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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in China Galaxy Securities Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

**ELECTION OF MR. XUE JUN AS AN EXECUTIVE DIRECTOR  
OF THE COMPANY  
ELECTION OF MR. LIU LI AS AN INDEPENDENT NON-EXECUTIVE  
DIRECTOR OF THE COMPANY  
REMUNERATION SETTLEMENT PLAN FOR MR. CHEN LIANG AND  
MS. QU YANPING FOR 2022  
ALLOWANCE STANDARDS FOR EXTERNAL SUPERVISORS  
AND  
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024**

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The EGM of China Galaxy Securities Co., Ltd. will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC on Tuesday, 23 January 2024 at 10:00 a.m.. The notice convening the EGM is set out on pages 9 to 11 of this circular.

If you intend to appoint a proxy to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) and the Office of the Board of Directors of the Company (for A Shareholders) not less than 24 hours before the time appointed for holding the EGM (i.e. not later than 10:00 a.m. on Monday, 22 January 2024) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024</b> .....	9

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“A Share(s)”	domestic share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange and traded in RMB
“A Shareholder(s)”	holder(s) of A Shares
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	China Galaxy Securities Co., Ltd., a joint stock company with limited liability incorporated in the PRC on 26 January 2007, whose H Shares are listed on the Stock Exchange (Stock Code: 06881) and A Shares are listed on the Shanghai Stock Exchange (Stock Code: 601881)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the first extraordinary general meeting of 2024 of the Company to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiyiing Street, Fengtai District, Beijing, the PRC on Tuesday, 23 January 2024 at 10:00 a.m.
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan region

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## DEFINITIONS

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“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

*In case of any discrepancy between the English and Chinese versions of this circular, the Chinese version shall prevail.*

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## LETTER FROM THE BOARD

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**中国银河证券股份有限公司**  
**CHINA GALAXY SECURITIES CO., LTD.**

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

**The Board of Directors:**

*Executive Director:*

Mr. WANG Sheng (*Chairman*)

*Non-executive Directors:*

Mr. YANG Tijun

Ms. LI Hui

Ms. LIU Chang

Mr. LIU Zhihong

Mr. JIANG Yuesheng

*Registered Office in the PRC:*

No. 101, 7/F-18/F

Building No.1, No. 8 Xiying Street  
Fengtai District, Beijing, the PRC

*Principal Place of Business in Hong Kong:*

20th Floor, Wing On Centre  
111 Connaught Road Central  
Sheung Wan, Hong Kong

*Independent Non-executive Directors:*

Mr. WANG Zhenjun

Ms. LIU Chun

Mr. LAW Cheuk Kin Stephen

28 December 2023

*To the Shareholders*

Dear Sir or Madam,

**ELECTION OF MR. XUE JUN AS AN EXECUTIVE DIRECTOR  
OF THE COMPANY  
ELECTION OF MR. LIU LI AS AN INDEPENDENT NON-EXECUTIVE  
DIRECTOR OF THE COMPANY  
REMUNERATION SETTLEMENT PLAN FOR MR. CHEN LIANG AND  
MS. QU YANPING FOR 2022  
ALLOWANCE STANDARDS FOR EXTERNAL SUPERVISORS**

**INTRODUCTION**

On behalf of the Board of Directors, I invite you to attend the EGM to be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC on Tuesday, 23 January 2024 at 10:00 a.m..

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the EGM.

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## LETTER FROM THE BOARD

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### **BUSINESSES TO BE CONSIDERED AT THE EGM**

Ordinary resolutions will be proposed at the EGM to approve: (1) the election of Mr. XUE Jun as an executive Director of the Company, (2) the election of Mr. LIU Li as an independent non-executive Director of the Company, (3) the remuneration settlement plan for Mr. CHEN Liang and Ms. QU Yanping for 2022, and (4) the allowance standards for external Supervisors.

#### **1. Election of Mr. XUE Jun as an executive Director of the Company**

On 24 November 2023, the Board considered and approved the proposal in relation to the nomination of Mr. XUE Jun as a candidate for executive Director of the Company. The proposal is hereby submitted to the EGM for Shareholders' consideration and approval.

The biographical details of Mr. XUE Jun are set out below:

XUE Jun, born in February 1970. Mr. XUE Jun obtained a bachelor's degree in economics from Central Institute of Finance and Banking and a master's degree in business administration from Guanghua School of Management of Peking University in 1992 and 2012, respectively. Mr. XUE worked as a staff member at Jingdu Certified Public Accountant Co., Ltd. from August 1992 to October 1997; he served as a principal staff member, the deputy division chief and a researcher of the Department of Public Offering Supervision of the China Securities Regulatory Commission from November 1997 to January 2008, an assistant to the President of Guosen Securities Co., Ltd. from February 2008 to April 2009, the deputy general manager of Qilu Securities Co., Ltd. from May 2009 to December 2011, and an assistant to the general manager of Shenyin & Wanguo Securities Co., Ltd. from January 2012 to December 2014; he was an assistant to the general manager of Shenwan Hongyuan Securities Co., Ltd. from January 2015 to April 2020 and concurrently served as the chief compliance officer of Shenwan Hongyuan Securities Co., Ltd. from April 2020 to September 2021. He served as a member of the Party Committee of the Company from September 2021 to October 2021, and served as a member of the Party Committee, a Vice President, a member of the Executive Committee and the person in charge of accounting affairs of the Company from October 2021 to November 2023. He currently serves as a Vice Secretary of the Party Committee, the President, a Vice Chairman of the Executive Committee, and the person in charge of the accounting affairs of the Company.

Mr. XUE Jun will enter into a service contract with the Company. The term of office of Mr. XUE Jun as an executive Director will commence from the date of approval by the Shareholders at the EGM, and end on the expiry of the term of the fourth session of the Board. He is eligible for re-election upon expiry of his term.

Mr. XUE Jun will not receive any director's fee from the Company but will receive corresponding remuneration for his management positions in the Company, including salary, performance-based bonus and benefits. His specific remuneration will be determined pursuant to the relevant remuneration administrative measures of the Company with reference to his duties and responsibilities and shall be submitted to the Board for approval.

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## LETTER FROM THE BOARD

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Save as disclosed above, Mr. XUE Jun has not held any directorships in other listed public companies in the last three years, does not hold any other position with the Company or any of its subsidiaries, and is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. XUE Jun does not have any interest in the Shares within the meaning of Part XV of the SFO.

Further, there is nothing in respect of the election of Mr. XUE Jun that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor is there anything that needs to be brought to the attention of the Shareholders.

### **2. Election of Mr. LIU Li as an independent non-executive Director of the Company**

On 20 December 2023, the Board considered and approved the proposal in relation to the nomination of Mr. LIU Li as a candidate for independent non-executive Director of the Company. The proposal is hereby submitted to the EGM for Shareholders' consideration and approval.

The biographical details of Mr. LIU Li are set out below:

LIU Li, male, born in September 1955. Mr. LIU taught at Beijing Institute of Iron and Steel from September 1984 to December 1985; he successively served as a teaching assistant, lecturer, associate professor, professor and doctoral supervisor at Guanghua School of Management of Peking University (and its predecessor, the Department of Economics and Management of the School of Economics) from January 1986 to September 2020, during which time he also served as the director of the MBA Program, the head of the Department of Finance, and the Chairman of the Labour Union. He served as an independent non-executive director of China Machinery Engineering Corporation from January 2011 to November 2021; an independent director of the Bank of Communications Co., Ltd. from September 2014 to November 2020; an independent director of Shenzhen Success Electronics Co., Ltd. from January 2016 to October 2020; an independent director of China International Capital Corporation Limited from June 2016 to June 2023; an independent director of CNPC Capital Company Limited from June 2017 to September 2022; an independent non-executive director of Metallurgical Corporation of China Ltd since January 2022; and an external supervisor of China Cinda Asset Management Company Limited since August 2022. Mr. LIU has obtained a master's degree in Physics from Peking University in July 1984 and a master's degree in business administration from Catholic University of Louvain, Belgium in July 1989.

Mr. LIU Li will enter into a letter of appointment with the Company. The term of office of Mr. LIU Li as independent non-executive Director will commence from the date of approval by the Shareholders at the EGM and end on the expiry of the term of the fourth session of the Board. He is eligible for re-election upon expiry of his term.

An independent non-executive Director will receive a director's fee of RMB150,000 per annum from the Company. In addition, an independent non-executive Director who acts as the chairman of a special committee of the Board will receive an additional subsidy of RMB50,000 per annum, and an independent non-executive Director who acts as a member of a special committee of the Board will receive an additional subsidy of RMB30,000 per annum. The director's fees and subsidies are determined pursuant to the relevant

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## LETTER FROM THE BOARD

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remuneration administrative measures of the Company with reference to their duties and responsibilities. If there is any provision on the remuneration of independent directors under the relevant national policies, the actual amount of remuneration payable by the Company to the independent non-executive Directors will be adjusted in accordance with such policies.

Save as disclosed above, Mr. LIU Li has not held any directorships in other listed public companies in the last three years, does not hold any other position with the Company or any of its subsidiaries, and is not connected with any Directors, senior management or substantial or controlling Shareholders of the Company. Mr. LIU Li does not have any interest in the Shares within the meaning of Part XV of the SFO.

Further, there is nothing in respect of the nomination of Mr. LIU Li that needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, nor is there anything that needs to be brought to the attention of the shareholders of the Company.

### **Policy and procedures for the nomination of independent Directors**

In reviewing the structure of the Board, the Nomination and Remuneration Committee will consider the diversity of the members of the Board from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. Members of the Board are appointed based on the principle of meritocracy and candidates will be considered based on the talents, skills and experience required for the overall operation of the Board as far as possible, in order to maintain an appropriate balance of the member of the Board.

The Nomination and Remuneration Committee is of the view that Mr. LIU Li, who subsequently served as a teaching assistant, lecturer, associate professor, professor and doctoral supervisor at Guanghua School of Management of Peking University (and its predecessor, the Department of Economics and Management of the School of Economics), during which time he also served as the director of the MBA Program, the head of the Department of Finance, and the chairman of the Labour Union, has a wealth of knowledge in finance and business administration and has served as an independent director in a number of listed companies. The election of Mr. LIU Li as an independent non-executive Director may further strengthen the professional background of the members of the Board in finance and business administration and promote the diversity of the Board in respect of skills and experience. Mr. LIU Li currently holds position as a director in less than seven listed companies, and is able to devote sufficient time and attention to his engagement in the Company. As such, on 20 December 2023, the Nomination and Remuneration Committee nominated Mr. LIU Li to the Board for recommendation to the Shareholders for election at the EGM.

The Board considers that Mr. LIU Li possesses the basic knowledge of listed company operations, is familiar with the relevant laws, administrative regulations, departmental rules and other regulatory documents and has the relevant working experiences in law, economics, finance, management or other fields necessary for serving as an independent Director. Moreover, Mr. LIU Li has confirmed his independence pursuant to Rule 3.13 of the Listing



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## LETTER FROM THE BOARD

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Rules. The Board also considers that Mr. LIU Li meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

### **3. Remuneration Settlement Plan for Mr. CHEN Liang and Ms. QU Yanping for 2022**

According to the Articles of Association, the remuneration of Mr. CHEN Liang, former Chairman of the Board, and Ms. QU Yanping, current Chairman of the Supervisory Committee, shall be submitted to the general meeting for Shareholders' consideration and approval. Pursuant to the remuneration administrative measures of the Company and based on the performance appraisal results of the relevant Directors and Supervisors, the remunerations of Mr. CHEN Liang and Ms. QU Yanping for 2022 are set out below:

- (1) The total remuneration of Mr. CHEN Liang, the former Chairman of the Board, during his term of service as the Chairman of the Board in 2022 was RMB2,758,335 (before tax).
- (2) The total remuneration of Ms. QU Yanping, the current Chairman of the Supervisory Committee, during her term of service as the Chairman of the Supervisory Committee in 2022 was RMB3,878,947 (before tax).

The remuneration settlement plan is hereby proposed to the EGM for consideration and approval.

### **4. Allowance standards for external Supervisors**

In order to fairly realise the supervisory role of external Supervisors in corporate governance, with reference to the current allowance standards for independent Directors of the Company, it is proposed that the allowance standards for external Supervisors be adjusted to be the same standards as those for independent Directors, increasing from RMB120,000 per annum (before tax) to RMB150,000 per annum (before tax), with an allowance of RMB30,000 (before tax) for each external Supervisor acting as a member of a committee, and RMB50,000 (before tax) for the Chairman of a committee.

The standards of the allowances for external Supervisors are hereby submitted to the EGM for consideration and approval.

### **THE EGM**

The notice convening the EGM and the form of proxy are enclosed herewith.

If you intend to appoint a proxy to attend the EGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for H Shareholders) or the Office of the Board of Directors of the Company (for A Shareholders) not less than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on Monday, 22

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## LETTER FROM THE BOARD

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January 2024) or any adjournment thereof in person or by post. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. As such, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll for the resolutions proposed at the EGM.

### **RECOMMENDATION**

The Board considers that the resolutions proposed at the EGM are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends you to vote in favour of the resolutions proposed at the EGM.

Yours faithfully,  
By Order of the Board  
**China Galaxy Securities Co., Ltd.**  
**WANG Sheng**  
*Chairman and Executive Director*

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

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

### **NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024**

**NOTICE IS HEREBY GIVEN** that the first extraordinary general meeting of 2024 (the “EGM”) of China Galaxy Securities Co., Ltd. (the “Company”) will be held at Conference Room M1919, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC on Tuesday, 23 January 2024 at 10:00 a.m. for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. To consider and approve the election of Mr. XUE Jun as an executive director of the Company;
2. To consider and approve the election of Mr. LIU Li as an independent non-executive director of the Company;
3. To consider and approve the remuneration settlement plan for Mr. CHEN Liang and Ms. QU Yanping for 2022:
  - 3.01 To consider and approve the remuneration settlement plan for Mr. CHEN Liang for 2022;
  - 3.02 To consider and approve the remuneration settlement plan for Ms. QU Yanping for 2022; and
4. To consider and approve the allowance standards for external supervisors.

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

Beijing, the PRC, 28 December 2023

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

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*Notes:*

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of EGM will be voted by poll. Results of the poll voting will be published on the Company's website at [www.chinastock.com.cn](http://www.chinastock.com.cn) and the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) after the EGM.
2. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Company.
3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the Office of the Board of Directors of the Company (for A Shareholders) or the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for H Shareholders), not less than 24 hours before the time appointed for holding the EGM (i.e. no later than 10:00 a.m. on Monday, 22 January 2024) or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.
4. The H Share register of members of the Company will be closed, for the purpose of determining the entitlement of holders of H Shares to attend the EGM, from Thursday, 18 January 2024 to Tuesday, 23 January 2024 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the instruments of transfers, must be lodged for registration with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 17 January 2024. The Company will announce separately on the Shanghai Stock Exchange details of the eligibility of the A Shareholders for attending the EGM.
5. Where there are joint holders of any shares, the one whose name stands first on the register of members shall be entitled to attend and vote at the EGM in respect of such shares.
6. Shareholder or his/her proxy shall produce proof of identity when attending the EGM:
  - (a) Legal representatives of legal person shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives or the Board of Directors or other governing body of the legal person shareholders according to laws; and
  - (b) Individual shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity and stock account cards. Proxies of individual shareholders shall produce effective proof of identity and form of proxy.
7. The EGM is expected to be held for less than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
8. The Office of the Board of Directors of the Company is located at Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing, the PRC.

Tel. no.: 86 (10) 8092 9800

Fax no.: 86 (10) 8092 6725

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## NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2024

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*As at the date of this notice, 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.*