

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of China Galaxy Securities Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 published on 19 April 2021 (the “**2020 Annual Report**”). Unless otherwise stated, the terms used in this announcement shall have the same meaning as those defined in the 2020 Annual Report.

In addition to the information provided in the 2020 Annual Report, the Company would like to provide further information on the Group's pension plans (including the defined contribution plans and the defined benefit plans) in accordance with paragraph 26 of Appendix 16 to the Listing Rules.

Defined Contribution Plans

The employees of the Group participate in the basic endowment insurance plan operated by the governmental authorities, and the Group makes contributions at the prescribed rate based on the benchmark determined with reference to the average monthly income of the individual employee for the previous year, which will be within the upper and lower limits of the contribution benchmark of the local basic endowment insurance plan. Save for the aforesaid contributions, the Group has no further payment obligations. The corresponding expenditure is included in the current profit or loss in the period when it incurred. There are no contributions forfeited under the basic social endowment insurance plan as all contributions are fully vested to the employees upon the payment is made.

In addition to the basic social endowment insurance plan organised and implemented by the local labor and social security departments in accordance with relevant PRC laws and regulations, the Group also operates an enterprise annuity plan under a defined contribution model for eligible employees, under which the contributions and the investment gains thereon for the individual employee's personal account will be vested to such individual employee in accordance with the relevant rules. The contributions to the enterprise annuity fund that are not vested to the individual employee due to the employee's resignation will not be used to offset the existing contributions, but will be transferred to the public account of such enterprise annuity fund and allocated among members of such enterprise annuity fund after the procedures for approval are completed in accordance with the relevant regulations.

Defined Benefit Plans

The Group operates post-employment benefit plans under a defined benefit model (including the supplementary retirement benefits and the early retirement benefits) for eligible employees. For the defined benefit plans, the benefit obligations incurred under the defined benefit plans will be vested by the Group in the period when the employees provide services according to the formula determined by the projected unit credit method and included in the current profit or loss.

The Company has engaged Ernst & Young (China) Advisory Limited, a member of the China Association of Actuaries, to conduct an actuarial evaluation on the supplementary retirement benefit plan and the early retirement benefit plan of the Company on 31 December 2020. The projected unit credit method has been adopted for such evaluation.

The following table sets out the major actuarial assumptions used on 31 December 2020:

Evaluation date	31 December 2020
Discount rate – Supplementary retirement benefit plan	3.70%
Discount rate – Early retirement benefit plan	2.90%
Expected rates of increase in benefits	4.00%
Mortality rates	According to the Annuitant Table set out in the China Life Insurance Mortality Table (2010-2013) published by the China Banking and Insurance Regulatory Commission
Turnover rates	5.00%
Turnover rates of account managers	40.00%

No plan assets have been created for the supplementary retirement benefit plan and the early retirement benefit plan. Therefore, no relevant information about the market value of plan assets, the level of funding, or material surplus or deficiency could be disclosed.

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

Beijing, the PRC
15 September 2021

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