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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)

ANNOUNCEMENT

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE SECURITIES AND FINANCIAL SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 6 December 2024 in relation to the Framework Agreement entered into between the Company and Galaxy Financial Holdings on 6 December 2024. Pursuant to the Framework Agreement, the Group will provide securities and financial services to Galaxy Financial Holdings Group in its ordinary course of business during the period from 1 January 2025 to 31 December 2027, which include (1) securities brokerage services, (2) sales agency services, (3) leasing of exchange trading units, and (4) other relevant securities and financial services. The Group will receive service charges and commissions from Galaxy Financial Holdings Group for the provision of such services, and pay interest to Galaxy Financial Holdings Group in respect of its funds entrusted to the Group in connection with such services.

Due to the increase in business needs between the parties, the Company and Galaxy Financial Holdings entered into the Supplemental Agreement on 13 October 2025 to revise the annual caps for the service charges and commissions receivable by the Group from Galaxy Financial Holdings Group for the provision of the relevant services for the three years ending 31 December 2027, and the annual caps for the interest payable by the Group to Galaxy Financial Holdings Group in respect of the entrusted funds for the three years ending 31 December 2027.

Galaxy Financial Holdings is the controlling shareholder of the Company, holding approximately 47.43% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As such, the transactions under the Framework Agreement (as revised by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios as set out in the Listing Rules represented by the revised annual caps of the continuing connected transactions are more than 0.1% but less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company dated 6 December 2024 in relation to the Framework Agreement entered into between the Company and Galaxy Financial Holdings on 6 December 2024. Pursuant to the Framework Agreement, the Group will provide securities and financial services to Galaxy Financial Holdings Group in its ordinary course of business during the period from 1 January 2025 to 31 December 2027, which include (1) securities brokerage services, (2) sales agency services, (3) leasing of exchange trading units, and (4) other relevant securities and financial services. The Group will receive service charges and commissions from Galaxy Financial Holdings Group for the provision of such services, and pay interest to Galaxy Financial Holdings Group in respect of its funds entrusted to the Group in connection with such services.

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PRINCIPAL TERMS OF THE FRAMEWORK AGREEMENT (AS REVISED BY THE SUPPLEMENTAL AGREEMENT)

Parties

- The Company
- Galaxy Financial Holdings

Provision of securities and financial services to Galaxy Financial Holdings Group

The Group will provide securities and financial services to Galaxy Financial Holdings Group on normal commercial terms, which include (1) securities brokerage services, (2) sales agency services, (3) leasing of exchange trading units, and (4) other relevant securities and financial services. The Group will receive service charges and commissions from Galaxy Financial Holdings Group for the provision of such services, and pay interest to Galaxy Financial Holdings Group in respect of its funds entrusted to the Group in connection with such services.

Pricing and payment

The service charges and commissions receivable by the Group for the provision of securities and financial services to Galaxy Financial Holdings Group and the interest payable by the Group to Galaxy Financial Holdings Group in respect of the entrusted funds shall be determined on arm's length negotiation between the parties with reference to the prevailing market rates in accordance with the applicable laws and regulations.

The commissions for the provision of securities brokerage services and leasing of exchange trading units shall be determined by the Group based on the securities trading volume with reference to the commission rates charged by the Group for the provision of similar services to independent third parties; the service charges for the provision of sales agency services shall be determined by the Group based on the amount of products for agency sale with reference to the service fee rates charged by the Group for the agency sale of similar products to independent third parties; the service charges and commissions for the provision of other relevant securities and financial services shall be determined by the Group based on the nature of the transactions with reference to the prevailing market rates in accordance with the applicable laws and regulations. The interest payable by the Group to Galaxy Financial Holdings Group in respect of the entrusted funds shall be determined by the Group based on the interest rate for RMB current savings as published by the People's Bank of China from time to time.

The commissions of securities brokerage services shall be payable on a daily basis; the service charges of sales agency services shall be payable according to the terms of the respective contracts entered into between the parties for the agency sale of various products; the commissions of leasing of exchange trading units shall be payable on a quarterly basis; the payment of service charges and commissions for other relevant securities and financial services shall be further agreed by the parties based on the nature of the transactions. The Group shall pay interest to Galaxy Financial Holdings Group for the entrusted funds on a quarterly basis.

Before determining the prices with Galaxy Financial Holdings Group, the Group will make reference to the prices of similar transactions with independent third parties, and the terms (including the prices) of the provision of securities and financial services by the Group to Galaxy Financial Holdings Group will be no less favourable to the Group than those entered into by the Group with independent third parties. In accordance with the Administrative Measures for Connected Transactions of the Company, the relevant business department will submit an application for each connected transaction which contains the details of the counterparty, the nature of the transaction and the prices (including the reference prices with independent third parties) to the legal department, following which the connected transaction will be submitted to the general office for further review. The Company considers that the methods and procedures adopted above can ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

Term

From 1 January 2025 to 31 December 2027.

REVISION OF ANNUAL CAPS

Original annual caps and historical transaction figures

For the three years ending 31 December 2027, the original annual caps for the service charges and commissions receivable by the Group from Galaxy Financial Holdings Group for the provision of securities and financial services under the Framework Agreement were RMB169 million, RMB202 million and RMB219 million, respectively. For the eight months ended 31 August 2025, the historical amount of service charges and commissions received by the Group for the provision of such services was approximately RMB6.57 million.

For the three years ending 31 December 2027, the original annual caps for the interest payable by the Group to Galaxy Financial Holdings Group in respect of the entrusted funds under the Framework Agreement were RMB3.99 million, RMB4.39 million and RMB4.83 million, respectively. For the eight months ended 31 August 2025, the historical amount of interest paid by the Group to Galaxy Financial Holdings Group in respect of the entrusted funds was approximately RMB0.14 million.

As at the date of this announcement, the historical amounts of the above transactions have not exceeded the original annual caps for the year ending 31 December 2025 under the Framework Agreement.

Revised annual caps

The Company intends to revise the annual caps for the service charges and commissions receivable by the Group from Galaxy Financial Holdings Group for the provision of securities and financial services for the three years ending 31 December 2027 under the Framework Agreement to RMB231 million, RMB944 million, and RMB961 million, respectively, and to revise the annual caps for the interest payable by the Group to Galaxy Financial Holdings Group in respect of the entrusted funds for the three years ending 31 December 2027 under the Framework Agreement to RMB10 million, RMB10 million, and RMB10 million, respectively.

Reasons for revising the annual caps

In accordance with the Operational Guidelines for the Application of the "Guiding Opinions on Regulating Asset Management Business of Financial Institutions" to Large Collective Asset Management Business of Securities Companies (《證券公司大集合資產管理業務適用<關於規範金融機構資產管理業務的指導意見>操作指引》) issued by the China Securities Regulatory Commission, securities companies shall strictly comply with the Securities Investment Fund Law and other laws and regulations, and align with public fund standards in managing and operating collective asset management plans where the number of investors is not limited to 200 (the "**Large Collective Products**"). Securities companies without the qualification for management of public funds shall complete the procedures for changing the manager of their Large Collective Products. Under the aforementioned guidelines, the manager of a Large Collective Product of the Group will be changed to a fund company within Galaxy Financial Holdings Group that holds the qualification for management of public funds. Following the completion of the change of manager, the Group will continue to provide services for such Large Collective Product (primarily including sales agency services and integrated financial services). These services will constitute continuing connected transactions between the Group and Galaxy Financial Holdings Group and will be governed by the Framework Agreement. Therefore, the Company intends to revise the annual caps for the service charges and commissions receivable by the Group from Galaxy Financial Holdings Group for the provision of securities and financial services under the Framework Agreement, to meet the additional service demands between the parties arising from the change of manager of the Large Collective Product. In assessing the amount of the additional continuing connected transactions, the Company has considered the current scale of the Large Collective Product (approximately RMB30 billion) and the relevant service fee rates.

Furthermore, given the recent active trading in the capital markets and the relatively ample funds of Galaxy Financial Holdings Group, it is possible that Galaxy Financial Holdings Group may increase its funds entrusted to the Group, which would lead to a corresponding increase in the interest payable by the Group to Galaxy Financial Holdings Group. Therefore, the Company intends to revise the annual caps for the interest payable by the Group to Galaxy Financial Holdings Group in respect the entrusted funds.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group has been providing securities and financial services to Galaxy Financial Holdings Group in its ordinary course of business. For the purpose of enhancing the business management and efficiency of the parties, the Company and Galaxy Financial Holdings entered into the Framework Agreement.

The Directors (including the independent non-executive Directors) consider that the continuing connected transactions contemplated under the Framework Agreement (as revised by the Supplemental Agreement) are entered into in the ordinary course of business and on normal commercial terms, and are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the revised annual caps of the continuing connected transactions are fair and reasonable. As Mr. YANG Tijun, Ms. LI Hui, Ms. HUANG Yan and Mr. SONG Weigang hold positions in Galaxy Financial Holdings and/or its holding company, they have abstained from voting on the resolutions of the Board for the approval of the continuing connected transactions contemplated under the Framework Agreement (as revised by the Supplemental Agreement) and the revised annual caps.

LISTING RULES IMPLICATIONS

Galaxy Financial Holdings is the controlling shareholder of the Company, holding approximately 47.43% of the total number of issued shares of the Company, and is therefore a connected person of the Company. As such, the transactions under the Framework Agreement (as revised by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios as set out in the Listing Rules represented by the revised annual caps of the continuing connected transactions are more than 0.1% but less than 5%, such transactions are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

The Company is a leading integrated financial services provider in the PRC securities industry, providing comprehensive financial services including wealth management, investment banking, institutional business, international business, investment trading, and other parent-subsidiary integration business.

Galaxy Financial Holdings is an investment holding company with its business scope covering the investment and management of securities, funds, insurance, trust and banking. The shareholders of Galaxy Financial Holdings are Central Huijin Investment Ltd. with 69.07% equity interest, the Ministry of Finance of the PRC with 29.32% equity interest, and the National Council for Social Security Fund with 1.61% equity interest. The ultimate beneficial owner of Central Huijin Investment Ltd. is the State Council of the PRC.

DEFINITIONS

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

"A Shares"	domestic shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"Board"	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)
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Framework Agreement"	the securities and financial services framework agreement entered into between the Company and Galaxy Financial Holdings on 6 December 2024
"Galaxy Financial Holdings"	China Galaxy Financial Holdings Company Limited (中國銀河金融控股有限責任公司), a limited liability company incorporated in the PRC on 8 August 2005, and the controlling shareholder of the Company
"Galaxy Financial Holdings Group"	Galaxy Financial Holdings and its subsidiaries, excluding the Group
"Group"	the Company and its subsidiaries
"H Shares"	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan

"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supplemental Agreement"	the supplemental agreement to the Framework Agreement entered into between the Company and Galaxy Financial Holdings on 13 October 2025

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

Beijing, the PRC
13 October 2025

As at the date of this announcement, the executive Directors of the Company are Mr. WANG Sheng (Chairman) and Mr. XUE Jun (Vice Chairman and President); the non-executive Directors are Mr. YANG Tijun, Ms. LI Hui, Ms. HUANG Yan and Mr. SONG Weigang; and the independent non-executive Directors are Mr. LAW Cheuk Kin Stephen, Mr. LIU Li, Mr. MA Zhiming and Ms. FAN Xiaoyun.