
	Other income	**8,962,931.04**	5,710,554.86
	Gains on changes in fair value (loss stated with "-")	**51,341,445.97**	-310,101,803.37
	Gains on foreign exchange (loss stated with "-")	**1,466,874.15**	2,180,501.14
	Other operating income	**50,365,938.19**	5,030,227.00
	Gains from assets disposal (loss stated with "-")	**-91.49**	17,865.13
II.	**Total operating cost**	**392,611,985.36**	375,549,376.06
	Taxes and surcharges	**2,013,683.95**	2,607,150.88
	Business and administrative expenses	**337,466,441.28**	370,551,094.37
	Expected credit losses	**3,959,885.65**	-1,932,432.16
	Other assets impairment losses	**216,385.68**	282,680.30
	Other operating costs	**48,955,588.80**	4,040,882.67
III.	**Operating profit (loss stated with "-")**	**70,904,322.00**	12,934,321.55
	Add: non-operating income	**656,314.60**	1,293,805.93
	Less: non-operating expenses	**611,479.69**	379,549.24
IV.	**Profit before tax (gross loss stated with "-")**	**70,949,156.91**	13,848,578.24
	Less: income tax expenses	**4,756,390.81**	687,304.64

Item	2023 First Quarter	2022 First Quarter
V. Net profit (net loss stated with "-")	**66,192,766.10**	13,161,273.60
(I) Classified by continuity of operations		
1. Net profit from continuing operations (net loss stated with "-")	**66,192,766.10**	13,161,273.60
2. Net profit from discontinued operations (net loss stated with "-")		
(II) Classified by ownership		
1. Net profit attributable to owners of the parent company (net loss stated with "-")	**70,497,329.89**	18,432,906.28
2. Net profit attributable to non-controlling interests (net loss stated with "-")	**-4,304,563.79**	-5,271,632.68
VI. Other comprehensive income after tax	**-15,260,263.69**	-4,823,195.74
Items attributable to owners of the parent company	**-15,260,263.69**	-4,823,195.74
(I) Not to be reclassified subsequently to profit or loss		
(II) To be reclassified subsequently to profit or loss	**-15,260,263.69**	-4,823,195.74
1. Items attributable to investees under equity method that will be reclassified to profit or loss	**-2,695,171.30**	
2. Changes in the fair value of financial assets at fair value through other comprehensive income	**1,025,111.62**	1,297,899.32
3. The amount of financial assets reclassified and included in other comprehensive income		
4. Credit impairment reserves of financial assets at fair value through other comprehensive income	**-2,583,517.29**	-66,663.04
5. Cash flow hedge provision		
6. Translation differences of foreign currency financial statements	**-11,006,686.72**	-6,054,432.02
7. Others		
Items attributable to non-controlling interests		
VII. Total comprehensive income	**50,932,502.41**	8,338,077.86
Items attributable to owners of the parent company	**55,237,066.20**	13,609,710.54
Items attributable to non-controlling interests	**-4,304,563.79**	-5,271,632.68

Item	**2023 First Quarter**	2022 First Quarter
VIII. Earnings per share (EPS):		
(I) Basic EPS (RMB/share)	**0.02**	0.004
(II) Diluted EPS (RMB/share)	**0.02**	0.004

Head of the Company:	*Officer in charge of accounting affairs and the chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Li Zhaoxin**	**Yang Bo**

CONSOLIDATED CASH FLOW STATEMENT

January–March 2023

Prepared by: Central China Securities Co., Ltd.

Unit: Yuan Currency: RMB Type of audit: Unaudited

Item		2023 First Quarter	2022 First Quarter
I.	**Cash flows from operating activities:**		
	Cash receipt from interests, fee and commissions	**462,578,524.04**	633,142,821.07
	Net decrease in margin accounts receivable		732,227,835.73
	Net increase of repurchase business	**2,342,563,868.61**	1,812,202,057.87
	Cash received from brokerage clients	**466,717,180.92**	
	Other cash received related to operating activities	**62,412,800.99**	107,858,711.97
	Subtotal of cash inflows from operating activities	**3,334,272,374.56**	3,285,431,426.64
	Net decrease in due to banks and other financial institutions		1,850,000,000.00
	Net increase of financial instruments at fair value through profit or loss	**3,215,828,021.30**	741,303,911.80
	Net increase of resale business	**614,117,395.06**	301,416,288.00
	Cash payment to interests, fee charges and commissions	**136,581,067.91**	140,986,500.89
	Net cash paid for brokerage clients		391,539,518.92
	Net increase in margin accounts receivable	**180,107,743.93**	
	Cash payments to and on behalf of employees	**502,878,589.89**	598,537,556.38
	Cash payments of taxes	**16,589,054.06**	46,709,604.15
	Other cash payments related to operating activities	**555,246,143.61**	286,286,001.51
	Subtotal of cash outflows from operating activities	**5,221,348,015.76**	4,356,779,381.65
	Net cash flows from operating activities	**-1,887,075,641.20**	-1,071,347,955.01
II.	**Cash flows from investing activities:**		
	Cash received from investment recovery	**1,074,913,578.87**	77,212,756.11
	Cash received from investment income	**18,349,095.18**	7,655,570.79
	Cash received from disposal of fixed assets, intangible assets and other long-term assets	**228,233.84**	255,187.36
	Subtotal of cash inflows from investing activities	**1,093,490,907.89**	85,123,514.26
	Cash payments to acquire fixed assets, intangible assets and other long-term assets	**26,281,597.05**	115,753,822.01
	Subtotal of cash outflows from investing activities	**26,281,597.05**	115,753,822.01
	Net cash flows from investing activities	**1,067,209,310.84**	-30,630,307.75

Item		**2023 First Quarter**	2022 First Quarter
III.	**Cash flows from financing activities:**		
	Cash received from issuance of bonds	**3,350,946,699.51**	5,045,242,316.98
	Subtotal of cash inflows from financing activities	**3,350,946,699.51**	5,045,242,316.98
	Cash repayments of borrowings	**1,896,089,650.00**	4,018,865,000.00
	Cash payments for distribution of dividends or profit or interest expenses	**133,892,412.14**	136,931,433.99
	Other cash payments related to financing activities	**96,267,549.89**	18,224,968.19
	Subtotal of cash outflows from financing activities	**2,126,249,612.03**	4,174,021,402.18
	Net cash flows from financing activities	**1,224,697,087.48**	871,220,914.80
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**1,466,874.15**	2,180,501.14
V.	**Net increase in cash and cash equivalents**	**406,297,631.27**	-228,576,846.82
	Add: opening balance of cash and cash equivalents	**13,297,323,968.54**	14,870,067,135.88
VI.	**Closing balance of cash and cash equivalents**	**13,703,621,599.81**	14,641,490,289.06

Head of the Company:	*Officer in charge of accounting affairs and the chief accountant:*	*Head of the accounting department:*
Jian Mingjun	**Li Zhaoxin**	**Yang Bo**

(III) ADJUSTMENT ON RELATED ITEMS OF FINANCIAL STATEMENTS OF THE BEGINNING OF THE YEAR WHEN IMPLEMENTING NEW ACCOUNTING STANDARDS OR INTERPRETATION OF STANDARDS FOR THE FIRST TIME IN 2023

☐ Applicable ✓ Not applicable

Announcement is hereby given.

The Board of Central China Securities Co., Ltd.
21 April 2023