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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in China Galaxy Securities Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

**RETIREMENT OF MR. CHEN GONGYAN AS  
EXECUTIVE DIRECTOR OF THE COMPANY  
ELECTION OF MR. WANG SHENG AS EXECUTIVE DIRECTOR  
OF THE COMPANY  
ISSUANCE OF PERPETUAL SUBORDINATED BONDS  
AND  
NOTICE OF THE FIRST  
EXTRAORDINARY GENERAL MEETING OF 2022**

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The EGM of China Galaxy Securities Co., Ltd. will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Thursday, 18 August 2022 at 10:00 a.m.. The notice convening the EGM is set out on pages 9 to 10 of this circular.

If you intend to appoint a proxy to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) and the Office of the Board of Directors of the Company (for A Shareholders) not less than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on Wednesday, 17 August 2022) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

1 August 2022

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“A Share(s)”	domestic share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of A Shares
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	China Galaxy Securities Co., Ltd., a joint stock company with limited liability incorporated in the PRC on 26 January 2007, whose H Shares are listed on the Stock Exchange (Stock Code: 06881) and A Shares are listed on the Shanghai Stock Exchange (Stock Code: 601881)
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the first extraordinary general meeting of 2022 of the Company to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Thursday, 18 August 2022 at 10:00 a.m.
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

*In case of any discrepancy between the English and Chinese versions of this circular, the Chinese version shall prevail.*

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## LETTER FROM THE BOARD

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*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

**The Board of Directors:**

*Executive Directors:*

Mr. CHEN Liang (*Chairman*)  
Mr. CHEN Gongyan

*Registered Office in the PRC:*

No. 101, 7/F-18/F  
Building No.1, No. 8 Xiyong Street  
Fengtai District, Beijing, the PRC

*Non-executive Directors:*

Mr. LIU Dingping  
Mr. YANG Tijun  
Ms. LIU Chang  
Mr. LIU Zhihong  
Mr. JIANG Yuesheng

*Principal Place of Business in Hong Kong:*

20th Floor, Wing On Centre  
111 Connaught Road Central  
Sheung Wan, Hong Kong

*Independent Non-executive Directors:*

Mr. LIU Ruizhong  
Mr. WANG Zhenjun  
Ms. LIU Chun  
Mr. LAW Cheuk Kin Stephen

1 August 2022

*To the Shareholders*

Dear Sir or Madam,

**RETIREMENT OF MR. CHEN GONGYAN AS EXECUTIVE DIRECTOR  
OF THE COMPANY**

**ELECTION OF MR. WANG SHENG AS  
EXECUTIVE DIRECTOR OF THE COMPANY**

**ISSUANCE OF PERPETUAL SUBORDINATED BONDS**

**INTRODUCTION**

On behalf of the Board of Directors, I invite you to attend the EGM to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyong Street, Fengtai District, Beijing, the PRC on Thursday, 18 August 2022 at 10:00 a.m..

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the EGM.

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## LETTER FROM THE BOARD

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### **BUSINESSES TO BE CONSIDERED AT THE EGM**

Ordinary resolutions will be proposed at the EGM to approve: (1) the retirement of Mr. Chen Gongyan as an executive Director of the Company; and (2) the election of Mr. Wang Sheng as an executive Director of the Company.

A special resolution will be proposed at the EGM to approve: (3) the issuance of perpetual subordinated bonds.

#### **Ordinary Resolutions:**

##### **1. Retirement of Mr. Chen Gongyan as an executive Director of the Company**

Reference is made to the announcement of the Company dated 13 July 2022. As Mr. Chen Gongyan has reached the retirement age, the Board has agreed that Mr. Chen Gongyan shall cease to act as an executive Director of the Company. In accordance with the provisions of the Articles of Association, the retirement of Mr. Chen Gongyan as an executive Director of the Company is subject to the approval of the Shareholders at the EGM.

Mr. Chen Gongyan has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders. The Company would like to express its sincere appreciation to Mr. Chen Gongyan for his invaluable contribution to the Company during his tenure of office.

The above resolution was considered and approved by the Board on 13 July 2022 and is hereby proposed at the EGM for Shareholders' consideration and approval.

##### **2. Election of Mr. Wang Sheng as an executive Director of the Company**

The Board considered and approved the resolution on the nomination of Mr. Wang Sheng as a candidate for executive Director of the fourth session of the Board at its meeting convened on 13 July 2022. The resolution is subject to Shareholders' consideration and approval at the EGM.

The biographical details of Mr. Wang Sheng are set out below:

Wang Sheng, male, born in June 1977, has been the President, the Vice Chairman of the Executive Committee and the deputy secretary of the Party Committee of the Company since July 2022. Mr. Wang Sheng graduated from the School of Economics and Management of Tsinghua University, and obtained a bachelor's degree in management information system and a master's degree in management science and engineering in 2000 and 2002, respectively. Mr. Wang Sheng joined China International Capital Corporation Limited ("CICC") in 2002. He successively participated in the reform and restructuring of companies in various industries, including telecommunications, finance, energy and pharmaceuticals, served many leading domestic and foreign enterprises and led numerous landmark capital market transactions. Mr. Wang Sheng held various key management positions at the Investment Banking Department of CICC from 2010 and served as the

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## LETTER FROM THE BOARD

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leader of the equity group, the head of the Business Development Committee and the head of the team C of the strategic customer group. He served as the deputy head of the Investment Banking Department of CICC from June 2016 to March 2018, the assistant to the president and the deputy head of the Investment Banking Department of CICC from March 2018 to March 2020, a member of the Management Committee and the head of the Investment Banking Department of CICC from March 2020 to July 2022, and a member of the Party Committee of CICC from January 2021 to July 2022.

Mr. Wang Sheng will enter into a service contract with the Company. The term of office of Mr. Wang Sheng as an executive Director of the Company will commence from the date of approval by the Shareholders at the EGM and end on the expiry of the term of the fourth session of the Board. He is eligible for re-election upon expiry of his term.

Mr. Wang Sheng will not receive any director's fee from the Company but will receive corresponding remuneration in accordance with his position in the Company, including salary, performance-based bonus and benefits. His specific remuneration will be determined pursuant to the relevant remuneration administrative measures of the Company with reference to his duties and responsibilities, and shall be submitted to the Board for approval.

Save as disclosed above, Mr. Wang Sheng has not held any directorships in other listed public companies in the last three years, does not hold any other position with the Company or any of its subsidiaries, and is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. Wang Sheng does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Further, there is nothing in respect of the election of Mr. Wang Sheng that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor is there anything that needs to be brought to the attention of the Shareholders.

The above resolution was considered and approved by the Board on 13 July 2022 and is hereby proposed at the EGM for Shareholders' consideration and approval.

### **Special Resolution:**

#### **3. Issuance of Perpetual Subordinated Bonds**

In order to further reinforce the Company's capital strength, promote its business development, optimize its asset-liability structure, and strengthen its profitability and market competitiveness, the Company intends to apply for the issuance of perpetual subordinated bonds of not more than RMB15 billion (RMB15 billion inclusive) (the "**Perpetual Subordinated Bonds**"). Subject to the approval of the Shareholders, the Company will issue the Perpetual Subordinated Bonds in tranches during the validity period and within the approved limit, after considering specific factors such as its business development situation, business capital requirements, capital replenishment needs and market interest rates.

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## LETTER FROM THE BOARD

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### (1) Details of the proposal

- Size and method of issuance : The aggregate issuance size of the Perpetual Subordinated Bonds shall not exceed RMB15 billion (RMB15 billion inclusive), which shall be publicly issued by the Company to professional investors in tranches according to its needs for business development.
- Maturity : Subject to compliance with the minimum maturity requirement of the regulatory departments, the specific type of maturity of the Perpetual Subordinated Bonds shall be determined in accordance with the Company's business funding needs and market conditions, and the issuer may be given the option to redeem (or renew) the Perpetual Subordinated Bonds.
- Interest rate and determination method, extension and adjustment of interest rate : The coupon rate for the Perpetual Subordinated Bonds may be fixed or floating interest rate. The specific coupon rate and its determination method, as well as the extension and the adjustment of interest rate, shall be determined according to market conditions.
- Deferred interest payment : Except for the mandatory interest payment events, the Company may defer the payment of interest on the Perpetual Subordinated Bonds. The frequency of deferred payment of interest, whether the deferred interest is calculated on a cumulative basis and whether any interest is accrued thereon, shall be determined by the Company according to market conditions.
- Mandatory interest payment events : If the following events occur within 12 months before the interest payment date of the Perpetual Subordinated Bonds, the issuer shall not defer the payment of the current interest, as well as all deferred interest and interest accrued thereon: (1) profit distribution to ordinary Shareholders; (2) reduction of registered capital.
- Use of proceeds : The proceeds from the issuance of the Perpetual Subordinated Bonds are intended to be used to satisfy the needs for the Company's business and operation, adjust its debt structure, repay its debts due, and replenish its capital funds and working capital etc., so as to improve the Company's overall competitiveness.



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## LETTER FROM THE BOARD

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### (2) Scope of authorization

The Board proposes to the Shareholders' general meeting to authorize the Board and agree the Board to delegate its authority to the business management of the Company to deal with relevant matters of the issuance of the Perpetual Subordinated Bonds in accordance with market conditions, the actual needs such as the capital replenishment and capital needs of the Company and on the principle of maximizing the interest of the Company, including:

- (a) pursuant to national laws and regulations and relevant regulations of the securities regulatory departments, and the resolutions passed at the Shareholders' general meeting and the Board meeting, within the total issuance size specified in the above resolutions, to formulate and implement the specific plan of the issuance of each tranche of the Perpetual Subordinated Bonds, which includes all matters related to the terms of issuance such as the time of issuance, arrangement for issuance in tranches, bond interest rate and its determination method, extension and adjustment of interest rate, use of proceeds, terms of option to redeem (renew) the bonds, option to defer payment of interest and relevant arrangements of the exercise of options, specific settlement assurance, and place of issuance and trading;
- (b) to apply for the reporting, registration, filing, record, transfer, exercise of options and other relevant matters relating to the issuance of the Perpetual Subordinated Bonds (including formulation, signing, execution, modification, completion of necessary documents and agreements, and information disclosure) to regulatory authorities and stock exchanges;
- (c) to engage intermediaries for the completion of relevant matters regarding the issuance and trading of the Perpetual Subordinated Bonds;
- (d) to make corresponding changes to the relevant matters of the specific plan of the issuance of the Perpetual Subordinated Bonds in the event of any changes to the policies of regulatory authorities regarding the issuance of perpetual subordinated bonds or any changes to the market conditions, except for the matters which are required to be separately approved by the Board and the Shareholders' general meeting pursuant to the laws and regulations, the Articles of Association and the internal policies of the Company; and
- (e) to deal with other matters related to the issuance and trading of the Perpetual Subordinated Bonds.

The above resolution shall be valid for a period of 24 months from the date of consideration and approval by the Shareholders at the EGM.

The above resolution was considered and approved by the Board on 13 July 2022 and is hereby proposed at the EGM for Shareholders' consideration and approval.

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## LETTER FROM THE BOARD

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### THE EGM

The notice convening the EGM and the form of proxy are enclosed herewith.

If you intend to appoint a proxy to attend the EGM, please complete the form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Office of the Board of Directors of the Company (for A Shareholders) not less than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on Wednesday, 17 August 2022) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll for the resolutions proposed at the EGM.

### RECOMMENDATION

The Board considers that the resolutions proposed at the EGM are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends you to vote in favour of the resolutions proposed at the EGM.

Yours faithfully,  
By Order of the Board  
**China Galaxy Securities Co., Ltd.**  
**CHEN Liang**  
*Chairman and Executive Director*

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022

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*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 06881)**

### NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022

**NOTICE IS HEREBY GIVEN** that the first extraordinary general meeting of 2022 (the “EGM”) of China Galaxy Securities Co., Ltd. (the “**Company**”) will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC on Thursday, 18 August 2022 at 10:00 a.m. for the following purposes:

#### ORDINARY RESOLUTIONS

1. To consider and approve the retirement of Mr. CHEN Gongyan as an executive director of the Company;
2. To consider and approve the election of Mr. WANG Sheng as an executive director of the fourth session of the board of directors of the Company; and

#### SPECIAL RESOLUTION

3. To consider and approve the issuance of perpetual subordinated bonds by the Company.

By Order of the Board  
**China Galaxy Securities Co., Ltd.**  
**CHEN Liang**  
*Chairman and Executive Director*

Beijing, the PRC, 1 August 2022

*Notes:*

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of EGM will be voted by poll. Results of the poll voting will be published on the Company's website at [www.chinastock.com.cn](http://www.chinastock.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the EGM.
2. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the Office of the Board of Directors of the Company (for A Shareholders) or the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders), not less than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on 17 August 2022) or any adjournment thereof. Computershare

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2022

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Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.

4. The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H Shares to attend the EGM, from Monday, 15 August 2022 to Thursday, 18 August 2022 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 12 August 2022. The Company will announce separately on the Shanghai Stock Exchange details of the eligibility of the A Shareholders for attending the EGM.
5. Where there are joint holders of any shares, the one whose name stands first on the register of members shall be entitled to attend and vote at the EGM in respect of such shares.
6. Shareholder or his/her proxy shall produce proof of identity when attending the EGM:
  - (a) Legal representatives of legal person shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the board of directors or other governing body of the legal person shareholders according to laws; and
  - (b) Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce effective proof of identity and form of proxy.
7. The EGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. The Office of the Board of Directors of the Company is located at Qinghai Finance Building, Building No. 1, No. 8 Xiyang Street, Fengtai District, Beijing, the PRC.

Tel. no.: 86 (10) 8092 9800

Fax no.: 86 (10) 8092 6725

*As at the date of this notice, the executive directors of the Company are Mr. CHEN Liang (Chairman) and Mr. CHEN Gongyan; the non-executive directors are Mr. LIU Dingping, Mr. YANG Tijun, Ms. LIU Chang, Mr. LIU Zhihong and Mr. JIANG Yuesheng; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.*