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

## **ANNOUNCEMENT**

### **RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING AND DISTRIBUTION OF 2016 FINAL DIVIDEND**

The board of directors of the Company wishes to announce that all resolutions proposed at the AGM were duly passed.

The 2016 Final Dividend is expected to be paid on Monday, 21 August 2017 to holders of H Shares of the Company.

The annual general meeting of China Galaxy Securities Co., Ltd. (the “**Company**”) was held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC on Thursday, 22 June 2017 at 10:00 a.m. (the “**AGM**” or “**Meeting**”).

#### **I. POLL RESULTS AT THE AGM**

As at the date of the AGM, the total issued shares of the Company were 10,137,258,757 shares (including 6,446,274,124 A Shares and 3,690,984,633 H Shares). With respect to Resolution No. 12 proposed at the AGM, China Galaxy Financial Holdings Company Limited, holding 5,160,610,864 shares of the Company, representing approximately 50.91% of the total issued shares of the Company, was required to abstain and had abstained from voting on such resolution, and the shares held by it were not counted towards the total number of shares entitling the shareholders to vote in respect of such resolution. As a result, independent shareholders holding a total of 4,976,647,893 shares of the Company, representing approximately 49.09% of the total issued shares of the Company, were entitled to attend and vote on Resolution No. 12 at the AGM. With respect to other resolutions proposed at the AGM, shareholders holding a total of 10,137,258,757 shares of the Company, representing 100% of the total issued shares of the Company, were entitled to attend and vote on such resolutions at the AGM. Save as disclosed above, there were no restrictions on any shareholder casting votes on any of the proposed resolutions at the AGM.

Shareholders and authorized proxies holding a total of 6,013,300,622 shares, representing approximately 59.32% of the total issued shares of the Company, attended the AGM. The voting at the AGM was conducted by way of onsite voting and online voting. The AGM was convened in accordance with the requirements of the relevant laws and regulations of the PRC and the Articles of Association of the Company, and the poll results are lawful and valid.

<b>Total number of shareholders and authorized proxies attending the Meeting</b>	19
including: number of holders of A Shares	17
number of holders of H Shares	2
<b>Total number of shares with voting rights</b>	6,013,300,622
including: total number of shares held by holders of A Shares	5,277,617,236
total number of shares held by holders of H Shares	735,683,386
<b>Percentage to the total number of shares with voting rights (%)</b>	59.318800
including: percentage of shares held by holders of A Shares (%)	52.061578
percentage of shares held by holders of H Shares (%)	7.257222

The AGM was chaired by Mr. Chen Gongyan, the Chairman of the board of directors of the Company. Seven out of the eleven directors of the Company attended the Meeting, while Non-executive Director Mr. Li Chaoyang and Independent Directors Mr. Liu Feng, Mr. Luo Lin and Mr. Chi Fulin were unable to attend due to other business commitments. All five supervisors of the Company attended the Meeting. Certain members of the senior management of the Company also attended the Meeting.

The poll results in respect of the resolutions proposed at the AGM are as follows:

Resolutions	Type of shareholders	For		Against		Abstain		
		No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	
<b>As ordinary resolutions</b>								
1	To consider and approve the report of the board of directors for 2016	Holders of A Shares	5,277,598,136	99.999638	19,100	0.000362	0	0.000000
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,269,522	99.999483	19,100	0.000317	12,000	0.000200
The resolution was duly passed as an ordinary resolution.								
2	To consider and approve the report of the supervisory committee for 2016	Holders of A Shares	5,277,598,136	99.999638	19,100	0.000362	0	0.000000
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,269,522	99.999483	19,100	0.000317	12,000	0.000200
The resolution was duly passed as an ordinary resolution.								
3	To consider and approve the 2016 annual report	Holders of A Shares	5,277,598,136	99.999638	19,100	0.000362	0	0.000000
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,269,522	99.999483	19,100	0.000317	12,000	0.000200
The resolution was duly passed as an ordinary resolution.								
4	To consider and approve the final accounts report for 2016	Holders of A Shares	5,277,597,136	99.999619	11,400	0.000216	8,700	0.000165
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,268,522	99.999466	11,400	0.000190	20,700	0.000344
The resolution was duly passed as an ordinary resolution.								

Resolutions		Type of shareholders	For		Against		Abstain	
			No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)
5	To consider and approve the profit distribution plan for 2016	Holders of A Shares	5,277,597,136	99.999619	11,400	0.000216	8,700	0.000165
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,268,522	99.999466	11,400	0.000190	20,700	0.000344
The resolution was duly passed as an ordinary resolution.								
6	To consider and approve the capital expenditure budget for 2017	Holders of A Shares	5,277,597,136	99.999619	20,100	0.000381	0	0.000000
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,268,522	99.999466	20,100	0.000334	12,000	0.000200
The resolution was duly passed as an ordinary resolution.								
7	To consider and approve the re-appointment of the external auditing firms of the Company for 2017	Holders of A Shares	5,277,597,136	99.999619	11,400	0.000216	8,700	0.000165
		Holders of H Shares	731,172,586	99.386856	4,498,800	0.611513	12,000	0.001631
		Total	6,008,769,722	99.924652	4,510,200	0.075004	20,700	0.000344
The resolution was duly passed as an ordinary resolution.								
8	To consider and approve the increase of net capital guarantee to Galaxy Jinhui Securities Assets Management Co., Ltd. by the Company	Holders of A Shares	5,277,597,136	99.999619	20,100	0.000381	0	0.000000
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,268,522	99.999466	20,100	0.000334	12,000	0.000200
The resolution was duly passed as an ordinary resolution.								

Resolutions		Type of shareholders	For		Against		Abstain	
			No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)
<b>As special resolutions</b>								
9	To consider and approve the general mandate to issue shares	Holders of A Shares	5,277,547,236	99.998674	70,000	0.001326	0	0.000000
		Holders of H Shares	205,028,131	27.869072	530,643,255	72.129297	12,000	0.001631
		Total	5,482,575,367	91.174144	530,713,255	8.825656	12,000	0.000200
The resolution was duly passed as a special resolution.								
10	To consider and approve the amendments to the proposal on authorization granted to the board of directors by the shareholders' general meeting	Holders of A Shares	5,277,557,236	99.998863	60,000	0.001137	0	0.000000
		Holders of H Shares	696,832,018	94.719010	38,839,368	5.279359	12,000	0.001631
		Total	5,974,389,254	99.352912	38,899,368	0.646888	12,000	0.000200
The resolution was duly passed as a special resolution.								
<b>As a supplemental ordinary resolution</b>								
12	To consider and approve the Securities and Financial Products Transactions Framework Agreement entered into between the Company and China Galaxy Financial Holdings Company Limited, the transactions contemplated thereunder and the cap amounts for the three years ending 31 December 2019 relating thereto	Holders of A Shares	116,987,272	99.983676	10,400	0.008889	8,700	0.007435
		Holders of H Shares	735,235,386	99.939104	106,000	0.014409	342,000	0.046487
		Total	852,222,658	99.945220	116,400	0.013651	350,700	0.041129
The resolution was duly passed as an ordinary resolution.								

Resolutions		Type of shareholders	For		Against		Abstain	
			No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)
<b>As a supplemental special resolution</b>								
13	To consider and approve the amendments to the Articles of Association	Holders of A Shares	5,277,598,136	99.999638	19,100	0.000362	0	0.000000
		Holders of H Shares	735,671,386	99.998369	0	0.000000	12,000	0.001631
		Total	6,013,269,522	99.999483	19,100	0.000317	12,000	0.000200
The resolution was duly passed as a special resolution.								

Pursuant to the relevant laws and regulations of the PRC, the Company announces the poll results of holders of A Shares who individually or in aggregate hold less than 5% of the shares of the Company in respect of Resolutions No. 5, 7 and 12 proposed at the AGM as follows:

Resolutions		For		Against		Abstain		
		No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	No. of shares voted	Percentage (%)	
<b>As ordinary resolutions</b>								
5	To consider and approve the profit distribution plan for 2016	116,986,272	99.9828	11,400	0.0097	8,700	0.0075	
7	To consider and approve the re-appointment of the external auditing firms of the Company for 2017	116,986,272	99.9828	11,400	0.0097	8,700	0.0075	
12	To consider and approve the Securities and Financial Products Transactions Framework Agreement entered into between the Company and China Galaxy Financial Holdings Company Limited, the transactions contemplated thereunder and the cap amounts for the three years ending 31 December 2019 relating thereto	116,987,272	99.9836	10,400	0.0088	8,700	0.0076	

The full text of Resolutions No. 1 to 10 is set out in the circular of the Company and the notice of AGM both dated 5 May 2017, and the full text of the Resolutions No. 12 and 13 is set out in the supplemental circular of the Company and the supplemental notice of AGM both dated 7 June 2017.

Computershare Hong Kong Investor Services Limited (the Company's H Share registrar), two representatives from the Company's shareholders, a supervisor of the Company and a representative from Grandall Law Firm (Beijing) (the Company's PRC legal adviser) acted as the scrutineers for the vote-taking at the AGM.

## II. DISTRIBUTION OF 2016 FINAL DIVIDEND

The resolution on the profit distribution plan for the year ended 31 December 2016 has been approved at the AGM. The Company will distribute a cash dividend of RMB1,571,275,107.34 (inclusive of tax) for the year ended 31 December 2016 (the "**2016 Final Dividend**"). Based on the Company's total number of issued shares of 10,137,258,757 shares upon completion of the A Share initial public offering on 23 January 2017, a cash dividend of RMB1.55 (inclusive of tax) for every 10 shares will be distributed. In case of any change in the total number of issued shares of the Company on the record date (namely 3 July 2017) as a result of placing or repurchase, the amount of cash dividend per share will be adjusted accordingly based on the total amount of RMB1,571,275,107.34 (inclusive of tax).

The 2016 Final Dividend is denominated and declared in RMB, and payable in RMB and in HK dollars to holders of A Shares and holders of H Shares, respectively. The actual amount distributed in HK dollars will be calculated based on the average benchmark exchange rate of RMB against HK dollars announced by the People's Bank of China for the five business days prior to the date of the AGM (i.e. RMB0.87209 against HK\$1.00). Accordingly, the 2016 Final Dividend is HK\$0.17773 per H Share (inclusive of tax).

For the purpose of determining the entitlement of holders of H Shares to the 2016 Final Dividend, the H Share register of members of the Company will be closed from Wednesday, 28 June 2017 to Monday, 3 July 2017 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the H Share register of members of the Company on Monday, 3 July 2017 are entitled to the 2016 Final Dividend. In order to be entitled to receive the 2016 Final Dividend, 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 holders of H Shares) 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 Tuesday, 27 June 2017. The last trading day for H Shares of the Company before ex-dividend will be Friday, 23 June 2017, and trading of ex-dividend H Shares shall commence on Monday, 26 June 2017.

The Company has appointed Bank of China (Hong Kong) Trustees Limited as the receiving agent (the "**Receiving Agent**") in Hong Kong and will pay the declared 2016 Final Dividend to the Receiving Agent for payment to holders of H Shares. It is expected that the Receiving Agent will pay the 2016 Final Dividend on Monday, 21 August 2017 to holders of H Shares whose names appear on the H Share register of members of the Company on Monday, 3 July 2017.

As for the distribution of the 2016 Final Dividend to the holders of A Shares, the record date is Monday, 3 July 2017, the ex-dividend date and the dividend distribution date are Tuesday, 4 July 2017. The Company will announce separately on the Shanghai Stock Exchange details of the arrangements regarding the distribution of the 2016 Final Dividend to the holders of A Shares.

### **III. WITHHOLDING AND PAYMENT OF INCOME TAX**

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348)(《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), dividend received by overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax according to the items of “interest, dividend and bonus income”, which shall be withheld by the withholding agents according to relevant laws. The overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties entered into between the countries where they reside and the PRC or the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax treaties and tax arrangements is 10% in general, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10% in general, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax treaties stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax treaties stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for citizens from countries without tax treaties or under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897)(《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%. After receiving the dividends, non-resident enterprise shareholders may, or may entrust an agent or withholding agent to, apply to the competent tax authorities for the entitlement of the preferential tax treatment under the relevant tax treaties or tax arrangements. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate under the tax treaties or tax arrangements will be refunded.

According to the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong on dividends paid by the Company.



#### **IV. PROFIT DISTRIBUTION TO HONG KONG INVESTORS VIA THE SHANGHAI STOCK CONNECT PROGRAM**

For Hong Kong investors (including enterprises and individuals) investing in the Company's A Shares via the Shanghai Stock Connect Program, the 2016 Final Dividend will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such A Shares. The record date, the dividend distribution date and other arrangements for investors via the Shanghai Stock Connect Program will be the same as those for the holders of A Shares of the Company.

The Company will withhold and pay income tax at the rate of 10% on behalf of those investors. For investors via the Shanghai Stock Connect Program who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises or individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

#### **V. PROFIT DISTRIBUTION TO MAINLAND INVESTORS VIA THE HONG KONG STOCK CONNECT PROGRAM**

For Mainland investors (including enterprises and individuals) investing in the Company's H Shares via the Hong Kong Stock Connect Program, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee holding H Shares for investors via the Hong Kong Stock Connect Program, will receive the 2016 Final Dividend distributed by the Company and distribute such 2016 Final Dividend in RMB to the relevant investors of H Shares through its depository and clearing system. The record date, the dividend distribution date and other arrangements for investors via the Hong Kong Stock Connect Program will be the same as those for the holders of H Shares of the Company.

Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) promulgated on 17 November 2014:

- For Mainland individual investors who invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20% in the distribution of the 2016 Final Dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax refund relating to the withholding tax already paid abroad. For Mainland securities investment funds that invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will withhold individual income tax in the distribution of the 2016 Final Dividend pursuant to the above provisions;

- For Mainland enterprise investors that invest in the H Shares of the Company via the Hong Kong Stock Connect Program, the Company will not withhold income tax in the distribution of the 2016 Final Dividend and the Mainland enterprise investors shall pay the tax on their own.

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

Beijing, the PRC  
22 June 2017

*As at the date of this announcement, the executive Directors of the Company are Mr. CHEN Gongyan (Chairman), Mr. GU Weiguo (Vice Chairman) and Mr. WU Chengming; the non-executive Directors are Mr. DU Ping, Mr. SHI Xun, Mr. ZHANG Jinghua and Mr. LI Chaoyang; and the independent non-executive Directors are Mr. LIU Feng, Mr. LUO Lin, Mr. WU Yuwu and Mr. CHI Fulin.*