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

ANNOUNCEMENT

PROPOSED CHANGE OF EXTERNAL AUDITORS

China Galaxy Securities Co., Ltd. (the “**Company**”) wishes to announce that the board of directors of the Company (the “**Board**”) considered and approved (among others) the resolution on the appointment of the external auditors of the Company for 2019 at the meeting held on 27 March 2019.

Deloitte Touche Tohmatsu Certified Public Accountants LLP has consecutively served as the external auditor of the Company for eight years. Pursuant to the relevant requirements of the Administrative Measures for the Appointment of Accounting Firms by Financial Enterprises (《金融企業選聘會計師事務所管理辦法》) (Caijin [2016] No.12) issued by the Ministry of Finance of China, the tenure of service of an auditor engaged by a financial enterprise shall not exceed 8 years. As such, the Company is required to appoint new external auditors for 2019.

The Board proposed to engage Ernst & Young Hua Ming LLP and Ernst & Young as the external auditors of the Company for 2019 who shall be responsible for the provision of related audit services and review services in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively. The external audit fee for 2019 will be RMB4,325,000, including the interim review fee of RMB1,310,000, the annual audit fee of RMB2,615,000, the annual internal control audit fee of RMB310,000, and the assurance service fee relating to the environmental, social and governance report of RMB90,000.

Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, as the Company’s external auditors for 2018, will continue to provide services to the Company including the financial statements audit and internal control audit for 2018. Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu have confirmed that there are no matters relating to their retirement that need to be brought to the attention of the shareholders of the Company. The Board has also confirmed that the Company has no disagreement or unresolved matters with Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, and is not aware of any matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its gratitude to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu for their professional services and support.

The above resolution is subject to the approval at the general meeting the Company. A circular containing (among others) details of the above resolution will be despatched to the shareholders of the Company in due course.

By order of the Board
China Galaxy Securities Co., Ltd.
Chen Gongyan
Chairman and Executive Director

Beijing, the PRC
27 March 2019

As at the date of this announcement, the executive Directors of the Company are Mr. CHEN Gongyan (Chairman) and Mr. GU Weiguo; the non-executive Directors are Ms. XIAO Lihong, Mr. ZHANG Tianli, Mr. LIU Dingping and Ms. WANG Zelan; and the independent non-executive Directors are Mr. WANG Zhenjun, Ms. LIU Chun, Mr. WU Yuwu and Mr. LIU Ruizhong.