







Preparation Instructions of the Report

This report presents the activities and performance of China Galaxy Securities Co., Ltd. (hereinafter referred to as "the Company" or "China Galaxy Securities") and all of its subsidiaries in 2020 with respect to their active social responsibility. The following is a description of the disclosures in this report:

Reporting period

This Corporate Social Responsibility Report is an annual report covering the period from 1 January 2020 to 31 December 2020, retrospectively and prospectively as appropriate.

Organizational scope of the Report

This Report is primarily about China Galaxy Securities Co., Ltd., covering all professional bodies under the Company, and the scope of disclosure in this report is consistent with the 2019 Annual Report of China Galaxy Securities Co., Ltd. (the "Annual Report").

Preparation language of the Report

The Company has prepared this report in both English and Chinese. In case of discrepancies between the English and Chinese versions of this report, the Chinese version shall prevail.

Preparation reference of the Report

This report has been prepared in accordance with the "Environmental, Social and Governance Reporting Guidelines" of the Hong Kong Stock Exchange (hereinafter referred to as the "HKEX"), with reference to the Sustainable Development Reporting Guidelines of Global Reporting Initiative (GRI), the "Circular on Enhancing Social Responsibility of Listed Companies and Issuing the Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies" promulgated by the Shanghai Stock Exchange (hereinafter referred to as "SSE"), the "Guidelines of Shanghai Stock Exchange for Environmental Information Disclosure of Listed Companies" and the "The Guidelines on the Preparation of Reports on Performance of Corporate Social Responsibility " in Annex II of the 2009 Annual Report of Listed Companies Memorandum No. 1.

Data in the Report

The financial data in this Report are extracted from the audited Annual Reports of the Company and other data are obtained from the Company's internal system or manually compiled. The currency types and amounts mentioned in this report are in RMB unless otherwise stated.

Assurance Approach

Ernst & Young Hua Ming LLP (Special General Partner) is engaged to provide an independent third party assurance for the Report.

Acknowledgement and approval of the Report

The contents and data disclosed in this report have been considered and approved by the Board of Directors of the Company.

Release and Interpretation of the Report

The Report is released both in hardcopies and online. The online version is available on the HKEX news' website (Http://www.hkexnews.hk), SSE' s website (Http://www.sse.com.cn) and the Company' s website (Http://chinastock.com.cn).

CHINA GALAXY SECURITIES CO., LTD. **2020 SOCIAL** RESPONSIBILITY

and Environmental Social and Governance Report



Chairman's Statement



River flowing day and night, and the song is still singing. Looking back, with a long way ahead. 2020 was a complicated year, full of turbulence and extraordinary events. In "witnessing history" again and again, China Galaxy Securities man always has always upheld his original intention and keeps firmly in mind the mission on his shoulders.

This year, the epidemic has not only changed people's way of life, but also challenged the governance, social order and moral conscience of the country. In the face of turbulence and unprecedented changes of the century, people in China achieved a "double victory" in economic and social development as well as in epidemic prevention and control, and opened up a new pattern of "double cycle" development. Strucking waves in the mid-stream and surfing at high speed requires enormous courage. After the battle, the progress of the Chinese nation towards great rejuvenation will be even more powerful!

This year was both an inaugural year for the capital market and a year of reform. The new Securities Law was implemented, the supporting regulations were updated, the infrastructure was comprehensively strengthened and the formation of a multi-layered capital market system was accelerated. "Knowing from the snow, spring has arrived". This is the best time for everyone in the industry!

In this year, employees of Galaxy went along with the country and with the times. The year was marked by a series of activities such as epidemic prevention and control, resumption of work and production, stable operation, "Six Stabilities" and "Six Guarantees", fighting against poverty, support of entities, caring for employees and practicing public welfare.

During the year, we insisted on "drawing a blueprint to the end". In the opening year of the "three-year transformation period" and "three-year consolidation period", the Company's operating results rose to a new height, its market position improved steadily, and its quality development continued to gain momentum. Every honour and achievement is the witness of the employees of Galaxy who have walked with the times and the hard work and sweat of each and every Galaxy man.

When spring returns, everything is new and fresh. Looking ahead to 2021, we will never hold back in the pursuit of our dreams; we will walk with the times with our mission remaining intact. In the new year, we will fully implement the spirit of the Fifth Plenary Session of the 19th CPC Central Committee and the spirit of the Central Economic Work Conference, based on the new development stage, implement the new development concept, serve the new development pattern, consistently fulfill our role of serving the real economy, accelerate the enhancement of our core competitiveness, and comprehensively promote the high-quality development of the Company.



China Galaxy Securities Co., Ltd. Party committee secretary and Chairman



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Practicing corporate culture
Strengthening risk management
Ensuring compliant operations

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Giving back to the community sharing a better life

Topic: Fulfilling responsibility of pove alleviation through targeted mea

Developing green finance

Implementing green operations

Giving back to the international community



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Company profile

China Galaxy Securities Co., Ltd. (the "Company") is one of the leading integrated service providers in the PRC for the securities industry. With our unique history, brand and shareholder advantages, the more extensive business network within the industry and a leading customer base, as well as comprehensive business strength, the Company provides comprehensive financial services such as think-tank consulting, wealth management, investment banking, investment management and international business to governments, corporations, institutions and individuals.

The Company's is committed to becoming a leading investment bank in Asian capital market and a securities financial institution of systematic significance.

The Company is headquartered in Beijing, with a registered capital of RMB 10.137 billion. The Company has 36 branch offices and 491 securities branches located in 179 cities at prefecture level or above across China, and its international business network extends to Hong Kong, Singapore, Malaysia, Indonesia, Thailand, India, Korea, the United Kingdom, the United States and other countries and regions. The company has five subsidiaries: Galaxy Futures Company Limited, Galaxy Capital Management Company Limited, China Galaxy International Financial Holdings Company Limited, Galaxy Jinhui Securities Assets Management Co., Ltd. and Galaxy Yuanhui Investment Co., Ltd..













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Global Service Network



History

August 2000

With the approval of the State Council, China Galaxy Securities Limited Company (中国银河证券有限责 任公司) was established as a wholly state-owned securities company on the basis of the merger of the securities business departments and securities operations of the former ICBC, Agricultural Bank of China, Bank of China, Construction Bank of China, PICC and the Trust and Investment Company under the China Economic Development Corporation.

January 26, 2007

With the approval of the CSRC, China Galaxy Financial Holdings Limited, as a main promoter, together with four domestic investors, jointly established China Galaxy Securities Co., Ltd.,

9 February 2011

China Galaxy International Financial Holdings Company Limited was established in Hong Kong.

5 May 2015

The Company completed the H-share placement.

(Stock code: 06881.HK)

22 May 2013

23 January 2017

Shanghai Stock Exchange.

(Stock Code:601881.SH)

Hong Kong, Deeply involved in the local market for many years, is the holding platform for the parent's China overseas operations and over 200 employees Equity institutional sales, research and contract-Korea for-difference (CFD) business Malaysia Thailand Businesses such as equity institutional sales, equity retail brokering, futures and research businesses, with a large-scale operation with 15 securities branches and over 500 employees Businesses such as equity institutional sales, Indonesia India equity retail brokering, futures and research businesses, with a large-scale operation with 15 securities branches and over 270 employees

United King



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18 January 2018

China Galaxy International Financial Holdings Limited ("CGI") and Malaysia's CIMB Group completed the transfer of 50% equity interest in CIMB Securities International and the was renamed CGS-CIMB Securities, giving the Company full access to the Southeast Asian market.

The Company was listed on the

28 June 2019

CGI and Malaysia's CIMB Group completed the transfer of 50% equity interest in CGS-CIMB Holdings Sdn.Bhd., and the Company's overseas business layout was further strengthened.





The Company was awarded A 1 by the Shanghai Stock Exchange's Evaluation of Information Disclosure 2019-2020

According to the "Shanghai Stock Exchange's Measures for the Evaluation of Information Disclosure of Listed Companies (Revised in 2017)", after a comprehensive assessment, the Shanghai Stock Exchange's evaluation result of China Galaxy Securities' information disclosure work for 2019-2020 is A.

The Company was awarded AA

1 by the Shanghai Stock Exchange's Classification and Evaluation of securities companies, Class A in 2020

The classification evaluation of securities companies is a comprehensive evaluation of securities companies based on the risk management capabilities and continuous compliance status, combined with the company's business development status. The Company has been rated A for 10 consecutive years, having been highly reputable and earned it accreditation in the Chinese capital market.

China Galaxy Securities APP Wins "Best User Service App" Award

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The Sina Finance Brokerage APP Ranking is an annual comprehensive competition which has been held for five consecutive years, aiming to select brokerage APPs from nearly 100 brokerage firms that deeply explore user needs and provide users with quality comprehensive financial services. China Galaxy Securities won the "Best User Service APP" award after a fierce competition among nearly 100 brokerages.

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Creating "Value" with "Responsibility" the Company won the "Golden Bull Award for Securities Companies"

At the 2020 China Securities Industry High Quality Development Forum, the Company won the "Top 10 Golden Bull Securities Company" and the "Golden Bull Award for Social Responsibility of Securities Companies'

Digital transformation recognised by the media, the Company won the "Top 10 Brand App in the Securities Industry"

At the 2020 China Securities Industry App Jun Ding Awards organised by Brokerage China, the China Galaxy Securities App won two awards of "Top 10 Brand App Recognised By Investors" and "Creative Marketing App" for its wealth account, smart trading, smart marketing and online inve education services, thus setting a new benchmark for China Galaxy Securities' digital wealth management transformation.

The Company was awarded the "Outstanding Information Service . Broker for Southbound Stock Connect " and "Advanced Unit for Investor Education on Southbound Stock Connect"

At the Hong Kong Stock Exchange's Southbound Stock Connect Exchange Conference, our Company won the awards of "Outstanding Information Service Broker for Southbound Stock Connect " and "Advanced Unit for Investor Education on Southbound Stock Connect". According to the data comparison of HKEx, our Company ranked top in terms of total number clients who have opened a Southbound Stock Connect account and trading volume, and made a more prominent contribution in promoting the development of the Southbound Stock Connect market data and interconnection business in the Mainland China

The Company's ESG rating upgraded to BBB, the first time it received the highest rating level in the domestic brokerage firms from MSCI

With its outstanding performance in corporate governance and responsible investment, the Company's 2020 ESG rating was upgraded to BBB, the highest rating level in the domestic securities industry at present. This first-ever rating demonstrates the Company's progress in ESG disclosure and management, reaching a leading level among domestic securities companies.

The Company was awarded the "2020 Excellence in Competitive 1 Social Responsibility Financial Institution" by China Business

The "Excellence in Competitiveness" award relies on the CASS Enterprise Competitiveness Analysis Model, which integrates various indicators of enterprises and conducts professional evaluation of the competitiveness of financial institutions. The selection body integrated various indicators and considered that China Galaxy Securities has played its own advantages, actively fulfilled its responsibilities, and led the development of the industry in many aspects such as helping fight the epidemic and alleviate poverty, serving the real economy, and developing financial innovation, demonstrating its solid commitment and practical style in social responsibility as a state-owned financial institution

Honours received

2019 Diamond Award and Special Contribution Award Market Making Business

Top 10 Options Brokers of the Year 2019

Evaluation of Information Disclosure 2019-2020

2019 SSE Bond Market "Outstanding Fixed Income Busine Innovation Institution"

Outstanding Information Service Broker for Southbou Stock Connect

Advanced Unit for Investor Education on Southbound Sto Connect

2019 Outstanding Securities Firm in Investor Survey

2019 Outstanding Trading Team Award for Treasury Futures in the proprietary category

2019 Interbank Local Currency Market "Best Progress Awa

National Model Unit for the Construction of the Staff Congre System in the Financial System

Top 10 Golden Bull Securities Firms

Golden Bull Award for Social Responsibility of Securities Firm

2020 China All-Star Stockbroker Jun Ding Award

2019 Interbank Local Currency Market "Best Progress Award

Evergreen Award 2019 - Sustainable Development Risk Control Award

Best User Service App

Golden Tripod Award "Most Integrated Wealth Managem Brokerage Firm"

Golden Tripod Award for "Poverty Alleviation Achievement"

Golden Tripod Award for "Excellent Culture Building Case"

Competitive Excellence 2020 Socially Responsible Finance Institutions

Top 10 Brand App for Securities Industry

Creative Marketing App

2020 China Online Learning "Boao Award"

	Granters
l for	
	Shanghai Stock Exchange
IESS	Shenzhen Stock Exchange
und tock	Hong Kong Stock Exchange
	China Securities Investor Protection Fund Corporation
	China Financial Futures Exchange
ard"	National Interbank Offered Rate Centre
ress	China Finance Union
ns	China Securities Journal
	Securities Times
d" k	Financial Magazine
	Sina Finance
nent	Daily Economic News
ncial	China Business News
	Brokerage China
	Online Education Information Network





Social responsibility management



ESG Management Objectives

With clients at the core, we will build a first-class modern investment bank with an advanced social responsibility management system, and give back to the community in the process of creating wealth.





ESG Management Philosophy

To integrate corporate value, shareholders' returns, employees' interests and social responsibility, to promote the concept of responsibility based on compliance and innovation, and to take responsibility for our mission.



Compliance as the bottom line

Integrate the concept of compliance into all aspects of business operation, adhere to the business policy of "making progress in stability and active risk control", play the role of "gatekeeper", and provide a solid foundation for the development of shareholders, investors, customers and employees.



Bearing in mind the corporate mission of wealth creation, insisting on the concept of innovation-driven development, focusing on professional capacity building, and contributing to the construction of a healthy, harmonious, rational, regulated, open and dynamic capital market.

ESG Management Model

Adhering to our corporate values of innovation, compliance, service and synergy, China Galaxy Securities insists on providing first-class services to our clients, achieving a win-win trust with our shareholders, growing with our employees and practising corporate citizenship. Our value creation focuses on four areas:

Service Excellence

We are building a leading investment bank with a strong customer focus, continuous business innovation and best-in-class service.

Working together to win

We believe in putting people first, providing a fair and perfect career development platform, creating a harmonious and healthy office environment and collaborating with our staff to grow.

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Carry on together

We are committed to compliance and advanced management to achieve steady growth, provide sustainable returns to shareholders, protect the interests of small and medium-sized shareholders and win the trust of shareholders to achieve a win-win situation.

Corporate responsibility

We firmly believe in drinking water and giving back to the community with our financial strength, serving national strategies and promoting economic and social progress.

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ESG Management Structure

In December 2020, an ESG working group was formally established, comprising directors, senior management, key heads of relevant functions implementing the ESG strategy, and other staff with sufficient ESG knowledge to conduct internal and external materiality assessments.

The ESG Working Group is part of the Audit Committee of the Board of Directors and reports directly to the Board of Directors and is responsible for the overall improvement of the Company's social responsibility management. The team is responsible for: reviewing the company's current ESG management system and advising the Board on the improvement of the ESG management system for approval; conducting basic analysis of ESG information to support management in setting ESG objectives; collecting ESG information and leading the preparation of ESG reports; coordinating internal/external communication on ESG issues on an ongoing basis; coordinating the promotion of ESG practices; and actively conducting internal training.

In March 2021, the ESG Working Group held its first meeting and considered and approved the "ESG Working Group's Terms of Reference", the "Request for the Establishment of ESG Strategic Model" and the "Social Responsibility and Environmental, Social and Governance Report for the Year 2020".

Overview of the ESG Working Group membership



Annual analysis of substantive topics

To systematically identify the key points of the company's ESG work, an online exhibition will be launched in 2020 through the company's WeChat public website, emails and other channels. After systematic analysis and evaluation, the materiality of ESG issues was judged, and the materiality matrix of ESG issues of China Galaxy Securities in 2020 was drawn as the basis for selecting the content of this report and the Company's follow-up social responsibility related work.





Stakeholder communication



performance in fulfilling its social responsibility. them.



Continuously expand communication channels with stakeholders, enhance the frequency and efficiency of communication, and enrich the content of communication so that stakeholders can have a timely and comprehensive understanding of the Company's practice and

The Company attaches great importance to the demands of its stakeholders, communicates with them through various channels, understands their demands and actively responds to

Re	sponse from China Galaxy Securities
business the real economy al economy	 Cooperate with regulators for verification Regular Information Disclosure
erty alleviation ainst the epidemic	• Meetings and reporting
business governance agement ernal controls	 General Meeting of Shareholders Regular Information Disclosure Investor Conference
ests of our customers	 Investor education activities Customer enquiries and complaints Customer Satisfaction Survey Official website, public website
nployees aining safety	 Trade Union Activities Staff Training Cultural activities Staff Care
nt	Strategic Cooperation ExchangeBusiness CommunicationTendering activities
evelopment vervice	 Conducting joint party organization Community Benefit Volunteer Activities Implementing special poverty alleviation



Overcome Difficulties and Fight Against the Epidemic

In view of international and domestic changes arising from COVID-19 in 2020, the Party committee of China Galaxy Securities vigorously carried out important spiritual instructions given by General Secretary Xi Jinping as well as the decisions and arrangements of the Central Party Committee, the State Council and the CIC Party committee, and shouldered earnestly the leading responsibility of epidemic prevention and control. Following the general instructions of "firm confidence, sense of togetherness, adoption of scientific preventive and control measures and precise execution of policies", the immediate and full implementation of the deployment and execution strategies of the Central Party Committee, the State Council and the CIC Party committee are fully ensured, gathering strong positive energy to make united efforts and overcome difficulties altogether. The safety and healthiness of employees are the priority of the Company. Based on the initial result, we have taken timely adjustment to the epidemic prevention and control measures, and have made proper arrangements for work and production resumption, in order to maintain jointly the smooth and order operation of the capital market. The Party members, cadres and all employees are all acting in concert to strengthen epidemic prevention and control and enhance customer services. The Company is actively committed to fulfilling its social responsibilities, playing its role as the main force of the financial "national team", thus, displaying its image as a responsible state-owned securities company.



Scientific Deployment of Epidemic Prevention and Control to Safeguard the Employees' Health

Setting up a special epidemic prevention and control team

Fighting Against the Epidemic under Party committee's Leadership

The Company promptly set up a special epidemic prevention and control leading team, comprising of Chen Gongyan, Party secretary, acting as the team leader, Chen Liang and Chen Jing, both deputy Party secretaries, acting as the deputy team leaders, and members of Party committee and management team as acting as team members Specifically it is indicated that epidemic prevention and control work shall be ranked as the most prominent task during the critical period of epidemic prevention and control.

Establishing a mechanism for responsible persons of epidemic prevention and control

The head each unit is the primarily principal responsible for epidemic prevention and control and shall report duty 24 hours a day. He/she shall be the front leading role, take absolute and full responsibilities for epidemic prevention and control.

Per "Notice on Strengthening Party Leadership at All Levels of Party Organizations to Provide Solid Political Support for Fighting the War of Epidemic Prevention and Control" issued by the Company, Party organizations at all levels are mobilized, Party members and cadres are to adhere strictly to the important instructions of General Secretary Xi Jinping, in terms of both ideology and actions, and the major decisions and deployment of the Central Party Committee. Pursuant to the relevant requirements of the Party committee of CIC, Party members and cadres shall shoulder the political responsibility of epidemic prevention and control, to ensure provision of solid political support for winning in the prevention and control war fighting against the epidemic.

At different stages of the epidemic, office strategies were adjusted and remote office information technology solutions were developed.

Upholding the "Daily Report and Zero report" epidemic system, "minimum staff on site", "optimum on site work" and "normalize on site work" measures were adopted at different stages. Employees dining and parking arrangements were made. Epidemic work including effective materials supply, monitoring, screening, alarming, prevention and control were performed. 1,348 nucleic acid amplification tests were organized for employees in Beijing. It is ensured that all departments at the headquarters, 36 branches, 5 subsidiaries, 491 securities branches were covered without omission.



Party organizations at all levels actively responding

It has earned a positive responses from the Party organizations at all levels and Party members with a series of campaigns launched, including "I'm a Party Member, I Promise", "I'm a Party Member. I Take Action" and proposals publications.

United Labour Union in Support of the Fight Against Epidemi

In response to the call of the Party committee, the labour union of the Company acted promptly to propel actively the fight against the epidemic. Union funds was provided urgently for the purchase of epidemic prevention supplies, and every effort was exerted n the coordination of masks procurement for front line employees.

Combination of on-site + remote working, ranged 1/3 to 1/2 employees working on site

Adhering to the principle of "optimum on site + remote working", the size of each unit was

Continued to adopt the approach of "optimum rotational working on site + remote working" number of employees working on site was increased as required by the needs of workload

Level 3 of the public health emergency response was leveled led in Beijing.all employees at



In view of the practical needs of employees in Hubei Province, the Communist Warming and caring in time, Youth League of the Company purchased insurance proactively for over 360 employees in Hubei Branch, doctors and nurses supporting Hubei and their immediate family members.





Installation of Safety Services "Intelligent Galaxy" and Proactive Optimization of Customer Experience

With over 500 branch offices, China Galaxy Securities is having is the largest number of outlets in the industry. We have over 10 million securities investment customers, accounting for over 6% of securities accounts in China. Also, our number of employees, over 10,000, is taking the lead in the industry. The unpredicted outbreak of the epidemic with respect to the business of the Company is a huge challenge.

Since the outbreak of COVID-19, the Company adhered to the principle of "minimum on site work" to effectively prevent the widespread of the epidemic in our operating outlets under the pre-requisites of health assurance and satisfying service. Measures taken included reduction of working size, live trading, strengthening promotion of the epidemic prevention and control, personnel access control, disinfection in operating locations, on-site business appointment and in time evacuation of on-site customers.. In 2020, no reports relating to the spread of epidemic in the business premises of the Company was found.

Equally, the Company applied multiple measures on transaction security and improvement of customer services. The "Online Galaxy" platform set up by the Company earlier played an important role in the fighting process of the epidemic, standing out the strategic cutting edge of "Intelligent Galaxy". The comprehensive and convenient online services allow customers to manage virtually financial products acquisition, investment consultation and wealth management. We ensure that we will not compromise our services and distance our care to customer under the epidemic, and through practical actions, the Company has demonstrated its support of the maintenance of safety and stabilized operations of the securities market.





In the featured interview"Financial Technology Effectively Aided the Fight against COVID-19, the Development of 'Intelligent Galaxy' to Be Accelerated" published by Shanghai Securities News on 10 February 2020, Chen Gongyan, the Chairman of the Company, expressed, "Currently, the critical task of the industry is to win the prevention and control war fighting against the epidemic, and we should defend our ground and presume our responsibilities. Our ground refers to the priority of our customers and employees' health and safety, our responsibilities is to maintain the safety and stabilized operations of the securities market."



On the day subsequent to the "lock-down" restriction in Wuhan was lifted, CCTV made a special coverage with regard to the conditions of work resumption of 9 securities branches of China Galaxy Securities in Wuhan, who is a representative of financial institutions resuming work and production.



Galaxy's Spirit of Mutual Help Proactive in kind and monetized Donations

"Virus has no mercy, but China Galaxy Securities does." China Galaxy Securities has actively fulfilled its social responsibilities, along with Galaxy Futures and Galaxy Derivatives, donated promptly RMB11.2 million to Hubei Province for the fight against COVID-19 and supporting the prevention and control of the epidemic in Hubei Province. Galaxy Jinhui in kind donations included protective masks amounting to RMB106,000 to Inner Mongolia. Party members and employees of the Company showed actively their care in different means and donated a sum of approximately RMB800,000, demonstrating the mutual help spirit and their firm resolve to overcome difficulties in hard times as well as the Company's mission as a large state-owned financial institution. Media outlets such as CCTV, www.cs.com.cn, Sina Finance, JRJ.com, www.stcn.com and Ifeng.com had coverage on the Company's fight against the epidemic, donations and resumption of work and production.











The office Party branch of the Company made a proposal, calling for "delivering warmth with dedications and gathering strengths with love in the fight against the epidemic". Party members and employees of the Company actively responded to the call and donated a total of RMB48,180 to the "COVID-19-fighting Nurse Support Program" in a public charity platform of Tencent, which was to support nurses across China who were sent to Hubei under the epidemic, with the message " you protect life and we care about you."

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Leverage on Financial Strengths to Responsibility Enterprises' Work and Production Resumption Support

Since the outbreak of COVID-19, the Company proposed prioritizing the support to the investment and financial enterprises in Hubei with a focus on business segment including issuance of epidemic prevention and control bonds. The Company actively participated in the underwriting and issuance of epidemic prevention and control bonds, propelled and initiated promptly projects with an emphasis on both quality and speed, meanwhile, capturing the policy window to successfully issued three epidemic prevention and control bonds including 20 CMST Development (Epidemic Prevention and Control Bonds), 20 Wuzhong Guoyu (Epidemic Prevention and Control Bonds) PPN001 and 20 Caidian Ecology (Epidemic Prevention and Control Bonds). On 21 February 2020, the bookkeeping of the first tranche of ultra-short-term financing bonds (epidemic prevention and control bonds) of CMST Development Co., Ltd. in 2020, of which the Company acted as lead underwriter, was successfully completed, with a size of issue of RMB1 billion. Such bonds were the first epidemic prevention and control bonds in the integrated logistics industry in China. Part of the proceeds were utilized in the transportation of construction aid, healthcare and living supplies of CMST Nanjing Intelligent Logistics Technology Co., Ltd. and Tiajin CMST Chuangshi Logistics Co., Ltd., both are subsidiaries of CMST. The support in the provision of epidemic prevention and control supplies had met the urgent needs of the issuer for low-cost capital in its epidemic prevention and control and assist the issuer in the prevention and control of the epidemic and work and production resumption.



improving living environment and creating new regulations for the Old City. Congratulations to Hubei Xiangyang Investment & Property Co. Ltd. (湖北 襄陽投置業有限公司) on the successful issuance of 2020 non-public issuance corporate bonds designated for special purpose (Phase II).Thank you investors' support!



n 2020, the Company successfully issued 3 epidemic prevention and control bonds with a total size of issue of RMB1.46 billion, and 5 local Hubei bonds with a total size of issue of RMB8.56 billion. It has 3 issue projects in Hubei which were approved but not implemented with a total size of issue of approximately RMB41.5 billion. It also actively undertook the IPO and re-financing projects for a number of enterprises in Hubei Province.

Epidemic prevention and control bonds issued

Stock abbreviation	Total amount of issue (RMB in 100 million)	Term (year)	Use of proceeds
20 CMST Development (Epidemic Prevention and Control Bonds) SCP001		0.7377	
20 Wuzhong Guoyu (Epidemic Prevention and Control Bonds) PPN001		3	
20 Caidian Ecology		2+1	Expenses of Caidian District, Wuhan for sewage treatment, environmental treatment and epidemic prevention point construction

Local Hubei bonds issued

Stock abbreviation	Total amount of issue (RMB in 100 million)	Term (year)	Use of proceeds
20 Xiangtou Property 01			Project construction, supplement working capital, repay bank borrowings
20 Hubei Transportation Investment Renewable 01		5	Project construction, supplement working capital
20 Wuhan Metro GN001			Metro project construction, repay bank borrowings
20 Xiangtou Property 02		6	Project construction, supplement working capital, repay bank borrowings
20 Caidian Ecology			Expenses of Caidian District, Wuhan for sewage treatment, environmental treatment and epidemic prevention point construction



Congratulations to Wunan Metro Group Co., Ltd. (武漢 地鐵集團有限公司) on the successful issuance of the 2020 first green mediumterm notes, and thank you investors' support!

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SOUND AND COMPLIANCE OPERATION ACHIEVED GOOD RETURNS

01

中国银河证券 CHINA GALAXY SECURITIES 创造财富·担当责任



In 2020, China Galaxy Securities adhered to the principle of "full coverage, unified management and classified implementation" to ensure its stable operations and governance. implementation of a comprehensive risk indicator monitoring system effectively prevents financial risks. Having the strict corporate governance, the Company has adopted multi-dimensional anti-money laundering and anti-corruption management to enhance the sense of integrity among employees continually. The Company once again received AA rating in the securities industry classification rating in 2020, which has laid a solid foundation for achieving of its strategic objective of being an international modern investment bank.

US Sound Corporate Governance

M Steady progress in performance

Benefited from the generally improving market environment and the concerted efforts of its employees, the Company captured the opportunities in securities investment business and securities business, revenue investment banking business and international business. The overall business performance indicator showed relatively rapid growth.

2020

It recorded consolidated operating income of RMB23.75billion Representing a year-on-year increase of 39.37% And net profit of RMB7,312 million Representing a year-on-year increase of 39.27% Its annualized return on net assets was 9.84% Representing an increase of 2.20 percentage points from the previous year

By the end of 2020

it had total consolidated assets of RMB445,73 billion

representing an increase of 41.21% from the beginning of the year

and net assets of RMB82.01 billion

epresenting an increase of 14.02% from the beginning of the year





Compliance information disclosure

With the promulgation and implementation of the new Securities Law and related laws and regulations, the Company refined and modularized the critical parts of information disclosure and investor relations management. The Company continues to improve its information disclosure system and information disclosure work procedures to ensure orderly and standardized information disclosure. In 2020, it successfully completed statutory information disclosure and the preparation. Based on the comprehensive assessment by the Shanghai Stock Exchange, the assessment result of the information disclosure work of the Company in the year 2019-2020 was A.

Strengthen investor communication.

The Company carried out various investor reception and communication activities through the regulatory organization platform, official company website, mail box, public telephone. It improved the efficiency of communication and responsiveness of the enquiries of small and medium-sized investors on the work of ESG through multiple channels including regulatory platform, official website, company email and telephone number, etc for the full implementation of investor protection mechanism. Continually maintaining research reporting communication mechanism of international investment bank and domestic securities company, the Company welcomed group visits of investment analysts from investment banks such as Citibank, HSBC, Guotai Junan and CITIC Securities. It actively participated in the "Investor Online Group Reception Day for Listed Companies in Beijing for 2020".

Through **SSE electronic Communication channel of the Shanghai Stock Exchange**, the Company arranged investor relations in a remote way by answering over 100 questions from investors, continued to follow the SSE e Communication channel of the Shanghai Stock Exchange.





Practicing corporate culture

Corporate culture representing the soft power and core competitiveness of a company as well as the integral of the strategic positioning, development philosophy, professional expertise, value orientation and other important factors and sources of supporting the long term stable and healthy development of a company. In recent years, as the top priority of the Company's management committee, the Company has conscientiously practiced the company's values of "innovation, compliance, service, and coordination", and has continued to deepen, refine and practice, and strive to create an industry-specific and China Galaxy Securities-characteristic cultural brands and cultural consensus. A good corporate image of the Company is becoming increasingly clear and making positive contributions to the industry culture.

Adhere to the leadership of the Company and sound corporate governance

- Following the original mission and being a responsible state-owned financial enterprise
- Persist in deepening capacity building and continuously improving professional level and core competitiveness
- Adhere to the correct orientation and create a good atmosphere of retaining talent management

Adhere to compliance operations and

-Cultivating a distinctive

cultural brand

- ensuring staff abiding the minimum acceptance of compliance, strengthen coordination and prevent risks
- 6 Persist in carrying forward the spirit of craftsmanship, everyone strives to be an expert and a model of service in their specialized areas
- Persist in driving financial technology to enhance innovative services and competitiveness

Establish an investment bank ecosystem comparable with leading investment banks in the Asian capital market

Build a first-class investment bank brand management system

Create a talent recognition system that treasures outstanding talents who exercise and adhere to corporate culture

Create an incentive system that strengthens the transformation of employee behavior

Build a self-responsibility monitoring system that consciously remind employees shoulder the mission and take the responsibility

Case

In December 2020, Chen Liang, Deputy Secretary of the Company's management committee and Chairman, accepted an exclusive interview from Shanghai Securities News. He mentioned about his understanding of industry culture construction and actual practice of China Galaxy Securities in culture construction. As the "navigation light", "booster" and "ballast stone", good culture improves corporate governance.



Complementary Culture Construction and Corporate Governance

The securities industry culture and corporate governance are closely integrated and complementary to each other. Both plays an irreplaceable role in enhancing the effectiveness of securities governance. First of all, culture construction is the "navigation light" of corporate governance. In the promoting cultural construction, the Company closely follows the core financial business of the new era and fulfils its responsibilities and missions of serving the real economy, and supports the implementation of national strategies. "The Company has put a lot of effort in responding to the national strategy and serving the real economy. It has actively established 'Shenyang Model' of state-owned enterprise services and provided 'One enterprise, One policy' reformation planning services to around 10 stateowned enterprises. This shows the fulfilment of China Galaxy Securities in supporting national strategies." Secondly, culture construction is the "booster" of corporate governance. The Company advocates core values in a variety of ways and strengthens the ideology and behavioral norms of "people". This measure has effectively enhanced the connection between the corporate governance system and regulatory requirements in practice, and has also become more adapted to the needs of the Company's business development. Furthermore, culture construction is the "ballast stone" of corporate governance. The capital market is a rule-oriented market. The Company advocates the compliance work philosophy of "Compliance creates value, and Compliance is everyone's responsibilities". This provides basic support for the Company to enhance its core competitiveness and sustain its steady and steady development.

Efforts to build the

"Five Systems"

Chairman Chen Liang accepted an exclusive interview with Shanghai Securities News: Cultur construction is the navigation light, capacity booster and ballast stone for corporate governance



Prioritize "innovation" culture first

In the view of Chairman Chen Liang, the culture construction of the securities industry and the corporate culture are considered as an integral relationship between the external and the internal. Under the overall requirements of the culture construction of the securities industry. China Galaxy Securities has determined the eight-character policy of culture construction as "innovation, compliance, service, and collaboration". Innovation is the driving force; compliance is the bottom line; service is the foundation; collaboration is responsibility. From June to September 2020, the Company further carried out the "capacity building" education in three stages of company culture, internal control system, and smart Galaxy construction. Through the shooting of cultural micro-videos, storytelling cases, and various forms of training and publicity. Real cases, true stories, and true feelings reflect the Company's core values.

Brighten up the brand that is compliant and integrity management

Culture construction cannot be separated from the ethical construction of the Company's employees. Therefore, the Company has always stressed the great importance of ethical training of employees, adopts various methods to strengthen the construction of employees' compliance and practice ethics, and comprehensively uses technical means to manage the practice of employees. Strengthen the quality of employees, cultivate good professional ethics, and establish a correct outlook on the world, life, values and interests,

Be a "corporate citizen" with a sense of social responsibility

"Excellent culture must have responsibilities, and the implementation of responsibilities depends on culture." In recent years, the Company has consciously practiced corporate social responsibility and has taken a "Galaxystyle" poverty alleviation path with practical actions, contributing "Galaxy wisdom" to the national poverty alleviation cause. Chairman Chen Liang said, "We are in the hope of becoming a responsible securities company with a good brand image, not only to be an 'economic man', but also a 'corporate citizen' with a sense of social responsibility.'

China Galaxy Securities, Beijing Securities Industry Association and China Securities Industry Association jointly organized the "Beijing Area Securities Company Industrial Culture Construction Symposium"

On November 12, 2020, the "Beijing Regional Securities Company Industrial Culture Construction Symposium" jointly organized by the Beijing Securities Association and the China Securities Association and undertaken by China Galaxy Securities was held in the Company. Chen Jing, deputy secretary of the Company's party committee and chairman of the board of supervisors, gave a detailed introduction to the Company's cultural construction and party building work, and led the participants to visit the main achievements of China Galaxy Securities' cultural construction, observe the China Galaxy Securities promotional video and corporate culture construction microvideo representatives works.





Strengthening Risk Management

The Company always considers risk management an integral part of its core competitiveness. It continues to further enhancing "penetrating and full coverage" holistic risk management system and perfecting the professional safety risk management tools to effectively prevent and control major risks effectively. With the objective of maximizing risks and returns, the Company actively responds by taking effective measures, and was able to maintain risks at a measurable, controllable and tolerable level in general.

Prevent and control financial risks

The Company always takes risk prevention as its primary task. And continues to build and improve the Company's "penetrating and comprehensive" risk management system. The Company has established and implemented a prudent and sound risk audit for the Group, built a Group-wide risk indicator monitoring system, implemented vertical risk management for subsidiaries, promoted targeted risk control in overseas business. Besides, the Company strengthened the research and application of internal credit rating, same customer management and risk warning models, and vigorously promoted risk data governance and system construction. Overall, it continues to advance the building of a comprehensive risk management system of the Group with transparent and full coverage approach, and further improved its professional risk management tools to effectively prevent and control major risks through the comprehensive risk management automation and enhanced intelligent level of the system. Further strengthening the risk data management and system construction, the Company has implemented the Group-wise risk system covering nearly 500 risk monitoring indicators with the inclusion of the risk system of CGS-CIMB Securities International Pte. Ltd. ("CGS-CIMB") to ensure fully penetrating integrated risk management. In 2020, there was no major risk incident identified. Historical risks were effectively eliminated. Integrated risk situation is under controlled and monitored. Other risk monitoring indicators and risk measures and control are executed smoothly. With the objective of minimizing risks and maximizing returns, the Company actively adopted effective measures, and was able to maintain risks at a measurable, controllable and tolerable level in general.



Actively participate in the promotion of inter-bank risk management

As a member of chairman unit of the Risk Management Committee of the Shanghai Stock Exchange Council, the Company actively organized the committee for the purpose of promoting capital market development, reminded the members to pay attention to the changes and issues in the capital market for empowering the wisdom and strength of committee members to advise on the risk management in the capital market. As the Vice Chairman Unit of the Risk Management Committee of the Securities Association of China, the Company led the compilation of the "Cases of Impairment of Financial Instruments of Securities Companies" and improved its operability. The Company undertook a research assignment on the same customer risk management practice and led the consolidation work of the research findings. The Company was included in the "List of Stress Tests for Important Institutions" for Year 2020 issued by the China Securities Regulatory Commission. It actively cooperated with China Securities Capital Market Operation Statistics Monitoring Center, effectively implemented the requirements for industry synchronous stress tests, and carried out normalized stress tests in order to prevent and handle potential risks.





Anti-corruption

The Party Committee of the Company always follows the guidance of Xi Jinping on Socialism with Chinese Characteristics for a New Era. It strengthens the "four consciousness" and adheres to "four confidence" and achieves "two upholds". It actively adapts to the new situation and new requirements and fully assumes its political responsibility of improving the Party's work style and integrity and anti-corruption under the new situations, adhering to the main tone of "strictness" for a long time, and striving to create a clean and upright political ecology.



Daily supervision

e Company issued the "Opinions on Strengthening the Supervision of Management of the Company", advocating the need of integrating supervision into daily operations and management. It strengthened the monitoring the daily education of corporate management personnel and regulated the work of responding opinions related to integrity. In addition, the Company fine-tuned its regular education and reminder mechanism to create an atmosphere of constant supervision.

Selection and employment of talents

The Company kept a close eye on key links including action consideration, inspection nomination, previous public announcement before appointment, and improved the relevant systems. It made good use of the integrity records to improve the Administrative Measures for Integrity Records of Party Members and Cadres and to further expand the contents of the integrity records.

Accurate enforcement of disciplines

he Company adheres to the combination of routine and sustained efforts of critical moments and carries forward new style of practicing integrity and promoting changes in business environment. It strengthened the integrity reminder system for important holidays and reminded cadres and employees to be strict with themselves. It carried out special supervision of the implementation of the eight regulations of the Central Government. Possible areas prone to problems, detailed investigation of any disciplinary violations and announcing typical cases to give full play of deterrent effect.

Special self-examination -

The Company organized and reviewed integrity practice selfexaminations situations to headquarters and branches of the Company. There is no major violations of integrity practices were found in the relevant units

The Company hosted a conference "The Interim Meeting for Work Progress cum education" in Beijing from 7 to 8 Aug 2020. As a member of management committee of the Company and the secretary of discipline inspection committee, Zhu Zhijun reported some cases of violations of regulations and disciplines identified by the system since 2019. He pointed out that management at all levels must learn from the reported cases of violations of disciplines and deliberately integrate the requirements of strict governance into all kinds of work in order to ensure high quality transformation and development strictly.



Compliance Operation



In accordance with the overall principle of "comprehensive coverage, unified management, and classified implementation of policies", the Company established a sound compliance management system, which sets out a clear Chinese wall management organization system and division of responsibilities at all levels. The Company developed and issued the "Measures for the Management of Chinese Walls", the "Implementation Rules for Management of Conflicts of Interest", the "Implementation Rules for the Management of Abnormal Transactions of Customers", the "Implementation Rules for the Management of Key Accounts Monitored by Stock Exchanges" and other relevant management rules to prevent fraudulent transactions.

Established a compliance inspection system to fulfil the requirements of customers on monitoring abnormal trading action monitoring and alerting system, trading of key accounts of HKEX, information management, employee mis-behavior monitoring, customer risk classification, suspicious transaction identification, analysis, tracking, monitoring and reporting, inside trading news control, improper undisclosed information flow, prevention of conflicting interest between the company and its customers, between customers and customers, and prevent fraudulent transactions.



-~-System inspection

Ó Educationa supervision

The Company established a conflict of interest identification and management reporting mechanism and a threelevel violation accountability system so as to deepen awareness of compliance responsibilities among all levels of the Company, to clarify compliance responsibilities, to strengthen compliance accountability, to establish compliance benchmarks, and to prevent fraudulent transactions. The Company carried out 24 compliance trainings through on-site and online medium, and issued 92 compliance reminders to enhance the integrity of all employees.



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Anti-money Laundering

In accordance with the laws and regulations, regulatory rules and industry self-regulation rules regarding anti-money laundering including the "Anti-Money Laundering Law of the People's Republic of China", the "Administrative Measures for the Reporting of Large-Value and Suspicious Transactions by Financial Institutions" and the "Measures for the Implementation of Anti-money Laundering in the Securities and Futures Industry" and in light of the Company's business practices, the Company has established an anti-money laundering and internal control system with the "Anti-Money Laundering and Anti-Terrorism Financing Management System" at its core for effective anti-money laundering. Based on its securities business practices, money laundering risk assessment results and regulatory opinions, the Company has independently set up multiple suspicious transaction monitoring models for integrating into anti-money laundering monitoring system. In 2020, there was no money laundering transaction in the Company.

02



Early prevention

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he Company carried out customer identification nd customer money laundering risk assessment itored abnormal transactions and custome ehavior according to customer characteristics and isiness nature for all transactions but not limited to e valued transactions

Manual identification

When the system detects an abnormal transaction, the relevant personnel will first conduct manual analysis and identification, and determine whether it is an abnormal transaction in light of customer due diligence results. If the transaction is determined to be a suspicious transaction, a report will be submitted to China Anti-Money Laundering Monitoring and Analysis Center. In case of serious or urgent circumstances, the Company will also submit a report to the People's Bank of China or its branches and cooperate with the anti-money laundering investigatio



Subsequent punishment

If a customer transaction is determined by the court to be a money-laundering transaction, the Company will firmly execute the judgment of the court and deal with the relevant responsible units and personnel failing to fulfill their anti-money laundering



The Coompany further implements the guiding spirit of the CPC Central Committee on the prevention and resolution of major risks, and focuses on strengthening the foundation of case prevention and control. As for the construction of a case prevention and control system in 2020, the Company comprehensively revised the "Administrative Measures for Case Prevention and Control", drafted "Administrative Measures for Litigation and Arbitration Cases" and the "Administrative Measures for Lawyer Database". The Company established a mechanism for the management of cases in a hierarchical and categorical manner, and enhance the matching and applicability of lawyer services. According to the construction of a case prevention and control mechanism, first step is establishing case risk investigation and problem rectification mechanism, followed by a comprehensive case risk investigation and a special investigation in key areas launched in 2020. Secondly, a case verification and accountability mechanism was kicked off to enforce the primary responsibility of the first line of defence. Thirdly, a training mechanism for case prevention is established to strengthen the accumulation and transformation of case prevention experience for export. In 2020, the Company published 10 issues of case warning and regulation interpretation, and organized 7 special training sessions for various business lines. Fourthly, the Company took all effort to promote the disposal of cases and the settlement of debts, and effectively resolved the risks of the stock of cases. In 2020, no major operational risks were incurred.

Protection of Intellectual Property Rights

The Company stresses the importance of protection and management of intellectual property rights. To ensure that the use of fonts compliant with the requirements of the Copyright Law of the People's Republic of China, the Company renewed the purchase of commercial fonts and galleries and took the initiative to renew its LOGO trademark graphics in 2020. For litigation cases regarding intellectual property rights. it actively took management measures including internal investigation and negotiation with the plaintiffs. As of the date of reporting, the Company held 5 copyrights. In line with the principle of respecting intellectual property rights, the Company has strictly strengthened the management of licensed software.

Compliance Procurement

The Company further amended the Procurement Management System allowing higher flexibility of management and enhancing management efficiency. In result, smooth operation of its procurement management process are achieved. A good balance between quality and efficiency for its procurement management was achieved to effectively prevent procurement risk.



STICK TO THE ORIGIN PROMOTING ECONOMIC DEVELOPMENT

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China Galaxy Securities complies with the general requirements for serving national strategies and always keeps the greater good for China in mind by actively participating in the centennial changes in China. It strives to shoulder its responsibility and mission as a player in the national team of securities industry, and focuses on providing the real economy with services of higher quality and greater efficiency. The Company enhanced its international business presence and facilitated high-quality local economic growth using financial power in order to realize the common growth of the Company and the country and strive to create a new situation for its high-quality development.

Strengthen Strategic Deployments

As the industry accelerates the formation of a differentiated development pattern, the Company maintains its strategic determination and confidence in development on the basis of its resources and advantages. It spares no efforts to achieve its strategic objective of becoming a leading investment bank and a systemically important securities financial institution in the Asian capital market.

☆ Strategic development plans

The five-year strategic development plan of China Galaxy Securities (2018-2022) sets out clear corporate vision. mission and values. It has established the strategic objective of "building a carrier securities broker and modern investing bank", the business model of "dual-wheel drive and coordinated development", the management mechanism of "centralized organization + line supervision + hierarchical management" and the development steps of "two steps in five years" (being transition period + consolidation period), and has put forward the development task of building an integrated business system of "wealth management, investment and financing, international business".

In 2020, to further promote the implementation of the five-year strategic development plan of the Company, following a comprehensive evaluation of its experience in "three-year transformation", the party committee of the Company developed a total of 12 plans covering 3 key areas, 4 major businesses and 5 subsidiaries to further clarify the business development approach. They were developed after thorough studies and discussion at the annual work meeting and the meetings of the party committee, the Board and the president office of the Company, seeking opinions from more than 100 middle-level and above management personnel as well as the institution department of the CSRC, the CSRC Beijing Bureau, stock exchanges, the Securities Association of China and other regulatory authorities and self-discipline organizations, and undergoing over 10 rounds of amendments and improvements.







Strategic plan for wealth management business developmen

Strategic plan for investment and financing business development

Strategic plan for international business development

Strategic plan for research business development

Strategic plan for the development of China Galaxy International Financial Holdings Company Limited

> Strategic plan for the construction and development of corporate culture



Strategic plan for the construction and development

I银河证券股份有限公司 A GALAXY SECULATIES CO., LTD.

Strategic plan for the construction and development

Strategic plan for the development of Galaxy Capital

Strategic plan for the development of Galaxy Jinhui

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International business presence

In 2020, China Galaxy Securities incorporated overseas assets into the Group's risk management framework to strengthen penetration risk management, despatched senior and middle managers to Galaxy International and CGS-CIMB to strengthen its ability to manage overseas companies, adopted diversified business development strategy to improve the operation of CGS-CIMB, and strengthened interim audits and penetration financial management of overseas enterprises. The strategic objective for the Company's acquisition of CGS-CIMB has been initially achieved, and the Company has taken a more solid step towards international development.

In 2020, CGS-CIMB actively cooperated with local regulatory authorities and organized and participated in a number of cooperation and exchange activities which were well received. CGS-CIMB has received awards issued by a number of institutions including Malaysian Stock Exchange, Finance Asia and Asia Money for its steady development and maintained its leading position in Southeast Asia.



CGS-CIMB and Singapore Exchange Limited jointly organized the "Investing in Singapore" Forum

On 18 November 2020, CGS-CIMB Singapore and Singapore Exchange Limited ("SGX") jointly organized the first "Investing in Singapore" forum, inviting **16** professionals, experts and scholars from different sectors, including Lim Say Boon, the chief investment strategist of CGS-CIMB. The forum was held in the form of video conference. On the day of the event, more than 1,100 participants appeared in the virtual event hall, and online video traffic exceeded 7,000 persons. As the first event jointly organized by CGS-CIMB Singapore and SGX, the forum was widely recognized by participants.



Secus on National Strategies

In 2020, China Galaxy Securities actively practiced the "Belt and Road" Initiative of China. As an important member of the "National Team of Securities Brokers" and "CIC Ecosphere", it deeply integrated into the development of the "Belt and Road" Initiative, and carried out a series of work in participating in the development of the Guangdong-Hong Kong-Macao Greater Bay Area the Yangtze River Delta Region to actively practice national strategies. China Galaxy Securities sticks to its core pursuit of serving technological innovations. At the fifth plenum of the party, technological innovations were raised to a unprecedented height. As a member of the national team of finance, the Company further provides a full range of capital market financial services for technological innovation enterprises to meet their diversified investment and financing needs. It supports the development and growth of technological innovation enterprises at different growth stages, and grows together with them.

Development of the "Belt and Road" Initiative

Case Xiniiang Beixin Road & Bridge

On 5 June 2020, the acquisition of assets through the issue of convertible bonds and shares and cash payment and the relevant fund-raising of Xinjiang Beixin Road & Bridge Group Co., Ltd. ("Beixin Road & Bridge Group") was approved by the CSRC. In this restructuring, Beixin Road & Bridge acquired 100% equity interest in Chongging Beixin Yuchang Expressway Construction Co., Ltd. from its controlling shareholder Xinjiang Production and Construction Corps Construction Engineering (Group) Co., Ltd. through the combination of the issue of convertible bonds and shares and cash payment. This was also the first acquisition in the capital market in recent years with an expressway under construction as the subject of transaction. As the financial advisor and lead underwriter for this restructuring, the Company successfully completed the major asset restructuring and the relevant fund-raising, and won the trust and recognition of the customer. This restructuring has provided strong support for Beixin Road & Bridge to successfully extend to the downstream high-value industrial chain as a highway construction enterprise and expand its expressway operation business, and will enable it to further complete asset integration, give full play to and enhance its expertise and strengthen the competitiveness of its main business.

Case | Galaxy Futures established Ningxia Branch

By following the guidance of the strategic development plans, Galaxy Futures, a wholly-owned subsidiary of the Company, continued to integrate into the "Belt and Road" Initiative of China and established its Ningxia Branch in Yinchuan, Ningxia Autonomous Region in June 2020. Based in Yinchuan and covering northwestern China, its Ningxia Branch provides the investors in the areas of the "Belt and Road" Initiative with professional, diversified and high-quality integrated financial services in light of local industrial characteristics, with the main theme of "opening up ferroalloy industry chain", the purpose of "serving real economy and promoting the integration of industry and finance", and the core of industrial customers and futures and spot goods business.

China Galaxy Securities supported a major asset restructuring project of





Regional economic development



China Galaxy Securities entered into a strategic cooperation agreement with Wuhu Case Municipal People's Government

Wuhu is a central city set out in the Yangtze River Delta Regional Integrated Development Plan issued by the State Council. With its GDP ranking second among prefecture-level cities in Anhui Province, Wuhu is also the largest freight, foreign trade and container transhipment port in Anhui Province. Wuhu has been attaching importance to the development of capital market. It has 20 listed companies and 54 companies quoted on the National Equities Exchange and Quotations, both ranking No. 2 in Anhui Province.

On 27 May 2020, China Galaxy Securities entered into a strategic cooperation agreement with Wuhu Municipal People's Government, pursuant to which Wuhu Municipal People's Government appointed China Galaxy Securities as its financial advisor, and China Galaxy Securities will provide multi-channel financing and comprehensive high-quality financial services to Wuhu Municipal People's Government and the enterprises and projects under its jurisdiction in accordance with the strategic requirements for economic development in Wuhu. It enjoys the relevant preferential policies issued by Wuhu Municipal People's Government for equity investment funds and investment promotion.

The Shunkong Development IPO project sponsored by the Company was approved by Case the Issuance Appraisal Committee of the CSRC

On 30 December 2020, the initial public offering and listing of A shares of Guangdong Shunkong Development Co., Ltd. ("Shunkong Development") on the SME Board of the Shenzhen Stock Exchange, sponsored by China Galaxy Securities, was approved by the Issuance Appraisal Committee of the CSRC. Located in the central region of the Guangdong-Hong Kong-Macao Greater Bay Area, Shunkong Development is one of the leading public utilities enterprises in Foshan and has made positive contribution to the water supply safety and environment

treatment in the region. Through its landing in the capital market, Shunkong Development proposes to practice its development strategy of becoming a first-class integrated service provider of urban environment in the PRC while further promoting its development in the Guangdong-Hong Kong-Macao Greater Bay Area. During the implementation of this project, the Company has won high recognition from Shunkong Development for its strong professionalism.



Industrial technological innovations



Successful listing of Fortune Trend in the STAR Market with Company as its sole sponsor and lead underwrite

Founded in 2007, Shenzhen Fortune Trend Technology Co., Ltd. ("Fortune Trend") is an important supplier of securities market trading system software products and securities information services in the PRC. It mainly provides safe, stable and reliable financial software solutions to institutional clients such as securities brokers and develops investor trading terminals, terminal user information systems and customer service systems for them.

On 27 April 2020, Fortune Trend was successfully listed in the STAR Market, with China Galaxy Securities as its sole sponsor and lead underwriter, raising a total of RMB1.79billion from the issue. Through projects including the "Tongdaxin Open Artificial Intelligence Platform" and the "Tongdaxin Visualized Financial Research Terminal", China Galaxy Securities helped Fortune Trend further strengthen its advantages in technology and research and development and provide a better innovation platform for its research and development of new technologies and new products.

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Serve Real Economy

China Galaxy Securities fully implements the "three major tasks" of financial work, and regards the "six stabilities and six guarantees" as a major task at present and in the future. It gives full play to its advantages of driving investment and financing business, provides innovative products and services, strengthens the efforts to support various market players, especially micro-, small- and medium-sized enterprises and core enterprises in the industrial chain, with the aim of further improving the accuracy of its financial services provided to real economy to ensure unabated efforts and accuracy.

Providing integrated financial services with innovative service methods

In 2020, the Company raised RMB41.82 billion through equity financing and RMB120,672 billion through debt financing (including local government bonds) for large-, medium- and small-sized enterprises. For example, it raised financing of RMB 2 billion for Inspur Information, which effectively offset the adverse impacts of the economic environment. It actively issued anti-epidemic bonds and local Hubei bonds in the total amount of RMB3.7 billion, as well as three ABS products in the total amount of RMB3.3 billion.

China Galaxy Securities helped Topnew Info's successful listing on the Shenzhen Case Stock Exchange

Topnew Info is the first state-owned holding company in Beijing that is successfully listed since the implementation of the registration system reform on GEM. With years of experience in the IDC industry, it is one of the few professional IDC service providers in the PRC which have self-owned properties for self-built data centers and cloud platforms. Through the IPO and successful landing in the capital market, its competitiveness will be greatly enhanced and its profitability is expected to be significantly improved, which will further promote the development of the IDC and cloud computing industry and create more value for the society.

The Company adheres to long-term in-depth understanding of industries and customers and keeps a keen eye on regulatory developments. With 8 years dedicated to serving and cultivating customers, professional planning and continuous guidance, the Company has successfully created a model for serving "new infrastructure" enterprises in the PRC with integrated investment and financing services. The listing marked China Galaxy Securities' success as a central state-owned enterprise in assisting local state-owned enterprises in achieving the objective of mixed ownership reform, and demonstrated its ability to provide multi-market, full-cycle, multi-



Li Xianglin, vice president of the Company, attended the GEM listing ceremony of Topnew Info

level, one-stop comprehensive financial services for investment and financing to its customers by integrating its strong resources in investment banking, investment and wealth management businesses.

Relying on the multi-level capital market to strengthen financial services for micro-, small- and medium-sized enterprises and private enterprises. Information on innovative products or services

Since 2020, the Company has raised financing in the total amount of RMB18.46 billion for 9 private, micro-, smalland medium-sized enterprises, representing 304.07% of the total financing amount during the three-year period from 2017 to 2019. The Company provides policy and service consultation for local enterprises, and has set up a regular telephone communication mechanism with dedicated personnel in 36 regions. It vigorously promoted the "Zhejiang Deging Model" in providing micro-, small- and medium-sized enterprises with comprehensive services including business consulting, regulatory rectification, financial consulting, and counselling for mergers and acquisitions, restructuring and listing. It purchased financial bonds relating to special loans for micro-, small- and medium-sized enterprises and innovation and start-up loans in the total amount of RMB 440 million.

Case

financing ecosystem

The Company, together with its branches across the PRC, carries out regional equity market business. It took the lead in creating the "Zhejiang Deging Model", being setting up the "Deging High-tech Board" in equity exchange centers to provide one-stop services and help local enterprises go down the road to multi-level capital market. Through the model, it facilitates qualified micro-, small- and medium-sized enterprises to raise funds through equity financing and private placement of convertible bonds following the quotation, which supports and standardizes the direct financing among "acquaintances" and has effectively improved the financing environment for them.

Under the "Deging Model", the Company facilitated the successful quotation of 10 enterprises and the issue of bonds to obtain financing by four enterprises in 2020. In particular, the RMB 3 million private convertible bonds successfully issued by Meidu Logistics, a quoted enterprise, were the first special private convertible antiepidemic bonds issued by micro- and small-sized enterprises in Zhejiang Province, which has provided a new channel for the direct financing of micro- and small-sized enterprises. To date the Company has entered into strategic cooperation agreements for all regional equity exchange markets in the PRC, which has laid a solid foundation for the further promotion of the "Deging Model".



Helping enterprise bailout to resolve risks in the real economy

By purchasing credit risk mitigation warrants, signing credit default swaps and providing private enterprises with OTC interest rate option derivatives, the Company enhanced the borrowing capability of enterprises and their ability to withstand risks. It attached importance to investing in treasury bonds, local government bonds and epidemic prevention and control bonds. It invested in treasury bonds and local government bonds issued by Hubei and other provinces and cities in the total amount of RMB 44.79 billion, participated in the bidding for epidemic prevention and control bonds, and invested in the urban investment bonds issued by Hubei Province in the total amount of RMB1.7 billion.

"Deqing Model" pioneered in the market through establishing a regional investment and

PROVIDING QUALITY SERVICES WITH "CUSTOMER FIRST" IN MIND

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China Galaxy Securities earnestly takes on its responsibility as a wealth management organization for the public by thinking for investors wholeheartedly and enriching customer experience to let every investor share the benefits of economic growth, so as to realize the preservation and appreciation of personal wealth. We continue to innovate and adjust product structure to meet market needs, and adhere to serving customers attentively. As a series of reforms were launched with the new Securities Law, the Company strengthened investor suitability management and investor education to protect the interests of investors to the greatest extent and had won the trust of customers.

Refining Product Categories

In 2020, the Company strengthened its efforts into product supply-side reform, and adjusted product structure to create high-guality products, so as to provide financial services with product innovation. On one hand, it introduced highguality products, consolidated fixed income product resources, and developed the "Happy Fixed Income" and "Fixed Income+" series to meet the needs of different types of customers. On the other hand, it continued to provide products for general securities investors, and collaborated with outstanding private equity management institutions in the market to launch private equity star products, with the aim of helping the preservation and appreciation in the value of customer wealth by introducing asset products for general securities investors.

The Company has always adhered to the concept that good products are the "king", focusing on customers' wealth needs and aiming to promote the realization of their wealth preservation, appreciation and inheritance needs, etc. By establishing a full life-cycle financial product system and process system, improving the financial product evaluation system of stratification, classification and dynamic management, creating a professional, refined by establishing a life-cycle financial product system, improving a stratified, categorised and dynamically managed financial product evaluation system, and creating a professional, refined and digitalised financial product management system, we conduct gualification, due diligence and risk assessment of financial products, and select products in accordance with prudent principles, and strive to provide customers with "guality products" that meet their wealth needs.

Fortune Fixed Income and Fixed Income **Plus Series**

Fortune No Fluctuation Fixed Income

Fortune Low Fluctuation Fixed Income

Fortune Regular Cash Payout

Fortune Regular Dividend Payout

Private Equity Product Lines

Good Equity Long Position Series Shengshi Index Enhancement Series Win-Win Hedge Arbitrage Balance

Alternative Series

CTA Strategies, Emerging, Fixed Income, Macro Hedging

Investor education video series on "Snowball" products, in which the rirtual speaker explains the "Snowball" structure strategy by analogy







Strengthening comprehensive collaboration

The Company makes full use of its expertise and experience in the capital market to provide corporate clients with multi-channel financing and high-quality, comprehensive financial services, and facilitates resource integration to give full play to its role as a state-owned financial institution in promoting the development of the real economy.

Case Group

On 11 May 2020, the Company entered into a strategic cooperation agreement with Western Mining Group ("Western Mining") in Beijing. Western Mining Group is principally engaged in six major businesses, being mine smelting, salt lake chemicals, cultural tourism, construction and real estate, financial trade, scientific and technological information. Its subsidiary Western Mining Co., Ltd. became listed on the Shanghai Stock

Exchange in 2007. Pursuant to the agreement, the Company will use its own advantages to provide comprehensive and effective integrated financial products and services to Western Mining to meet its various needs for macroeconomic research, corporate strategic planning, capital operation plan and implementation.



The Company conducted business cooperation with Hanwang Technology Case

On 20 July 2020, the Company and Hanwang Technology Co., Ltd. ("Hanwang Technology") entered into a strategic cooperation agreement. Hanwang Technology is a leading provider of intelligent identification and intelligent interaction technologies, products and services in the industry. According to the agreement, the Company and Hanwang Technology will enter into strategic business cooperation in the areas of investment banking, stock pledging business, fund business stock market financing and bond market financing. In January 2021, the non-public offering of A shares by Hanwang Technology, for which the Company acted as the sponsor (lead underwriter), was successfully completed, raising total proceeds of RMB 569 million. The Company will continue to open a green channel for financing for Hanwang Technology and its subsidiaries, provide comprehensive and integrated financial services, help Hanwang Technology seize the current opportunities for rapid development in the field of artificial intelligence, achieve technological advancement, expand product categories and application scenarios, expand market share, enhance profitability, continuously innovate service methods and enhance service levels, and actively provide comprehensive and integrated financial products and services for the rapid development of Hanwang Technology. financial products and services.





The Company entered into a strategic cooperation agreement with Western Mining



\Re Defining strategic customers

The Company strived to establish and improve a comprehensive service mechanism for strategic customers. It drafted and revised a series of rules including the Measures for Management of Strategic Customers of the Company to provide solid and powerful system support for the Company to create a new situation of comprehensive services for strategic customers of "interaction between headquarters and branches, overall planning for business lines, comprehensive collaboration"

The Company has established a customer relationship management (CRM) system to provide coordinated service and management for strategic customers. At present, the system has been connected or partially connected to more than 1450 million customers. On the basis of promoting the application of institutional CRM system and fully understanding strategic customers' needs, the Company successively developed and launched functions including strategic customer overview, strategic customer activity management, strategic customer change reminder (including SMS), strategic cooperation agreement management and mobile terminal activity management. It made full use of the platforms to solidify and implement the strategic customer service mechanism.

Total joint / integrated line / full synergy

At present, the system has been connected or partially connected to more than 14.50 million customers.

In addition, to fully consolidate its resources and improve the support and collaboration efficiency of various business lines for strategic customer business, the Company expanded and improved the "collaborative management" function of its institutional CRM system, through which it is able to form the relevant business teams at any time to provide collaborative service support for strategic customers in light of business needs.



The China Galaxy Securities App is a one-stop integrated financial management platform independently developed by the company. The platform adopts a scenario-based product design concept and a hybrid cloud deployment architecture. By integrating modules for fast market guotations, scenario-based trading, wealth account services, investment advisory services, selected wealth management products and investment information, it can provide customers with one-stop services including customer investment and financing, wealth management, investment consulting, consulting and business handling.

In 2020, 17 smart trading tools such as grid trading, profit and loss stop and new share subscription appointment were launched in the App, generating a total of trading volume of RMB81.50 billion person/ time, with 5.32 million active users and 2.24 million monthly active users.





A personalized intelligent information system was initially formed in 2020. By capturing popular information and analysing customer data, it can make personalized recommendations to enable users to enjoy information services with "a thousand faces for a thousand people". The number of its monthly average information customer reached 8.99 million . In addition, according to the draft opinions on cooperation with third-party platforms issued by the CSRC, the Company kept an eye on regulatory developments and industry trends, and actively advanced its cooperation with third parties including leading Internet companies such as Ant Financial, ByteDance, Tencent and JD Digital.



a total of 302,799 participants.



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CGS China Galaxy Securities



Protection of Investors' Rights and Interests

Responding to customer feedback

The Company has set up a leading group and working group for customer complaint handling to coordinate and manage complaints from brokerage business clients, with responsibilities divided to the relevant departments.

Customers may file complaints and consult through online channels

- **(2**) official website: www.chinastock.com.cn
- trading terminals (mobile phones, computers)
- customer service hotlines: (95551、4008-888-888)
- fax :010-84042213
- official WeChat account (&)
- webmaster email of the Company

through offline channel securities branches





In the new customer satisfaction return call survey, "satisfied" accounted for 99.31%, "average" 0.53%, and "dissatisfied" 0.16%.

In 2020, the Company have a 100% customer complaint handling rate and a 79% resolution rate. In the customer complaint telephone evaluation satisfaction survey, "satisfied" accounted for 90.26%, "average" 4.55%, and "dissatisfied" **5.19%**. For complaints in progress, the Company continued to maintain active communication with its customers to address their needs.

Investor suitability management

In 2020, in advancing investor suitability management, the Company focused on the implementation of ChiNext reform and the pilot implementation of new rules for investor suitability management for registration-based IPO system business, and continued to strengthen the optimization of investor suitability management.

Full implementation of new ChiNext rules for investor suitability

Revising and improving rules and processes

To promote the ChiNext reform, pilot the registration-based IPO system and protect the lawful rights and interests of investors, the Company revised and issued the Implementation Rules for the ChiNext Investor Suitability Management and ancillary business rules. It fully implemented the new requirements for the ChiNext investor suitability management in the areas of rules, processes, business and system and strived to carry out effective investor suitability management for new and existing customers.



Since the implementation of the new rules for the ChiNext reform, the Company has been strictly reviewing the access requirements for individual customers who apply for access to trading in the ChiNext. Individual customers meeting access requirements and institutional and product customers intending to participate in the trading of shares issued under the registration-based ChiNext IPO system, must sign the ChiNext Investment Risk Disclosure Statement and complete the general investor suitability matching confirmation before gaining access to trading in the ChiNext. For general investors applying for access through on-site methods and off-site methods such as the Internet, the Company records the whole process of information disclosure, risk warning and suitability matching, and gives special risk warnings for senior customers. As at 31 December 2020, China Galaxy Securities had opened a total of 86,400 securities accounts with registration-based ChiNext IPO system access.

ChiNext investor suitability management for existing customers

For existing customers which have had access to trade in ChiNext shares before the implementation of new rules, they can continue to participate in the trading of existing ChiNext shares. For existing customers who intend to participate in the trading of the shares issued under the registration-based ChiNext IPO system, they must re-sign the new version of the Next Investment Risk Disclosure Statement and complete the general investor suitability matching confirmation. As at 31 December 2020, the Company had completed the resigning for 1.10 million existing securities accounts.

Strengthening continuous optimization of investor suitability management

In 2020, the Company continued to improve and optimize investor suitability management in areas of investor classification, customer risk tolerance assessment and trading access management in accordance with the principle of "Know your customer", in order to effectively fulfill its obligation of investor suitability management and protect the lawful rights and interests of investors. In particular, it imposed a validity period for the class II and III professional investor qualifications, incorporated the general investor risk assessment in the required steps for account opening, and imposed a validity period for assessment results. In view of the adjustments and changes to the relevant business rules of the Shanghai Stock Exchange and the Shenzhen Stock Exchange, the Company continued to improve its management of the risk disclosure statement, double video recording template and relevant business flows for the grant of access to trading in stocks in the risk alert board, delisting stocks, Hong Kong Stock Connect, New OTC Board and convertible bonds, in order to provide timely business risk warnings and protect investors.

ChiNext investor suitability management for new customers



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INTELLIGENT GALAXY ONLINE INVESTOR EDUCATION investor education activities in 2020

To protect the rights and interests of investors and meet investors' needs, the Company actively carried out special investor education activities organized by the regulatory authorities, stock exchanges and industry organizations. While providing basic investor education to public investors for free, it focused on the advancement of differentiated investor protection in accordance with the principle of "customer classification, characteristic products and service by level".



Special investor education about new Securities Law

The Company used the important timings such as the March 15 Publicity Month for Investor Rights Protection and the May 15 National Investor Protection Publicity Day as an opportunity, continued to carry out the investor education and publicity of the new Securities Law, and organized its branches to effectively cooperate in the popularization and promotion of the new Securities Law. By making full use of its advantage as a national Internet investor education base in publicity, it guided investors into learning, knowing, understanding and abiding by the law through combining education with entertainment.

Second "May 15 China Investor Protection Publicity Day" event

The creation of the "May 15 China Investor Protection Publicity Day" is of great significance to promote the sustained, healthy and stable development of the capital market. Invited by the Securities Association of China, Chen Gongyan, chairman of the Company, published a signed article titled "Studying and following the new Securities Law for effective protection of investors' rights" on the investor protection column of People. cn. The Company participated in the compiling of the Report on Investor Service and Protection of Securities Companies for 2019.



"New Development of ChiNext" investor education activity on ChiNext reform

To guide investors into correctly understanding the ChiNext reform and implement pilot registration-based IPO system, and in view of the practical needs of needs, the Company carried out extensive publicity about suitability management adjustment, interpretation of changes in new rules, strengthening investor education and risk disclosure through online and offline channels, with the aim of passing on the knowledge of ChiNext reform, assisting in the publicity for re-signing risk disclosure statement with existing customers and guiding investors into investing rationally.



Luo Liming, the Chief Business Officer of the Company, at the online forum series of the Shenzhen Stock Exchange titled "Understanding registration-based ChiNext IPO system, practicing rational value investment"

"Common growth with STAR Market" STAR Market anniversary investor education activity

To continue to train STAR Market investors and convey the concept of asset allocation and value investment, the Company launched "STAR Market Publicity Month" online and held STAR Market investor education forums offline in Chongqing and Xiamen, which will strengthen investors' understanding and knowledge of the STAR Market, help them develop correct investment ideas and safeguard their lawful rights and interests.







China Galaxy Securities' investor education from 2018 to 2020

Targeting middle-aged and elderly investors who (Er are vulnerable to illegal securities activities

The Company carried out community and outdoor publicity activities. By distributing brochures and broadcasting educational videos, it reminded middle-aged and elderly investors to raise their awareness of prevention of various illegal securities activities and consciously stay away from illegal activities.



Investor education incorporated into the national education system

The Company organized "Little Galaxy Financial Quotient Training Camp" publicity activity. Leveraging the professional investor education products of teenager financial quotient education developed by it, the Company promoted securities investment knowledge to teenagers to improve their risk awareness, and strived to guide teenagers into establishing a correct concept of wealth and improving their financial quality through combining education with entertainment. It carried out financial education for students in poverty-stricken areas, explored and established the regional development of financial and business education for teenagers, and strived to establish a long-term mechanism for financial education in poverty-stricken areas to help rural revitalization.







Award

Recognized as "Outstanding" in the 2019-2020 assessm securities and futures investor education bases in the PRC

Outstanding securities company in the 2019 investor survey

2019 outstanding contribution award-winning securities comp

Outstanding securities branch general manager in the 201 branch managers survey (a total of two winners)

"15 March" New Securities Law Knowledge Contest 2020 "C Organization Award"

"15 May" New Securities Law Knowledge Contest 2020 "C Organization Award"

STAR Market Knowledge Contest 2020 "Outstanding Or Award"

Excellent Investor Education Products for ChiNext Reform, (Music video titled "Your Dream" on ChiNext reform)

Excellent Investor Education Products for ChiNext Reform, Se ("ChiNext Montage Animation")

Original Investment Education Products **239** Number

Clickings on the original investment education product line 2.6100 million /times

Annual visits to the Investment and education Base 3 1 100 million /times Number of visitors to the investment and education base 2,429100 million /people/ times

	Issuing institution		
ment of	China Securities Regulatory Commission		
bany	China Securities Investor Protection Fund Corporation		
9 securities			
Outstanding			
Outstanding	Shanghai Stock Exchange		
rganization			
ı, First Prize			
econd Prize	Shenzhen Stock Exchange		

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WITH EMPLOYEES FOR GROWTH WITH 04

In 2020, China Galaxy Securities actively responded to the ity as a state chanism, gave multi-dim

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WORKING TOGETHER EMPLOYEE ORIENTATION

Protection of employees' rights and interests

A Standardized employment

The Company strictly abides by laws and regulations including the Labour Law of the PRC, the Labour Contract Law of the PRC, the Law of the PRC on the Protection of Rights and Interests of Women and the Provisions on the Prohibition of Using Child Labour. It specifies the responsibilities and obligations of the Company and its employees and eliminates the use of child labour and forced labour. It regulates employment in accordance with the Measures for Management of Employee Recruitment, specifies the basic recruitment requirements, and adheres to the principles of open recruitment, equal competition, comprehensive assessment and merit-based recruitment, so that recruitment is carried out in an efficiently and orderly manner.

In accordance with the principles of reasonable assignment of suitable employees to different positions, the Company actively overcame the impact of the epidemic by expanding talent reserve to build a high-quality and professional workforce and promote its transformation to high-quality development. It organized and carried out campus recruitment for the fifth consecutive year. During the epidemic period, it took a series of measures to stabilize employment: introducing distance internship for fresh graduates with remote instructor guidance and signing tripartite agreements in a safe manner; properly arranging the employment of demobilized military cadres; implementing international talent selection and supporting programs.

In 2020, the Company recruited 542 outstanding talents through social recruitment, including 20 from Hubei Province, 87 fresh graduates and 2 demobilized military cadres, and successfully completed the despatch of the first four employees to its joint venture company in Singapore. Each of the hired employees has signed a labour contract with the Company in strict accordance with the Labour Contract Law of the PRC.





Remuneration and benefits

The Company adheres to equal employment, strictly abides by the relevant employment laws and regulations in the PRC, and gives all employees fair salary and vacation. In accordance with the Measures for Management of Staff Benefits of the Company, in addition to basic benefits, it also provides employees with various supplementary benefits such as supplementary medical insurance and enterprise annuities. It also improved the benefits in the second stage of human resource reform in 2020 by increasing the annuity benefits of key employees who have served the Company for a long time and further improving the benefits of employees holding client manager positions.

The Company follows the principles of "market orientation and performance orientation" and attaching equal importance to incentives and restrictions, and has developed a market-oriented incentive mechanism based on net profit. On the basis of competitive remuneration, it has in place an incentive mechanism for business lines based on their business characteristics. In accordance with the Measures for Management of Duties and Positions and the Plan for the Second Stage of Human Resources Reform, the Company adjusted the positions and salaries of all employees at its headquarters for six consecutive years.

Democratic participation

To further strengthen the democratic management of the Company, put into practice the right to know, participation right, expression right and right of supervision of employees, fully motivate their enthusiasm, initiative and creativity and enhance the degree and sense of their participation in corporate affairs, the labour union of the Company held the fifth meeting of the second session of employee representative meeting of the Company in March 2020, at which the resolutions on the Enterprise Annuity Scheme of China Galaxy Securities and the Implementation Rules for the Enterprise Annuity Scheme of China Galaxy Securities were considered and passed. The Company was recognised as a Demonstration Unit for the Development of Employee Representative Meeting System in the PRC Financial Service Industry by Chinese Financial Workers' Union in 2020.

Safety and health

The Company pays attention to the physical and mental health and safety of employees. It strictly abides by the Production Safety Law of the PRC, the Labour Law of the PRC and relevant laws and regulations, takes out health benefit insurance and supplementary medical insurance for employees and arranges regular physical examinations for them, and strives to create a healthy and safe working environment. In 2020, A total of 1,578 employees participated in the physical examination, the Company completed the daily outpatient treatment for 1,071 employees arranged physical examinations for employees with a physical examination rate of 95.57% (based on the number of employees at its headquarters), distributed 110,640 protective masks to the employees at its headquarters, and organized 312 employees from its headquarters and subsidiaries to get a flu shot. In 2020, there were no catastrophic incidents caused by work omissions, no casualties, occupational accidents, and no property losses occurred in the Company. China Galaxy Securities pays great attention to the safety and health of employees at work to ensure that employees work with pleasure. For instance, China Galaxy Securities installed a face recognition access control system at the entrance of its headquarters building to further enhance the security of the office environment, and continued to maintain green plants in the office to improve the office environment. In 2019, the Company had not experienced any catastrophic incident due to work omissions or work-related casualties or property loss.



With the relocation of its headquarters to Qinghai Finance Building, the Company adopted the following measures to optimize air quality in office areas and protect the health of employees:

- It adopted green and environmentally-friendly decoration materials and furniture to ensure no peculiar smell in the office space;
- Before relocation, the Company engaged an environment monitoring company to issue an indoor environment quality test report to ensure that the air quality meets the monitoring standards;
- The fresh air system of the building is a dual-fan air handling system, which can ensure the maximum fresh air intake in operation while maximizing the filtration of hazardous substances in the fresh air and ensure no pollution in fresh air, so as to maintain a comfortable, healthy and environmentally-friendly office area.

①: The statistical criteria include China Galaxy Securities Co., Ltd., Galaxy Futures Company Limited, Galaxy Capital Management Company Limited, China Galaxy International Financial Holdings Company Limited, Galaxy Jinhui Securities Assets Management Co., Ltd. and Galaxy Yuanhui Investment Co., Ltd.



🚣 Employee training

By adhering to its responsibility and mission of "guiding the implementation of strategies, promoting business growth, carrying on corporate culture", the Company strives to promote the development of a training system for different hierarchies, levels and categories which is in line with its strategies and can enhance performance. The Company actively carries out training innovation to promote training to boost productivity and provide intelligent support for its implementation of strategies and business development.

In 2020, Galaxy University, the online learning platform of the Company

released a total of 180 courses with total course duration of 143 78 hours

The total number of courses in the platform reached 592, with total course duration of 650 hours

In 2020, the Company held 34 online exams with 135 226 participants, and

15 offline training sessions, with total training hours of approximately 274 and over 1,000 trainees (including trainees from the headquarters and branches). The training covered management training, business training, training on general skills for employees, vocational skills training, etc.

China Galaxy Securities Training Summary for 2018-2020

Indicator	Unit	2018	2019	2020
Coordinated	(session)	28	24	3
training at Company level	(person/time)	831	3,499	85
Training at business	(session)	224	325	39
department level	(person/time)	2,975	8,478	1,296
Training at branch level	(session)	700	903	444
fraining at pranciniever	(person/time)	7,292	13,824	3,733
Tatal	(session)	925	1,252	486
Total	(person/time)	8,098	25,801	5,114
Total training expenses	(RMB in ten thousand)	908.91	780.95	559.90

Semployee Development Promotion





To develop its professional strategy trading and empower customers with strategies, the Company piloted the Trade Discovery Club ("TDC", a professional strategy trading member club) membership business to provide membership strategy service for customers who have voluntarily joined TDC member club by China Galaxy Securities relying on its professional trading strategies with Galaxy characteristics and the innovative TDC strategy platform. To promote the smooth development of TDC membership business,



the Company held 5 special business training sessions in Guangzhou, Chengdu, Wuhan, Hangzhou and Shenyang for the investment consultants of its branches from November to December 2020, during which the strategy system was explained in an all-round way. A total of 549 trainees participated in the training, which fully motivated and enhanced the enthusiasm, professionalism and service ability of trainees, answered their guestions on business promotion, income generation and development and laid a solid foundation for the development of TDC membership business.



2020 "Star of China Galaxy Securities" Creation Camp Training Series

In order to better accumulate internal resources, the Company

As at the end of 2020, it had completed the evaluation and appointment of the first batch of internal trainers, 15 of which were proposed to be appointed as senior internal trainers and 59 of which as intermediate internal trainers. In November 2020, such internal project stood out from 532 projects and won the "Outstanding Content Award for Iteration Ecology" in the 12th "Online Corporate Learning Industry Oscar" Booaoo Award selection.

> China Galaxy Securities "Golden Podium" internal trainee project won the "Outstanding Content Award for Iteration Ecology





contents.

Case China Galaxy Securities "Postdoctoral Workstation"

In 2020, the postdoctoral research workstation carried out work in accordance with the business plan of the Company and the work plan of the departments, and conducted strict assessment of the postdoctoral researchers at the workstation to ensure that they finish sufficient high-quality research tasks while directly participating in the practical work of the relevant business departments. In 2020, the postdoctoral research team wrote 30 special research reports, published more than 10 articles in public newspapers (publications), participated in a number of relevant research subjects assigned by the Company (and completed over 30 work reports), and directly participated in the research of the relevant departments of the Company (the Board office and the research institute) and superior authorities (Asian Financial Cooperation Association, the Securities Association of China, Central Huijin Company and the China Securities Regulatory Commission) to contribute to the development of business departments.

& Employee promotion

The Company persists in providing employees with a fair and just promotion mechanism and broad room for development. The Company always sticks to the orientation of performance and improves the appraisal mechanism. It disassembles the strategic targets of the Company into key performance indicators and working tasks of business lines, departments and individuals and guarantees the transparent, systematic and objective performance appraisal. By adhering to the management philosophy of "Rewarding the excellence and punishing the inferiority" and "Career first, focusing on performance", the Company carried out the second stage of human resource reform in 2020. It introduced a position system for wealth management business employees, accelerated the promotion of teller employees at its headquarters, improved the issue of imbalance between internal and external employee assessment rules, improved the employee promotion mechanism, and stimulated the enthusiasm of all employees. To optimize cadre structure, enhance vitality and solve the issue of development potential, the Company attaches great importance to the selection of and training for young key employees. In compliance with the Measures for Management of Backup Talents of the Company and the Measures for Management of Duties and Positions (Revised in 2019), the Company developed clear talent selection criteria and a system of "green growth channel for outstanding talents" and established a sound training system. During the epidemic period, it arranged "cloud-based training" to ensure the steady progress of cadre training and education. From 2017 to 2020, the Company held seven seminars for young cadres and trained a total of 378 young key employees, helping them broaden career paths and growth potential.

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In December 2020, the Company successfully held the "Wealth manager training practice - Training on ninegrid board customer group management and effective allocation strategies for customers of securities companies", in which a total of 81 financial managers and investment consultants from 27 branches participated. The training comprised three parts, including the "securities company customer group nine-grid board division model analysis", the "securities company customer group nine-grid board division management" and the "effective allocation strategies and end-to-end implementation and practice". The training received enthusiastic response and praise for its practical



With the big picture in mind, the labour union of the Company adheres to "people-oriented", promotes "happy work, healthy life", and cares for employees in a variety of ways. In addition to the holiday blessings for all employees, it also expresses care for special groups such as employees in difficulty. During the epidemic period, the Company took out insurance for employees in Hubei Branch, doctors and nurses supporting Hubei and their immediate family members. It cared for retired employees by organizing sending warmth to them on New Year's Day and Spring Festival, giving them birthday greetings and condolences in hospital.

It actively carried out cultural and recreational activities and organized employees to participate in various online and offline group activities, in order to enrich their spare cultural life and create a good corporate atmosphere.



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Case Union group of the research institute held a calligraphy and painting competition

The union group of the research institute held a calligraphy and painting competition from 16 to 18 December 2020 amidst busy work. During the competition, the Company was holding its annual investment strategy seminar. With unabated enthusiasm, the employees of the research institute actively participated in the competition. From their submitted works, one can feel their strong passion for life and work and sense of mission for the future development of the Company. A total of nearly 90



works of calligraphy and painting were submitted in this event. Some were from employees with long passion for painting and calligraphy since childhood; some were the works of employees who developed the passion at a later stage of life; some represented the enthusiasm of participation. This reflected employees' pursuit of and desire for cultural and artistic cultivation and self-spiritual growth, as well as their sincere love for Galaxy Securities and the country. The judging panel evaluated more than 80 works, and 15 works of calligraphy and painting including ink painting "Kun-peng spreading wings" and handwriting "Snow" won the awards of the event.

Case Union groups of various departments held flower appreciation activities



我们爱工作,也爱生活!

Case

Galaxy exclusive restaurant "Gala employees









vy Kitchen", a supplying station for the health of



Practice thrift, frugality nourishes virtues



CONTRIBUTING TO SOCIETY AND IMPROVING LIVELIHOOD

05

In 2020, by focusing on winning the battle against poverty, the Company comprehensively intensified poverty alleviation efforts, further enhanced the sense of mission, responsibility and urgency of poverty alleviation, persevered in the implementation of various tasks and earnestly fulfilled its responsibility as a state-owned financial enterprise. The Company integrated the concept of green development into its business and daily operations, actively expanded green financial business, promoted the use of resources, and took practical actions to help achieve the carbon neutral target by 2060.

FULFILLING RESPONSIBILITY OF POVERTY ALLEVIATION THROUGH TARGETED MEASURES

The year 2020 was a year of decisive battle against poverty and also a conclusive year. Under the strong leadership of the party committee of CIC, the party committee of China Galaxy Securities coordinated and advanced epidemic prevention and control and poverty alleviation with a high degree of political consciousness. By improving the poverty alleviation model of "Party leadership, financial characteristics, business-oriented, everyone participates" and making use of its characteristics and advantages as a financial enterprise, it further strengthened the sense of mission, responsibility and urgency for poverty alleviation to contribute to the battle against poverty and the rural vitalization.

In 2020, the Company donated a total of over RMB51 million to poverty-stricken areas in Jingning County in Gansu, Linxi County in Inner Mongolia, Zuoquan County in Shanxi, Xi County in Shanxi, Aksu Prefecture and Ili Kazakh Autonomous Prefecture in Xinjiang, Bazhong City in Sichuan, Xiaohe Village, Gaogiao Town, Wuding County, Yunnan, and Luonibu Village, Zhaizi Township, Jinyang County, Sichuan.

It introduced assistance funds of RMB14 45 million, trained 3 678 grassroots cadres and 7 259 technicians, carried out poverty alleviation through consumption in the amount of RMB15,06 million, helped sell agricultural products in the amount of RMB7.21 million, promoted poverty alleviation through employment of 2,131 persons, and appointed 5 cadres on temporary duty for these areas. All of the 11 assistance projects and the matters set out in the Letters of Responsibility signed have been completed.

On 3 March 2020, the People's Government of Gansu Province officially announced that **Jingning** County has got rid of poverty. The problem of absolute poverty that has plagued Jingning for thousands of years has been solved for good. Jingning people's dream of realizing a well-off society in an all-round way is within reach!





With the second second

Establishment of a robust work mechanism

The party committee of the Company included "taking responsibility" into the cultural system and corporate mission of the Company. It established four assistance systems (responsibility system, input system, work system and supervision system) and a working mechanism of "five-level coordination" (Under the planning of the party committee of the Company, a working mechanism has been established for which the party secretary is responsible, with overall coordination by the poverty alleviation working group, full collaboration between business lines and subsidiaries, daily supervision by the poverty alleviation office, and on-site implementation by stationed cadres). The management of the Company went to the designated counties for assistance three times to conduct supervision and research. They worked

with local party committee and government to plan for poverty alleviation, explored the establishment of a longterm mechanism to solve the problem of relative poverty, and strengthened the management of and control over projects and funds, so as to promote the quality and efficiency of poverty alleviation work.



Continuous supervision and guidance

The Company has established a dynamic management account for designated poverty alleviation tasks. It dispatched a supervision and investigation team to conduct investigation and provide supervision feedback in time, urged the development progress of the CIC Galaxy Industrial Development Fund, and strived to establish a long-term mechanism for poverty alleviation through consumption.

Enhanced publicity about poverty alleviation

The Company strengthened both internal and external publicity.

It published **13** issues of Poverty Alleviation Briefings

carried out more than 30 times of publicity about poverty alleviation in the CIC Ecosphere and the Galaxy e Party Building.

Its achievements of poverty alleviation were widely reported by 10 media outlets including World Finance and Economic Information Broadcast programs of CCTV, People.

A poverty alleviation case of the Company was selected by the Poverty Alleviation Office of the State Council as one of the "Top 50 Special Cases of Targeted Poverty Alleviation by Enterprises".

Its experience and practices of poverty alleviation through production were published in the form of a special issue of the "Poverty Alleviation Information" by the Poverty Alleviation Office of the State Council

Chen Gongyan, the party secretary and chairman of the Company, accompanies Peng Chun, the party secretary and chairman of CIC in visiting cadres on temporary duty in Jingning

Strict fund supervision

The Company improved its poverty alleviation fund supervision system, developed the Measures for Management of Poverty Alleviation Fund Utilization, and arranged a special working group and a third-party auditor to conduct on-site audit of the utilization and management of poverty alleviation funds of CIC Jingning (including supplementary party fees).



On 22 July 2020, the "Discovery Journey - Building Dreams in a New Era" program of CCTV provided a comprehensive coverage of the Company's poverty alleviation efforts in the form of a 15-minute feature documentarv



Taking multiple measures to consolidate achievements

Poverty alleviation through production

To improve the sustainability of poverty alleviation through production, the Company helped Jingning County establish the CIC Galaxy Industrial Development Fund. With its help, Jingning County strengthened local apple industry, built a high-tech demonstration park, and extended the beef industry chain, which played an important role for Jingning County to build the core production area of "Pingliang Red Bull" and an important base for high-end beef production.

Poverty alleviation through finance

With the Company's help, Jingning County won the gualification for 10,000-mu apple "insurance + futures" pilot in Gansu Province approved by the central government, received central and provincial subsidies of RMB3.25 million, implemented the apple "insurance + futures" project with full county coverage, and received another RMB10 million of financial assistance from Zhengzhou Commodity Exchange. The Company helped "Jingning Apple" successfully guoted on the National Equities Exchange and Quotations, effectively enhancing its brand awareness. The Company actively carried out the "Little Galaxy Financial Quotient Training Camp - Meeting Jingning" activity to comprehensively improve the financial literacy of teenagers.

From 28 to 29 October 2020, a special training camp team comprising of members from the Company and the Financial and Business Research Center of Southwestern University of Finance and Economics went to Jingning County to carry out the "Little Galaxy Financial Quotient Training Camp - Meeting Jingning", where they donated more than RMB80.000 worth of study and daily necessities to local school teachers and students.



2

bridges

Poverty alleviation by improving living standards

The Company carried out the "Lighting the countryside" project in 333 administrative villages of Jingning County,



lt bui<mark>lt a</mark> demonstrati<mark>on park</mark> for poverty alleviation industry in Yangzui Village

Poverty alleviation through talents

The Company strengthened its assistance to Jingning in terms of talents. It has arranged five cadres on temporary duty to Jingning County and established the CIC Jingning Working Group, which strived to make Jingning County a better place with practical and innovative actions.

On 25 February 2021, the National Poverty Alleviation Summary and Commendation Conference was grandly held in the Great Hall of the People. Du Xiaoguang, a cadre on temporary duty of the Company and also the only representative from the securities industry and CIC, received the National Advanced Individual Award for Poverty Alleviation.



Poverty alleviation through consumption Second

The Company comprehensively strengthened its efforts in poverty alleviation through consumption to actively solve the problems of agricultural products of difficulty in finding buyers and slow-moving sales.

"assistance through purchase"

- E-commerce platform marketing. The Company helped JD Jingning Poverty Alleviation Store develop and build a Poverty Alleviation Store sell agricultural products from Jingning County in the amount of RMB3 16 million.
- Promotion and marketing. Du Xiaoguang, the cadre on temporary duty acting as a deputy head of Jingning Committee of CIC, where they helped farmers by assisting in the sales online.

Hardcore battle to prevent returning to poverty

Steady efforts into poverty alleviation through employment

The Company made every effort to advance poverty alleviation through employment to minimize the impact of the pandemic on the employment of poverty-stricken people in Jingning.

The Company successively trained 420 entrepreneurial leaders and farmer technicians from Jingning County, conducted two training sessions for **300** people to improve their vocational skills through the Galaxy training center, and jointly held a financial innovation forum with Pingliang Municipal Government to carry out financial training for over 3,000 people, which had significantly enhanced their ability to create wealth.

The Company actively helped strengthen local apple industry, edible fungi industry, grains and honey industry, beef cattle industry and Jingyuan chicken breeding industry to promote E-commerce practitioners and professional cooperative practitioners, and achieved stable employment of 1040 breeding farmers.

The Company created public welfare positions and achieved the employment of 666 registered poor people. It employed 100 registered poor people as forest rangers, and recruited 3 college students from impoverished families in Jingning. It strived to increase the number of people helped through employment via multiple channels by way of actively promoting the transfer of 272 people out of Gansu Province for employment.

Effectively preventing returning to poverty

Expa

The Company proactively purchased anti-poverty insurance for 18,129 people from 4,633 local households, achieving full coverage of all common poverty-causing factors in Jingning County. In 2020, the anti-poverty insurance project paid RMB918,000 to 150 poor households who had returned to poverty due to disasters, effectively playing its role in preventing returning to poverty.



Everyone participates in buying and selling. The employees of the Group spontaneously purchased agricultural products from Jingning amounting to over RMB133 million in the form of "donation through purchase" and

large online trading platform for poverty alleviation products from Jingning County. In 2020, it helped JD Jingning

attended the Gansu 2020 Internet Poverty Alleviation Expo together with young members of the Youth League



Live broadcast



Together with China Continent Insurance, the Company paid RMB19,200 to poor households who had returned to poverty due to disasters



C Developing Green Finance

Solution Developing Green Finance

China Galaxy Securities actively advocated for green finance, took the initiative to participate in the drafting of industrial standards and various work for market development, and actively developed green bond underwriting business. In 2020, the Company successfully issued three green bonds, being 20 Wuhan Metro GN001, 20 Ganzhou Bank Green Finance 01 and 02, with a total underwriting amount of RMB4.2 billion. The Company aims to indirectly help protect the natural environment and ecological resources and promote the healthy and orderly development of green industries, by way of its active attempts in promoting the issuance of bonds for green projects in the market, building a green financial system, and continuously strengthening its own green operations.

Case Asian Financial Summit Forum and Asian Financial Think Tank Annual Forum (2020)

On 2 and 3 December 2020, the Asian Financial Summit Forum and Asian Financial Think Tank Annual Forum (2020), jointly organized by the Asian Financial Cooperation Association and Guangzhou Local Finance Bureau, was held in Guangzhou. Yin Yanwu, member of the Executive Committee and Chief Business Officer of the Company, made a keynote speech on "Science and Technology Helps Regional Battle Against the Pandemic and Financial Cooperation", and Liu Feng, the chief economist of the Company, issued the "Asian Financial Cooperation Association Green Finance Practice Report (2020)" compiled by the research institute of the Company, which put forward suggestions to promote the sustainable development of green finance in Asia through activating the vitality of the green economy market, and enhancing the pertinence of green financial product development and the application of financial technology in green finance, and strengthening cooperation and exchanges.



Promoting Green Operation

As a financial enterprise engaged in office activities with low energy consumption and light pollution, the Company makes virtually no direct material impact on the natural environment and natural resources. Its routine consumption of resources mainly includes office electricity, petrol for official business vehicles, tap water and paper. Major emissions consist of carbon emissions from energy consumption, domestic sewage, office and domestic garbage, and other harmless waste.

In order to effectively improve the resource utilization efficiency at the Company's headquarters and strengthen the energy saving and consumption reduction of the data center, the Company further expanded the application of virtualization, hyper convergence, container and other cloud computing technologies to increase the utilization rate of hardware resources and reduce the number, power consumption and heat dissipation of equipment in the computer room. The computer room of data center supplies cold air through cold passages, increasing the overall efficiency of air conditioning system, and adopting UPS with higher energy efficiency to increase power factor and system efficiency. With respect to official vehicle management, the Company continuously optimized and adjusted the use and management of its official vehicles, strengthened the management of official vehicles during holidays, and regulated the use of vehicle fuel cards and speed pass cards. It continued to improve the sense of security, service and confidentiality of vehicle staff, established a monthly learning mechanism, and further strengthened refined and institutionalized management to eliminate the risk of private use of official vehicles. In 2020, the Company has upgraded its portal website and background office system, with a view to optimizing work flow and reduce frequency of printing. It continued to promote the construction of the "centralized digital file management system" to make full use of the system to share information resources and strive to achieve "risk-free" and "paperless", which produced good environmental benefits while improving office efficiency. As at the end of the reporting period, the system had archived more than 15,000 files, saving approximately 75,000 sheets of paper. In terms of saving water and electricity, its buildings were equipped with induction faucets to save water resources. A timing switch system was adopted for lighting in public areas, which would adjust the lighting time in the buildings at any time according to the different lighting time of the season in order to save electricity.





The Company recorded no major environmental issues, lawsuits, significant fines or non-economic punishment for environmental issues in 2020. The data for its major emissions and use of resources are as follows:

China Galaxy Securities' emissions from 2018 to 2020

Indicator	Unit	2018	2019	2020
Direct carbon dioxide (Scope I)	ton of CO ² equivalent	1,033.27	728.79	630.35
Indirect carbon dioxide (Scope II)	ton of CO ² equivalent	21,247.67	23,628.44	24,525.80
Total greenhouse gas emissions (Total=Scope I + Scope II)	ton of CO ² equivalent	22,280.94	24,357.23	25,156.15
Greenhouse gas emissions per unit of office area	ton of CO^2 equivalent/m ²	0.07	0.08	0.08
Greenhouse gas emissions per capita	ton of CO ² equivalent/person	2.66	2.48	2.18
Non-hazardous waste discharge (domestic garbage applicable to the Company)	ton	1,407.12		
Total domestic sewage discharge	10,000 ton	19.51	17.20	10.03

China Galaxy Securities' resource consumption from 2018 to 2020

Indicator	Unit	2018	2019	2020
Total office power consumption	MWh	30,310.36	25,114.78	28,206.51
Per capita office power consumption	MWh/person	3.13	2.56	2.44
Power consumption per unit of office area	KWh/m ²	87.15	81.79	86.02
Total gasoline consumption	10,000 litres	44	30.47	26.40
Total diesel consumption	litre	4,232.57	1,535.33	2,929.34
Natural gas consumption	10,000 m ³	2.72	1.54	2.06
Comprehensive energy consumption	ton of standard coal	4,239.25	3,590.29	3,781.29
Per capita comprehensive energy consumption	ton of standard coal/person	0.44	0.37	0.33
Comprehensive energy consumption per unit of office area	ton of standard coal/m ²	0.01	0.01	0.01
Total water consumption	10,000 ton	22.95	17.20	12.54
Per capita water consumption	ton/m ²	0.65	0.56	0.38
Total office copy paper consumption	ton	174.96		
Per capita office copy paper consumption	kg/person	18.07		

Notes:

1. The environmental statistics criteria are China Galaxy Securities Co., Ltd., Galaxy Futures Company Limited, Galaxy Capital Management Company Limited, China Galaxy International Financial Holdings Company Limited, Galaxy Jinhui Securities Assets Management Co., Ltd. and Galaxy Yuanhui Investment Co., Ltd.

- 2. Greenhouse gases inventory includes carbon dioxide, methane and nitrous oxide, GHG emissions data inside China is presented in carbon dioxide equivalent and is based on the "2015 Baseline Emission Factors for Regional Power Grids in China" issued by the National Development and Reform Commission of China, and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" issued by the Intergovernmental Panel on Climate Change (IPCC). In which, due to the lack of baseline emission factor for Tibet Power Grid and little data impact and importance of Lhasa Branch's procured power, such procured power is not included in the scope of greenhouse gas emissions statistics. Greenhouse gases in the Hong Kong overseas region are accounted for according to the IGES List of Grid Emission Factors published by the Institute of Global Environmental Strategies.
- 3. The scope of accounting for energy consumption data includes purchased electricity, natural gas, petrol and diesel. Energy consumption data for region inside China are calculated in accordance with the relevant conversion factors provided in the National Standard of the People's Republic of China ""IPCC 2006 National Committee on Climate Change". Energy consumption data for the Hong Kong region and overseas regions are based on the Energy Data Booklet issued by the International Energy Agency (Appendix III Units and Conversion Equivalents)



With the continuous spread of COVID-19 epidemic, the employment of financial talents is also facing great challenges. Our Hong Kong subsidiary Galaxy International and CGS-CIMB responded to the call of local governments by actively participating in local talent employment plans to contribute to the growth of financial professionals and the stable development of the financial market. Galaxy International continued to participate in the "Operation Smile". Its employees donated RMB350,000 to China Charities Aid Foundation for Children in their own names to provide free medical opportunities for children from impoverished families suffering from cleft lip and palate and other head and facial deformities.



Case |

In order to alleviate the employment problem and provide more job opportunities for fresh graduates in 2020, The Hong Kong Chinese Enterprises Association launched the New Graduates-New Opportunities Scheme. Galaxy International actively responded to the call. Recruitment plans were issued for a total of four positions in different departments, in order to give the graduates the greatest support and care, build a ladder for the development of young students in Hong Kong, and help more graduates go to work as soon as possible.



Galaxy International participated in the New Graduates-New Opportunities Scheme

Appendix I ESG Indicator Index

Subject	Areas, Aspects, General Disclosures and KPIs	Section	
A: E	nvironmental		
A1: E	Emissions		
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Developing Green Finance - Promoting Green Operation	
A1.1	The types of emissions and respective emissions data	Developing Green Finance - Promoting Green Operation–China Galaxy Securities' emissions from 2018 to 2020	
A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate intensity (e.g. per unit of production volume, per facility).	Developing Green Finance - Promoting Green Operation–China Galaxy Securities' emissions from 2018 to 2020	
A1.3	Total hazardous waste produced (in tons) and, where appropriate intensity (e.g. per unit of production volume, per facility).	Given that the company is an office-based enterprise, all harmful waste is recycled by third parties, of which data collection is being gradually improved.	
A1.4	Total non-hazardous waste produced (in tons) and, where appropriate intensity (e.g. per unit of production volume, per facility).	Developing Green Finance - Promoting Green Operation–Galaxy Securities' emissions from 2018 to 2020	
A1.5	Description of measures to mitigate emissions and results achieved.	Developing Green Finance - Promoting Green Operation	
A1.6	Description of how hazardous and non-hazardous wastes are handled reduction initiatives and results achieved.	Developing Green Finance - Promoting Green Operation	
A2: l	Jse of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Developing Green Finance - Promoting Green Operation	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Developing Green Finance - Promoting Green Operation -China Galaxy Securities' resource consumption from 2018 to 2020	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Developing Green Finance - Promoting Green Operation -China Galaxy Securities' resource consumption from 2018 to 2020	
A2.3	Description of energy use efficiency initiatives and results achieved.	Developing Green Finance - Promoting Green Operation	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Developing Green Finance - Promoting Green Operation	
A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not applicable	
A3: E	Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Developing Green Finance - Promoting Green Operation	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Developing Green Finance - Promoting Green Operation	
B: Social			

Subject	Areas, Aspects, General Disclosures and KPIs	
B1.1	Total workforce by gender, employment type, age group and geographical region.	
B1.2	Employee turnover rate by gender, age group and geographical region	
B2: H	Health and Safety	
General Disclosures	Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	
B2.1	Number and rate of work-related fatalities	
B2.2	Lost days due to work injury	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	
B3: [Development and Training	
General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	
B3.1	The percentage of employees trained by gender and employee category	
B3.2	The average training hours completed per employee by gender and employee category	
B4: l	abour Standards	
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	
B4.1	Description of measures to review employment practices to avoid child and forced labor	
B4.2	Description of steps taken to eliminate such practices when discovered	
B5: \$	Supply Chain Management	
General Disclosures	Policies on managing environmental and social risks of the supply chain	-
B5.1	Number of suppliers by geographical region	
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	
B6: F	Product Responsibility	
General Disclosures	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	:
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	I
B6.2	Number of products and service related complaints received and how they are dealt with	
B6.3	Description of practices relating to observing and protecting intellectual property rights	

B6.4 Description of quality assurance process and recall procedures

B6.5

Description of consumer data protection and privacy

policies, how they are implemented and monitored

General Disclosure (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare

Information on:

Working Together with Employees for Growth with Employee Orientation –Protection of employees' rights and interests-Standardized employment

Section

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Standardized employment

Not disclosed

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Safety and health

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Safety and health

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Safety and health

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Safety and health

Working Together with Employees for Growth with Employee Orientation -Employee promotion

Working Together with Employees for Growth with Employee Orientation -Employee promotion

Not disclosed

Working Together with Employees for Growth with Employee Orientation –Protection of employees' rights and interests

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Standardized employment

Working Together with Employees for Growth with Employee Orientation – Protection of employees' rights and interests-Standardized employment

Sound and Compliance Operation, Achieving Good Returns - Ensuring Compliance Operation- Compliance Procurement

Not Disclosed

Sound and Compliance Operation, Achieving Good Returns - Ensuring Compliance Operation- Compliance Procurement

Sound and Compliance Operation, Achieving Good Returns

Not applicable

Providing Quality Services with "Customer First" in Mind- Responding to customer feedback

Sound and Compliance Operation, Achieving Good Returns - Ensuring Compliance Operation- Protection of Intellectual Property Rights

Not applicable

Providing Quality Services with "Customer First" in Mind -Protection of Investors' Rights and Interests

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Subject	Areas, Aspects, General Disclosures and KPIs	Section		
B7:	Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sound and Compliance Operation, Achieving Good Returns - Ensuring Compliance Operation- Anti-corruption		
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Sound and Compliance Operation, Achieving Good Returns - Ensuring Compliance Operation- Anti-corruption		
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Sound and Compliance Operation, Achieving Good Returns - Ensuring Compliance Operation- Anti-corruption		
B8:	B8: Community Investment			

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Contributing to Society and Improving Livelihood
B8.1	Focus areas of contribution	Contributing to Society and Improving Livelihood Special Topic: Fulfilling responsibility of poverty alleviation through targeted measur
B8.2	Resources contributed	Contributing to Society and Improving Livelihood Special Topic: Fulfilling responsibility of poverty alleviation through targeted measur



Appendix II Independent Assurance Report



Ernst & Young Hiss Ming LLP Level 16, Ernst & Young Tower Orlental Plaza 1 East Charle An Avenue Donocheng District Heijng, China 100738

Independent Assurance Report on the Social Responsibility Report

The Board of Directors of China Galaxy Securities Co., Ltd:

We have been engaged to express a limited assurance opinion on the selected data in the 2020 Social Responsibility Report (the "Social Responsibility Report") prepared by China Galaxy Securities Co., Ltd. (the "China Galaxy Securities").

I. The Board of Directors' responsibilities

The Board of Directors of China Galaxy Securities are responsible for the preparation and presentation of the selected data in accordance with the "Reporting Guidelines" within the Social Responsibility Report. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the selected data; and making estimates that are reasonable in the circumstances.

II. Our responsibilities

Our responsibility is to express a conclusion on the selected data in the Social Responsibility Report based on our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work on the selected data in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance as to whether any matters have come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year then ended in the Social Responsibility Report is not prepared in all material respects in accordance with the basis of reporting.

III. Scope of work, approach, and limitation

The selected data in the Social Responsibility Report that is covered by this report is as follows:

交易知道会计算事况后 11月8日直通台以下 中国北京市东省区东河南东1市 生力广场安东大银16日 M20084-100738

7世用任:+561058153000 Fax 1年間:+56 10 8518 8298 PACING

安永华明(2021)专字第61517561 A01号 China Galaxy Securities Co., Ltd.







Independent Assurance Report on the Social Responsibility Report

安永华明(2021)专字第61517561 A01号 China Galaxy Securities Co., Ltd.

- Number of securities branches
- Number of trainings on compliance (on-site and online)
- Number of tips on compliance
- Number of coursed released by Galaxy University
- Total time duration of coursed released by Galaxy University (hours)
- Monthly average active users of China Galaxy Securities App (version 4.0) (10,000 person)
- Percentage of accounts opened online to ٠ total new accounts opened (%)
- Handling rate of customer complaints (%)
- Settlement rate of customer complaints (%)
- Return call satisfaction rate of new customers of the Company (%)
- Survey of customer complaint telephone evaluation satisfaction (%)
- Number of green bonds sold as a lead ٠ underwriter
- Total issuance amount of green bonds as a lead underwriter (RMB in hundred million)
- Number of investor education sessions (times)
- Investor education coverage (10,000 person-time)
- Number of original investor education • products
- Number of visitors to the investor education base (10,000 person-time)
- Number of total training (session)
- Number of total participants in trainings (person-time)
- Total training expenses (RMB in ten thousand)

- Total employees (persons)
- Number of fresh graduates recruited (persons)
- Management service staff (persons)
- Client Managers (persons)
- Percentage of employees (by gender)
 - maie employees (%)
- female employees (%)
- Percentage of employees (by age)
- aged 30 or below (%) .
- aged 31 to 40 (%)
- aged 41 to 50 (%)
- . aged 51 or above (%)
- Percentage of employees (by education level)
 - PhD (%)
 - . Postgraduate (%)
 - . Undergraduate (%)
 - College and below (%)
- Total Office Power Consumption (MWh) . Per Capita Office power Consumption
- (MWh/person)
- Power Consumption per Unit Office Area (KWh/m²)
- Total Petrol Consumption (0'000 litre)
- Total Diesel Consumption (litre)
- Natural Gas Consumption (0'000 m³)
- Comprehensive Energy Consumption (ton of standard coal)
- Per Capita Comprehensive Energy Consumption (ton of standard coal/person)

Independent Assurance Report on the Social Responsibility Report

- Comprehensive Energy Consumption per Unit Office Area (ton of standard coal/m2) .
- Total Water Consumption (0'000 ton)
- Water Consumption per Unit Area (ton/m²)
- . Total Greenhouse Gases (ton of CO; equivalent)
- Direct carbon dioxide (Scope I) (ton of CO₂ equivalent)
- Indirect carbon dioxide (Scope II) (ton of CO2 equivalent)
- Greenhouse Gas Emissions per office area (ton of CO; equivalent/m2)
- . Greenhouse Gas Emissions per capita (ton of CO₂ equivalent/person)

Our work was performed at the Head Office of China Galaxy Securities, which includes:

- 1) Interviews with management and personnel in the departments involved in providing information for inclusion in the Social Responsibility Report in relation to the selected data;
- 2) Analytical procedures;
- 31 Examination, on a test basis, of documentary evidence relating to the selected data on which we report:
- Recalculation: 4)
- 5) Other procedures deemed necessary

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and the therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material non-compliance of the selected data prepared in accordance with the basis of reporting.

Our work was limited to the selected data as of 31 December 2020 and for the year then ended in the Social Responsibility Report. We have not performed any procedures over other data included in the Social Responsibility Report for 2020, nor have we performed any procedures on other data or data for 2019 and years before. In addition, our work performed was not for the purpose of expressing an opinion on the effectiveness of China Galaxy Securities's internal controls.

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安永华明(2021)专字第61517561 A01号 China Galaxy Securities Co., Ltd.

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Social Responsibility Report Independent Assurance Report

安永华明(2021)专字第61517561_A01号 China Galaxy Securities Co., Ltd.

IV. Conclusion

Based on the limited assurance work which we have performed, nothing has come to our attention that causes us to believe that the selected data as at 31 December 2020 and for the year the ended has not been prepared, in all material respects, in accordance with the basis of reporting listed in the Social Responsibility Report.

V. Our independence, quality control and assurance team

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. We have complied with the quality control requirements of the International Standard on Quality Control 1. Our team has required competencies and experience for this assurance engagement.



