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

## **ANNOUNCEMENT**

### **RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING AND DISTRIBUTION OF 2018 FINAL DIVIDEND**

The Board wishes to announce that all resolutions proposed at the AGM were duly passed.

The 2018 Final Dividend is expected to be paid on Friday, 26 July 2019 to holders of H Shares of the Company.

The board of directors (the “**Board**”) of China Galaxy Securities Co., Ltd. (the “**Company**”) wishes to announce that the annual general meeting of the Company was held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC on Tuesday, 28 May 2019 at 10:00 a.m. (the “**AGM**” or “**Meeting**”), and all resolutions proposed at the AGM were duly passed.

#### **I. POLL RESULTS AT THE AGM**

As at the date of the AGM, shareholders holding a total of 10,137,258,757 shares (including 6,446,274,124 A Shares and 3,690,984,633 H Shares), representing 100% of the total number of issued shares of the Company, were entitled to attend and vote on the resolutions proposed at the AGM. No shareholders were required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to abstain from voting or voting in favour of any of the resolutions proposed at the AGM.

Shareholders and authorized proxies holding a total of 5,930,981,672 shares, representing approximately 58.51% of the total number of issued shares of the Company, attended the AGM. The voting at the AGM was conducted by way of onsite voting and online voting. The AGM was convened in accordance with the requirements of the relevant laws and regulations of the PRC and the articles of association of the Company, and the poll results are lawful and valid.

<b>Total number of shareholders and authorized proxies attending the Meeting</b>	26
including: number of holders of A Shares	23
number of holders of H Shares	3
<b>Total number of shares with voting rights</b>	5,930,981,672
including: total number of shares held by holders of A Shares	5,165,737,066
total number of shares held by holders of H Shares	765,244,606
<b>Percentage to the total number of shares with voting rights (%)</b>	58.506760
including: percentage of shares held by holders of A Shares (%)	50.957928
percentage of shares held by holders of H Shares (%)	7.548832

The AGM was chaired by Mr. Chen Gongyan, the Chairman of the Board of the Company. Eight out of the ten directors of the Company attended the Meeting, while Mr. Gu Weiguo and Mr. Wu Yuwu were unable to attend due to other business commitments. Four out of the five supervisors of the Company attended the Meeting, while Ms. Fang Yan was unable to attend due to other business commitments. Certain members of the senior management of the Company also attended the Meeting.

The poll results in respect of the resolutions proposed at the AGM are as follows:

Resolutions	Type of shareholders	For		Against		Abstain		
		No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	
<b>As ordinary resolutions</b>								
1	To consider and approve the report of the board of directors of the Company for 2018	Holders of A Shares	5,165,729,966	99.999863	3,700	0.000071	3,400	0.000066
		Holders of H Shares	762,734,606	99.672000	0	0.000000	2,510,000	0.328000
		Total	5,928,464,572	99.957560	3,700	0.000063	2,513,400	0.042377
The resolution was duly passed as an ordinary resolution.								
2	To consider and approve the report of the supervisory committee of the Company for 2018	Holders of A Shares	5,165,729,966	99.999863	3,700	0.000071	3,400	0.000066
		Holders of H Shares	762,734,606	99.672000	0	0.000000	2,510,000	0.328000
		Total	5,928,464,572	99.957560	3,700	0.000063	2,513,400	0.042377
The resolution was duly passed as an ordinary resolution.								
3	To consider and approve the 2018 annual report of the Company	Holders of A Shares	5,165,729,966	99.999863	3,700	0.000071	3,400	0.000066
		Holders of H Shares	762,734,606	99.672000	0	0.000000	2,510,000	0.328000
		Total	5,928,464,572	99.957560	3,700	0.000063	2,513,400	0.042377
The resolution was duly passed as an ordinary resolution.								

Resolutions		Type of shareholders	For		Against		Abstain	
			No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)
4	To consider and approve the final accounts report of the Company for 2018	Holders of A Shares	5,165,725,266	99.999772	8,400	0.000162	3,400	0.000066
		Holders of H Shares	762,734,606	99.672000	0	0.000000	2,510,000	0.328000
		Total	5,928,459,872	99.957481	8,400	0.000142	2,513,400	0.042377
The resolution was duly passed as an ordinary resolution.								
5	To consider and approve the profit distribution plan of the Company for 2018	Holders of A Shares	5,165,717,966	99.999630	15,700	0.000304	3,400	0.000066
		Holders of H Shares	764,899,606	99.954916	0	0.000000	345,000	0.045084
		Total	5,930,617,572	99.993861	15,700	0.000265	348,400	0.005874
The resolution was duly passed as an ordinary resolution.								
6	To consider and approve the capital expenditure budget of the Company for 2019	Holders of A Shares	5,165,729,966	99.999863	3,700	0.000071	3,400	0.000066
		Holders of H Shares	764,899,606	99.954916	0	0.000000	345,000	0.045084
		Total	5,930,629,572	99.994063	3,700	0.000063	348,400	0.005874
The resolution was duly passed as an ordinary resolution.								
7	To consider and approve the appointment of the external auditors of the Company for 2019	Holders of A Shares	5,165,731,366	99.999890	2,300	0.000044	3,400	0.000066
		Holders of H Shares	742,561,434	97.035827	21,276,152	2.780308	1,407,020	0.183865
		Total	5,908,292,800	99.617452	21,278,452	0.358767	1,410,420	0.023781
The resolution was duly passed as an ordinary resolution.								
8	To consider and approve the removal of Mr. Gu Weiguo from the office of executive director of the Company	Holders of A Shares	5,165,731,366	99.999890	2,300	0.000044	3,400	0.000066
		Holders of H Shares	764,899,606	99.954916	0	0.000000	345,000	0.045084
		Total	5,930,630,972	99.994087	2,300	0.000039	348,400	0.005874
The resolution was duly passed as an ordinary resolution.								
<b>As a special resolution</b>								
9	To consider and approve the general mandate to issue shares of the Company	Holders of A Shares	5,161,751,384	99.922844	3,982,282	0.077090	3,400	0.000066
		Holders of H Shares	333,544,916	43.586706	431,354,690	56.368210	345,000	0.045084
		Total	5,495,296,300	92.654077	435,336,972	7.340049	348,400	0.005874
The resolution was duly passed as a special resolution.								

Pursuant to the relevant laws and regulations of the PRC, the Company announces the poll results of holders of A Shares who individually or in aggregate hold less than 5% of the shares of the Company in respect of Resolutions No. 5 and No. 7 proposed at the AGM as follows:

Resolutions		For		Against		Abstain	
		No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)
<b>As ordinary resolutions</b>							
5	To consider and approve the profit distribution plan of the Company for 2018	5,107,102	99.627404	15,700	0.306270	3,400	0.066326
7	To consider and approve the appointment of the external auditors of the Company for 2019	5,120,502	99.888807	2,300	0.044867	3,400	0.066326

The full text of the resolutions is set out in the circular of the Company and the notice of AGM both dated 10 April 2019.

Computershare Hong Kong Investor Services Limited (the Company's H Share registrar), two representatives from the Company's shareholders, a supervisor of the Company and two representatives from King & Wood Mallesons (the Company's PRC legal adviser) acted as the scrutineers for the vote-taking at the AGM.

## **II. RETIREMENT OF EXECUTIVE DIRECTOR**

As approved by the shareholders of the Company at the AGM, Mr. Gu Weiguo has ceased to act as an executive director, and a member of each of the Strategy and Development Committee and the Compliance and Risk Management Committee of the Company upon conclusion of the AGM. Mr. Gu Weiguo 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 of the Company. The Company would like to express its sincere appreciation to Mr. Gu Weiguo for his important contribution to the Company during his tenure of office.

## **III. CHANGE OF EXTERNAL AUDITORS**

As approved by the shareholders of the Company at the AGM, Ernst & Young Hua Ming LLP and Ernst & Young have been appointed 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.

Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, the external auditors of the Company for 2018, have retired as the external auditors of the Company upon conclusion of the AGM. 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 Company would like to express its gratitude to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu for their professional services and support.

#### **IV. DISTRIBUTION OF 2018 FINAL DIVIDEND**

The resolution on the profit distribution plan of the Company for the year ended 31 December 2018 has been approved at the AGM. The Company will distribute a cash dividend of RMB912,353,288.13 (inclusive of tax) for the year ended 31 December 2018 (the “**2018 Final Dividend**”). Based on the Company’s total number of issued shares of 10,137,258,757 shares as at 31 December 2018, a cash dividend of RMB0.90 (inclusive of tax) for every 10 shares will be distributed. In case of any change in the total number of issued shares of the Company on the record date (namely 6 June 2019) as a result of placing or repurchase, the amount of cash dividend per share will be adjusted accordingly based on the total amount of RMB912,353,288.13 (inclusive of tax).

The 2018 Final Dividend is denominated and declared in RMB, and payable in RMB and in HK dollars to holders of A Shares and holders of H Shares, respectively. The actual amount distributed in HK dollars will be calculated based on the average benchmark exchange rate of RMB against HK dollars announced by the People’s Bank of China for the five business days prior to the date of the AGM (i.e. RMB0.878834 against HK\$1.00). Accordingly, the 2018 Final Dividend is HK\$0.102408 per H Share (inclusive of tax).

For the purpose of determining the entitlement of holders of H Shares to the 2018 Final Dividend, the H Share register of members of the Company will be closed from Saturday, 1 June 2019 to Thursday, 6 June 2019 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share register of members of the Company on Thursday, 6 June 2019 are entitled to the 2018 Final Dividend. In order to be entitled to receive the 2018 Final Dividend, 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 holders of H Shares) 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, 31 May 2019. The last trading day for H Shares of the Company before ex-dividend will be Wednesday, 29 May 2019, and trading of ex-dividend H Shares will commence on Thursday, 30 May 2019.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent (the “**Receiving Agent**”) in Hong Kong and will pay the declared 2018 Final Dividend to the Receiving Agent for payment to holders of H Shares. It is expected that the Receiving Agent will pay the 2018 Final Dividend on Friday, 26 July 2019 to holders of H Shares whose names appear on the H Share register of members of the Company on Thursday, 6 June 2019.

As for the distribution of the 2018 Final Dividend to the holders of A Shares, the record date is Thursday, 6 June 2019. As 7 June 2019 (Friday) is a public holiday, the ex-dividend date and the dividend distribution date for holders of A Shares will be postponed to Monday, 10 June 2019. The Company will announce separately on the Shanghai Stock Exchange details of the arrangements regarding the distribution of the 2018 Final Dividend to the holders of A Shares.

## **V. WITHHOLDING AND PAYMENT OF INCOME TAX**

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), dividend received by overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of “interest, dividend and bonus income”, which shall be withheld by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties entered into between the countries where they reside and the PRC or the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax treaties and tax arrangements is 10% in general, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may withhold individual income tax at the rate of 10% in general when distributing dividends, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax treaties stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the competent tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax treaties stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; and (3) for citizens from countries without tax treaties or under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold

the enterprise income tax at a flat rate of 10%. After receiving the dividends, non-resident enterprise shareholders may, or may entrust an agent or withholding agent to, apply to the competent tax authorities for the entitlement of the preferential tax treatment under the relevant tax treaties or tax arrangements. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate under the tax treaties or tax arrangements will be refunded.

## **VI. PROFIT DISTRIBUTION TO HONG KONG INVESTORS VIA THE SHANGHAI STOCK CONNECT PROGRAM**

For Hong Kong investors (including enterprises and individuals) investing in the Company's A Shares via the Shanghai Stock Connect Program, the 2018 Final Dividend will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such A Shares. The record date, the dividend distribution date and other arrangements for investors via the Shanghai Stock Connect Program will be the same as those for the holders of A Shares of the Company.

The Company will withhold and pay income tax at the rate of 10% on behalf of those investors. For investors via the Shanghai Stock Connect Program who are tax residents of other countries and whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises or individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

## **VII. PROFIT DISTRIBUTION TO MAINLAND INVESTORS VIA THE HONG KONG STOCK CONNECT PROGRAM**

For Mainland investors (including enterprises and individuals) investing in the Company's H Shares via the Hong Kong Stock Connect Program, the Shanghai Branch and the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominee holding H Shares for investors via the Hong Kong Stock Connect Program, will receive the 2018 Final Dividend distributed by the Company and distribute such 2018 Final Dividend in RMB to the relevant investors of H Shares through its depository and clearing system. The record date, the dividend distribution date and other arrangements for investors via the Hong Kong Stock Connect Program will be the same as those for the holders of H Shares of the Company.

Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) promulgated on 17 November 2014 and the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shenzhen Stock Market and the Hong Kong Stock Market (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) promulgated on 5 December 2016:

- For Mainland individual investors who invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20% in the distribution of the 2018 Final Dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax refund relating to the withholding tax already paid abroad. For Mainland securities investment funds that invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will withhold individual income tax in the distribution of the 2018 Final Dividend pursuant to the above provisions; and
- For Mainland enterprise investors that invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will not withhold income tax in the distribution of the 2018 Final Dividend and the Mainland enterprise investors shall pay the tax on their own.

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

Beijing, the PRC  
28 May 2019

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