

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)

ANNOUNCEMENT IN RELATION TO RESULTS OF REDEMPTION OF A SHARE CONVERTIBLE BONDS AND CHANGES IN SHARES

References are made to the announcements of China Galaxy Securities Co., Ltd. (the “**Company**”) dated 30 August 2021, 19 October 2021, 12 January 2022, 7 March 2022, 16 March 2022, 21 March 2022, 10 July 2022, 23 September 2022, 10 July 2023, 4 August 2023, 16 November 2023, 24 November 2023 and 6 December 2023, and its circular dated 30 September 2021 in relation to the Company’s public issue of the A Share convertible corporate bonds (the “**A Share Convertible Bonds**”) in an amount of RMB7.8 billion. The conversion period of the A Share Convertible Bonds commenced from 30 September 2022, and shall end on 23 March 2028. The current conversion price is RMB9.70 per share.

I. ANNOUNCEMENT ON THE REDEMPTION OF A SHARE CONVERTIBLE BONDS

The closing prices of the A Shares of the Company for 15 trading days out of the 15 consecutive trading days from 6 November 2023 to 24 November 2023 are no less than 130% of the prevailing conversion price of the A Share Convertible Bonds of RMB9.70 per share (i.e. not less than RMB12.61 per share), pursuant to the offering document for the A Share Convertible Bonds (the “**Offering Document**”), the terms of conditional redemption have been triggered. At a meeting of the board of directors of the Company held on 24 November 2023, the board of directors has determined to exercise the right of early redemption of the A Share Convertible Bonds to redeem all the A Share Convertible Bonds as recorded in the register on the Redemption Registration Date (as defined below) with nominal value plus their then accrued interest (the “**Redemption**”). The announcement for relevant matters of the Redemption sets out as follows:

1. **Redemption Registration Date:** 18 December 2023 (the “**Redemption Registration Date**”).
2. **Target:** The target of the Redemption are all the holders of the A Share Convertible Bonds whose names appear on the register at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (the “**CSDC Shanghai Branch**”) after the close of trading on the Shanghai Stock Exchange (“**SSE**”) as at the Redemption Registration Date.

3. **Redemption Price:**

Pursuant to the provisions regarding early redemption of the Offering Document, the redemption price of the A Share Convertible Bonds is RMB100.296 each.

The formula for calculating the then accrued interest is: $IA=B \times i \times t \div 365$

IA: denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share Convertible Bonds held by the holders of the A Share Convertible Bonds;

i: denotes the nominal interest rate of the A Share Convertible Bonds for the current year;

t: denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date (24 March 2023) up to the redemption date (19 December 2023) of this interest accrual year (including the last interest payment date and excluding the redemption date), for a total of 270 days.

The then accrued interest $IA = B \times i \times t/365=100 \times 0.4\% \times 270/365=RMB0.296$ each

Redemption price= the nominal value of the A Share Convertible Bonds + then accrued interest
=100+0.296=RMB100.296 each

4. **Redemption Payment Date:** 19 December 2023

5. **A Share Convertible Bonds Delisting Date:** 19 December 2023

II. **RESULTS OF REDEMPTION OF A SHARE CONVERTIBLE BONDS AND IMPACT OF THE REDEMPTION ON THE COMPANY**

1. As of the close of trading on Redemption Registration Date (18 December 2023), the amount of the outstanding A Share Convertible Bonds was RMB19,391,000 (193,910 bonds), representing 0.2486% of the total issuance of A Share Convertible Bonds, a total of RMB7,780,609,000 A Share Convertible Bonds being converted to shares of the Company, with accumulative 797,143,499 converted shares, representing 7.8635% of total issued shares of the Company prior to A Share Convertible Bonds.

During the period from 1 October 2023 to 18 December 2023, the changes of share capital structure of the Company are as follow:

Unit: share

Types of Shares	Before changes (1 October 2023)	Amount of	After changes (18 December 2023)
		A Shares converted from the A Share Convertible Bonds	
Tradable shares subject to trading restrictions	–	–	–
Tradable shares not subject to trading restrictions, in which:			
RMB ordinary shares (A Shares)	10,552,172,031	382,230,225	10,934,402,256
Overseas listing foreign capital shares (H Shares)	3,690,984,633	–	3,690,984,633
Total	10,552,172,031	382,230,225	10,934,402,256

Note: Please refer to the overseas regulatory announcement dated 9 October 2023 of the Company for the details of the total share capital as at 30 September 2023.

- Starting from the third trading date prior to redemption payment date (14 December 2023), A Share Convertible Bonds have ceased trading. Following the close of trade on Redemption Registration Date (18 December 2023), unconverted A Share Convertible Bonds amounting RMB19,391,000 were frozen and ceased to conversion.
- According to the data provided by the CSDC Shanghai Branch, 193,910 A Share Convertible Bonds have been redeemed by the Company with the total amount of redemption payment of RMB19,448,397.36 (accrued interest thereon for the current period inclusive). The redemption payment date is 19 December 2023.

4. Impact on the Company regarding the Redemption:

The total amount of redemption payment for redemption of A Share Convertible Bonds amounted to RMB19,448,397.36 (accrued interest thereon for the current period inclusive), which would not cause a material impact on the cash flow of the Company. Upon the completion of the Redemption, the total share capital of the Company increased to 10,934,402,256 shares. With the increase of the total share capital, the earnings per share for the Company will be diluted in the short term, while the capital strength of the Company is enhanced, the capital structure is gradually optimized and the capability of sustainable development is further improved in the long term.

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

Beijing, the PRC
19 December 2023

As at the date of this announcement, the executive director of the Company is Mr. WANG Sheng (Chairman); the non-executive directors are Mr. YANG Tijun, Ms. LI Hui, Ms. LIU Chang, Mr. LIU Zhihong and Mr. JIANG Yuesheng; and the independent non-executive directors are Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.