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

SUPPLEMENTAL NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2018

Reference is made to the circular (the “**EGM Circular**”) and the notice (the “**EGM Notice**”) of China Galaxy Securities Co., Ltd. (the “**Company**”) dated 23 December 2017, which set out the time and venue of the first extraordinary general meeting of 2018 of the Company (the “**EGM**”) and contain the resolutions to be considered and approved at the EGM.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the EGM will be held as originally scheduled at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC, on Friday, 9 February 2018 at 10:30 a.m., and in addition to the resolutions contained in the EGM Notice, the following supplemental resolutions proposed by China Galaxy Financial Holdings Company Limited, the controlling shareholder of the Company, will also be considered and approved at the same meeting:

SUPPLEMENTAL ORDINARY RESOLUTIONS

6. To consider and approve the election of Mr. WANG Zhenjun as an independent director of the third session of the board of directors of the Company.
7. To consider and approve the election of Mr. LIU Dingping as a non-executive director of the third session of the board of directors of the Company.

The biographical details of Mr. Wang Zhenjun and Mr. Liu Dingping are set out below:

Wang Zhenjun, male, born in May 1957, graduated from the Correspondence College of the Party School of the Central Committee of the Communist Party of China with a major in economics in December 1993; graduated from Tianjin College of Finance and Economics with a major in monetary banking in May 1998; and graduated from Tianjian College of Finance and Economics with a major in finance and obtained a master's degree in economics in June 1999. Mr. Wang Zhenjun served as a cadre and vice president of the People's Bank of China, Huang County Sub-branch of Shandong, from December 1975 to October 1987. He joined Industrial and Commercial Bank of China Limited (“**ICBC**”) in 1987, serving as the director of the office of ICBC, Yantai Branch of Shandong, from October 1987 to December 1991; an inspector (at the deputy director level) of the inspection office of ICBC, Shandong Branch, from December 1991 to February 1993; the deputy head of the comprehensive division of the personnel

department of ICBC's headquarters from February 1993 to July 1993; the head of the comprehensive division of the office of ICBC's headquarters from July 1993 to January 1995; the deputy director and director of the office of ICBC's headquarters and the director of its party committee from January 1995 to August 2008; the president of ICBC, Beijing Branch, from August 2008 to June 2017; and the regional director of ICBC from October 2016 to July 2017.

Liu Dingping, male, born in September 1962, obtained a bachelor's degree in economics from the Department of Infrastructure Economics of Liaoning Institute of Finance and Economics in July 1984, a master's degree in business administration from the School of Economics and Management of Tsinghua University in July 2006, and a doctorate degree in management from the School of Management of Wuhan University of Technology in June 2017. Mr. Liu Dingping obtained the qualification of senior economist in December 1997. Mr. Liu Dingping joined China Construction Bank Corporation ("CCB") in July 1984, serving as a cadre of its Anhui Branch from July 1984 to February 1992, and a cadre and the deputy general manager of Hainan Trust & Investment Company, a subsidiary of CCB, from February 1992 to July 1998. Mr. Liu Dingping served as an assistant to the general manager of Hong Yuan Trust & Investment Co., Ltd. and concurrently the general manager of its Shenzhen headquarters from July 1998 to June 2000; an executive director and the general manager of Hong Yuan Securities Co., Ltd. from June 2000 to January 2005; the deputy general manager of the securities department of China Cinda Asset Management Corporation and the team leader of the liquidation team of Hantang Securities Co., Ltd. from January 2005 to June 2007; and a non-executive director of CSC Financial Co., Ltd. (a company listed on The Stock Exchange of Hong Kong Limited (stock code: 6066) from March 2011 to December 2017.

Each of Mr. Wang Zhenjun and Mr. Liu Dingping will enter into a letter of appointment with the Company. The term of office of each of Mr. Wang Zhenjun and Mr. Liu Dingping will commence from the date of approval at the EGM and end on the expiry of the term of the third session of the board of directors of the Company (the "**Board**"). Mr. Wang Zhenjun and Mr. Liu Dingping are eligible for re-election upon expiry of their term.

An independent director of the Company will receive a director's fee of RMB150,000 per annum from the Company. In addition, an independent director who acts as the chairman of the special committees of the Board will receive an additional subsidy of RMB50,000 per annum, and an independent director who acts as a member of the special committees of the Board will receive an additional subsidy of RMB30,000 per annum. The director's fee and subsidies are determined pursuant to the relevant remuneration administrative measures of the Company with reference to the independent director's 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 director will be adjusted in accordance with such policies.

Mr. Liu Dingping, as a non-executive director of the Company, will not receive any director's fee or remuneration from the Company.

Save as disclosed above, Mr. Wang Zhenjun and Mr. Liu Dingping have not held any directorships in other listed public companies in the last three years, do not hold any other position with the Company or any of its subsidiaries, and are not connected with any directors, senior management or substantial

or controlling shareholders of the Company. Mr. Wang Zhenjun and Mr. Liu Dingping do not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Further, there is nothing in respect of the election of Mr. Wang Zhenjun and Mr. Liu Dingping that needs to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) nor is there anything that needs to be brought to the attention of the shareholders of the Company.

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

The Board further announces that due to age reason, Mr. Zhang Jinghua will cease to be a non-executive director of the Company after the election of Mr. Liu Dingping as a non-executive director of the Company is approved by the shareholders of the Company at the EGM. Mr. Zhang Jinghua has confirmed that he has no disagreement with the Board and there are no other matters relating to his resignation that need to be brought to the attention of the shareholders of the Company. The Company will separately announce the change of composition of the Board committees.

Recommendation

The Board considers that the proposed resolutions on the election of Mr. Wang Zhenjun and Mr. Liu Dingping as directors of the Company are in the interests of the Company and its shareholders as a whole. Accordingly, the Board recommends that shareholders vote in favour of the supplemental resolutions proposed at the EGM as set out in this supplemental notice.

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

Beijing, the PRC
25 January 2018

Notes:

1. A revised form of proxy of the EGM (the “**Revised Form of Proxy**”) is enclosed to this supplemental notice. For holders of H Shares, the Revised Form of Proxy should be returned to Computershare Hong Kong Investor Services Limited (17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong), and for holders of A Shares, the Revised Form of Proxy should be returned to the Office of the Board of Directors of the Company (Tower C, Corporate Square, 35 Finance Street, Xicheng District, Beijing, the PRC), not less than 24 hours before the time appointed for holding the

EGM (i.e. no later than 10:30 a.m. on 8 February 2018) or any adjournment thereof (the “**Closing Time**”) in person or by post. Completion and return of the Revised Form of Proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

2. Any shareholder who has not yet lodged the form of proxy issued by the Company on 23 December 2017 (the “**Original Form of Proxy**”) is requested to lodge the Revised Form of Proxy if he or she intends to appoint a proxy to attend the EGM on his or her behalf. In this case, the Original Form of Proxy should not be lodged. Any shareholder who has already lodged the Original Form of Proxy should note that:
 - (i) if the Revised Form of Proxy is lodged before the Closing Time, the Revised Form of Proxy will revoke and supersede the Original Form of Proxy previously lodged by the shareholder. The Revised Form of Proxy will be treated as a valid form of proxy lodged by the shareholder, if duly completed; and
 - (ii) if no Revised Form of Proxy is lodged before the Closing Time, the Original Form of Proxy will be treated as a valid form of proxy lodged by the shareholder, if duly completed. The proxy so appointed pursuant to the Original Form of Proxy will be entitled to vote in accordance with the instructions previously given by the shareholder or at his/her discretion (if no such instructions are given) on any resolution properly put to the EGM, including the proposed supplemental resolutions set out above.
3. Apart from the proposed supplemental resolutions set out above, all other matters of the EGM remain unchanged. For details of the other resolutions to be considered and approved at the EGM, eligibility for attending the EGM, registration procedures, closure of register of members and other relevant matters, please refer to the EGM Circular and the EGM Notice of the Company dated 23 December 2017.

As at the date of this supplemental notice, 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. LIU Ruizhong.