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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 and reply slip 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.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

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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)

NEW H SHARE ISSUE
EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING PLAN
EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORISATIONS
CONCERNING THE A SHARE OFFERING PLAN
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AMENDMENT TO THE RULES OF PROCEDURE OF THE SHAREHOLDERS'
GENERAL MEETING
ISSUANCE OF THE SHORT-TERM NOTES
ISSUANCE OF THE CORPORATE BONDS
AMENDMENT TO THE PLAN ON AUTHORISATION GIVEN BY THE
SHAREHOLDERS' GENERAL MEETING TO THE BOARD
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING, DOMESTIC SHARE
CLASS MEETING AND H SHARE CLASS MEETING

The notices convening the EGM, the Domestic Share Class Meeting and the H Share Class Meeting of China Galaxy Securities Co., Ltd. to be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC on Thursday, 26 March 2015 at 9:30 a.m., 10:30 a.m. or immediately after the conclusion of the EGM or any adjournment thereof (whichever is the later), and 11:10 a.m. or immediately after the conclusion of the Domestic Share Class Meeting or any adjournment thereof (whichever is the later), respectively, are set out on pages 17 to 30 of this circular.

If you intend to appoint a proxy to attend the EGM, the Domestic Share Class Meeting and/or the H Share Class Meeting, 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 holders of H Shares) and the Office of the Board of Directors of the Company (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the meetings 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 meetings or any adjournment thereof if you so wish.

If you intend to attend the EGM, the Domestic Share Class Meeting and/or the H Share Class Meeting in person or by proxy, please complete the enclosed reply slip and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the Office of the Board of Directors of the Company (for holders of Domestic Shares) on or before Thursday, 5 March 2015.

9 February 2015

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DEFINITIONS

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

“A Share(s)”	ordinary share(s) that are proposed to be issued under the A Share Offering by the Company, which will be listed on the Shanghai Stock Exchange and traded in RMB
“A Share Offering”	the Company’s proposed initial public offering of not more than 1,693,510,473 A Shares, which will be listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Authorisations concerning the A Share Offering”	the authorisations granted by the Shareholders’ general meeting to the Board to deal with specific matters concerning the A Share Offering
“Board” or “Board of Directors”	the board of directors of the Company
“Company”	China Galaxy Securities Co., Ltd., a joint stock company incorporated in the PRC on 26 January 2007, whose H Shares are listed on the Stock Exchange
“Corporate Bonds”	the corporate bonds proposed to be issued by the Company, the aggregate issue size of which shall not exceed RMB5.5 billion (inclusive) and will be listed on the Shanghai Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	issued ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Domestic Share Class Meeting”	the Domestic Share class meeting to be held by the Company at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC, on Thursday, 26 March 2015 at 10:30 a.m. or immediately after the conclusion of the EGM or any adjournment thereof (whichever is the later)

DEFINITIONS

“EGM” or “Extraordinary General Meeting”	the first extraordinary general meeting of 2015 to be held by the Company at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC on Thursday, 26 March 2015 at 9:30 a.m.
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) 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
“H Share Class Meeting”	the H Share class meeting to be held by the Company at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC, on Thursday, 26 March 2015 at 11:10 a.m. or immediately after the conclusion of the Domestic Share Class Meeting or any adjournment thereof (whichever is the later)
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	3 February 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“New H Share Issue”	the H Shares issue proposed by the Company which shall not exceed 2,000,000,000 shares and will be listed on the Stock Exchange
“PBOC”	the People’s Bank of China, the central bank of the PRC
“PRC” or “China”	the People’s Republic of China, but for the purposes of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company

DEFINITIONS

“Short-term Notes”	the short-term notes proposed to be issued by the Company, the outstanding balance of which shall not exceed 60% of the net capital of the Company and shall be subject to approval by the PBOC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

LETTER FROM THE BOARD



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:

Non-executive Directors:

Mr. CHEN Youan (*Chairman*)
Mr. XU Guoping
Mr. LI Chenghui
Mr. SHI Xun
Ms. QI Xiaoli

Executive Directors:

Mr. GU Weiguo (*Vice Chairman and President*)
Mr. WU Chengming

Independent Non-executive Directors:

Mr. WANG Shiding
Mr. LIU Feng
Mr. ZHOU Ruijin
Mr. WU Yuwu

To the Shareholders

Dear Sir or Madam

*Registered Office and Head Office
in the PRC:*

2-6F, Tower C, Corporate Square
35 Finance Street
Xicheng District, Beijing
The PRC

*Principal place of business
in Hong Kong:*

Unit 3501-07, 3513-14
35/F, Cosco Tower
183 Queen's Road Central
Sheung Wan
Hong Kong

NEW H SHARE ISSUE
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ISSUANCE OF THE CORPORATE BONDS
AND
AMENDMENT TO THE PLAN ON AUTHORISATION GIVEN BY THE
SHAREHOLDERS' GENERAL MEETING TO THE BOARD

INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the EGM, the Domestic Share Class Meeting and the H Share Class Meeting of the Company to be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No. 51 Fuxingmen Inner Street, Xicheng District,

LETTER FROM THE BOARD

Beijing, the PRC, on Thursday, 26 March 2015 at 9:30 a.m., 10:30 a.m. or immediately after the conclusion of the EGM or any adjournment thereof (whichever is the later), and 11:10 a.m. or immediately after the conclusion of the Domestic Share Class Meeting or any adjournment thereof (whichever is the later), respectively.

The purpose of this circular is to provide you with the notices of the EGM, the Domestic Share Class Meeting and the H Share Class Meeting and 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 meetings.

BUSINESS TO BE TRANSACTED AT THE EGM, THE DOMESTIC SHARE CLASS MEETING AND THE H SHARE CLASS MEETING

Special resolutions will be proposed at the EGM to approve: (1) the New H Share Issue, (2) the extension of the validity period of the A Share Offering, (3) the extension of the validity period of the Authorisations concerning the A Share Offering, (4) the amendments to the Articles of Association, (5) the amendment to the Rules of Procedure of the Shareholders' General Meeting; (6) the issuance of the Short-term Notes, (7) the issuance of the Corporate Bonds and (8) the amendment to the plan on authorisation given by the Shareholders' general meeting to the Board. Among the above resolutions, the following resolutions are subject to further approval by the Shareholders attending the Domestic Share Class Meeting and the H Share Class Meeting: (1) the New H Share Issue, (2) the extension of the validity period of the A Share Offering, (3) the extension of the validity period of the Authorisations concerning the A Share Offering, (4) certain amendments to the Articles of Association involving the rights of Shareholders of different classes and (5) the amendment to the Rules of Procedure of the Shareholders' General Meeting.

1. NEW H SHARE ISSUE

Reference is made to the announcement of the Company dated 20 January 2015.

In order to replenish the capital of the Company timely and to promote the rapid development of its business, the Company intends to issue new H Shares. Details of the New H Share Issue are as follows:

1.1 Types of shares to be issued

Shares to be issued are the H Shares of the Company with nominal value of RMB1.00 each. Except as otherwise required by the applicable laws and regulations of the PRC and the Articles of Association, the new H Shares to be issued shall rank *pari passu* with all the issued Domestic Shares and H Shares of the Company.

1.2 Size of issue

The new H Shares to be issued shall not exceed 2,000,000,000 shares, representing not more than 26.53% of the total share capital of the Company before the issue, and not more than 20.97% of the total share capital of the Company after the

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issue; and representing not more than 118.27% of the total number of H Shares of the Company before the issue, and not more than 54.19% of the total number of H Shares of the Company after the issue.

Before the New H Share Issue, the total share capital of the Company is 7,537,258,757 shares, of which the number of H Shares is 1,690,984,633; after the New H Share Issue, the total share capital of the Company shall not exceed 9,537,258,757 shares, of which the number of H Shares shall not exceed 3,690,984,633, and the number of Domestic Shares shall remain unchanged at 5,846,274,124.

1.3 Time of issue

The Company shall implement the New H Share Issue at an appropriate time within the validity period as approved at the general meeting and the class meetings. The New H Share Issue is subject to the approval by the CSRC and the granting of the listing approval by the Stock Exchange. The specific time of issue shall be determined by the Board or persons delegated by the Board as authorised by the general meeting and the class meetings, taking into account the overseas capital market conditions and the approval progress of both domestic and overseas authorities and regulatory departments.

1.4 Method of issue

The new H Shares shall be issued by way of private placement.

1.5 Target subscribers

The target subscribers of the New H Share Issue are qualified institutions, companies and natural persons and other investors, which are independent third parties not being connected persons (as defined under the Listing Rules) of the Company. The number of target subscribers shall not exceed 10.

As the new H Shares will not be issued to any connected person of the Company, and it is expected that no target subscriber will become a connect person of the Company as a result of the subscription of the new H Shares, the Company will continue to be in compliance with the relevant requirements of the Listing Rules on public float upon completion of the New H Share Issue.

1.6 Issue price

The issue price shall be determined with reference to the capital market conditions at the time of issue and the valuation of comparable companies, taking into account the interest of Shareholders, appetite of investors and risks of issue, and in accordance with international practices and regulatory requirements. The issue price shall not be lower than 80% of the average closing price of H Shares as quoted on the Stock Exchange over the 5 consecutive trading days preceding the price determination date.

LETTER FROM THE BOARD

In any event, the issue price of new H Shares will comply with the requirements of the relevant PRC rules and market practice, i.e. not less than the net asset value per share as stated in the financial statements of the Company for the six months ended 30 June 2014.

Further announcement will be made by the Company upon determination of the issue price.

1.7 Method of subscription

The new H Shares shall be subscribed by investors in cash. The subscribers shall pay the subscription price to the Company in accordance with the terms and conditions of the share subscription agreements to be entered into between them and the Company or the placing agreement to be entered into between the Company and the placing agent(s).

1.8 Accumulated profit

Any undistributed accumulated profit before the New H Share Issue shall belong to all Shareholders (including the subscribers of the New H Share Issue).

1.9 Use of proceeds

The proceeds raised from the New H Share Issue, after deducting the issue expenses, shall be used to replenish the capital of the Company, among which, (i) approximately 60% shall be used for the margin financing and securities lending business and dealer-quoted securities repurchase business; (ii) approximately 15% shall be used for other capital-based intermediary business; (iii) approximately 15% shall be used for investment and innovative business; and (iv) approximately 10% shall be used to replenish the working capital of the Company.

1.10 Validity period of the resolution

The resolution in relation to the New H Share Issue will be valid for 12 months from the date of passing of the resolution at the general meeting and the class meetings.

As at the Latest Practicable Date, the Company has not made any application in relation to the New H Share Issue to the CSRC. The Company considers that a validity period of 12 months is reasonable since there is uncertainty as to the time required to obtain the CSRC approval and that a 12-month period will provide sufficient flexibility to the Company to determine the suitable time of issue and the issue price.

1.11 Authorisation of amendment to the Articles of Association

It will be proposed at the general meeting and the class meetings that the Board and persons authorised by the Board shall, in accordance with the framework and principles of the New H Share Issue, and taking into account the final terms of the

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New H Share Issue, amend the Articles of Association of the Company (including Article 5 relating to the amount of the registered capital of the Company and Article 18 relating to the total number of issued shares and H Shares of the Company) during the validity period of the resolution, and deal with the industry and commerce registration procedures in relation to the relevant changes and other matters in relation to the implementation of resolutions of the general meeting and the class meetings and the Board.

1.12 Other authorisations in relation to the New H Share Issue

It will be proposed at the general meeting and the class meetings that the Board and persons authorised by the Board shall, in accordance with the framework and principles of the New H Share Issue, deal with matters pertaining to the New H Share Issue at their sole discretion during the validity period of the resolution, including but not limited to:

- (1) signing and submitting applications, reports and other documents relating to the New H Share Issue to the domestic and overseas regulatory departments or authorities, and dealing with the examination, registration, filing, checking and approval formalities;
- (2) determining the specific plan for the New H Share Issue, including the size of issue, issue price (including price range and final price), time of issue, method of issue and target subscribers of issue; signing, executing, amending or terminating any agreements, contracts or other documents relating to the New H Share Issue; making adjustments to the use of proceeds and other related matters;
- (3) negotiating and signing the share subscription agreements with the target subscribers, or negotiating and signing the placing agreement with the placing agent(s), and approving any amendment made to the share subscription agreements or placing agreement;
- (4) dealing with the matters relating to the approvals of the New H Share Issue from the CSRC, the Stock Exchange and/or other domestic and overseas authorities and regulatory departments;
- (5) recruiting and engaging the global coordinator(s), placing agent(s), domestic and overseas legal advisors and other related intermediaries for the New H Share Issue, and signing the recruitment or engagement agreements or other related legal documents;
- (6) making appropriate amendments to the terms of the New H Share Issue plan according to the actual situations of the New H Share Issue and the approval documents of regulatory departments;

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- (7) signing, executing, amending and completing all documents relating to the New H Share Issue, and conducting all acts and matters as appropriate or advisable relating to the New H Share Issue;
- (8) approving the publication of announcements, circulars and notices relating to the New H Share Issue on the websites of the Stock Exchange and the Company, and submitting the relevant forms, documents or other information to the Stock Exchange; and
- (9) obtaining the approval from the Stock Exchange for the listing of the new H Shares on the Main Board of the Stock Exchange.

After the above authorisations are approved at the general meeting and the class meetings, the Board will authorise Mr. Chen Youan (Chairman) and Mr. Gu Weiguo (Vice Chairman and President) to, individually or jointly, implement the authorisations granted to the Board at the general meeting and the class meetings with full discretion.

1.13 Other matters

The implementation of the New H Share Issue is subject to the following conditions:

- (1) the proposal for the New H Share Issue having been approved at the general meeting and the class meetings, and the authorisations having been granted to the Board and the persons authorised by the Board;
- (2) the domestic competent authorities and regulatory departments, such as the CSRC, having approved the New H Share Issue and the Company having complied with applicable laws and regulations with respect to the New H Share Issue;
- (3) the share subscription agreements having been entered into between the Company and the investors or the placing agreement having been entered into between the Company and the placing agent(s), and such share subscription agreements or placing agreement not having been terminated according to its terms; and
- (4) the Listing Committee of the Stock Exchange having approved the listing of the new H Shares on the Main Board of the Stock Exchange.

Fund raising activities in the past twelve months

The Company has not conducted any equity fund raising activities in the past 12 months immediately before the Latest Practicable Date.

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2. EXTENSION OF THE VALIDITY PERIOD OF THE A SHARE OFFERING PLAN

Reference is made to (i) the circular and notices of the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting dated 11 March 2014, and (ii) the announcement on the resolutions passed at the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting dated 25 April 2014, in relation to, among other things, the A Share Offering plan.

The A Share Offering plan was approved at the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting held on 25 April 2014. The full text of the A Share Offering plan is set out in Appendix I to this circular.

The A Share Offering plan is valid for 12 months from 25 April 2014. As the A Share Offering is still in the application process and the original validity period of the A Share Offering plan will expire soon, the Company proposes to extend the validity period of the A Share Offering plan for 12 months from the date immediately following the expiry of the original validity period.

3. EXTENSION OF THE VALIDITY PERIOD OF THE AUTHORISATIONS CONCERNING THE A SHARE OFFERING

Reference is made to (i) the circular and notices of the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting dated 11 March 2014, and (ii) the announcement on the resolutions passed at the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting dated 25 April 2014, in relation to, among other things, the Authorisations concerning the A Share Offering.

The Authorisations concerning the A Share Offering were approved at the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting held on 25 April 2014. The full text of the Authorisations concerning the A Share Offering is set out in Appendix II to this circular.

The Authorisations concerning the A Share Offering are valid for 12 months from 25 April 2014. As the A Share Offering is still in the application process and the original validity period of the Authorisations concerning the A Share Offering will expire soon, the Company proposes to extend the validity period of the Authorisations concerning the A Share Offering for 12 months from the date immediately following the expiry of the original validity period.

4. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 4.1 The Company obtained the Reply for the Qualifications of Seventeen Institutions, including China Galaxy Securities Co., Ltd., Acting as a Concurrent Insurance Agent and the Reply for the Approval of Qualifications of China Galaxy Securities Co., Ltd. for Custody of Securities Investment Funds issued by the Beijing Bureau of the China Insurance Regulatory Commission and the CSRC on

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5 November 2013 and 26 June 2014, respectively, which was then permitted to commence various asset custody businesses, such as concurrent insurance agency business, public fund, private fund and asset management scheme, and also obtained the qualifications for engaging in the concurrent insurance agency business and the custody business of securities investment funds.

Pursuant to the relevant legal and regulatory requirements, the Company intends to revise Article 12 of the Articles of Association by adding “concurrent insurance agency business and custody business of securities investment funds” in the scope of business of the Company.

- 4.2 In order to streamline the corporate governance structure, ensure the successful convention of class meetings and enhance the efficiency of decision-making, the Company intends to revise Article 132 of the Articles of Association by deleting the third paragraph thereof, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares to be the holders of at least one-third of the issued shares of the class.

The above amendments to the Articles of Association are subject to approval and/or filing with the relevant regulatory authorities in the PRC.

5. AMENDMENT TO THE RULES OF PROCEDURE OF THE SHAREHOLDERS' GENERAL MEETING

In order to streamline the corporate governance structure, ensure the successful convention of class meetings and enhance the efficiency of decision-making, the Company intends to revise Article 79 of the Rules of Procedure of the Shareholders' General Meeting by deleting the third paragraph thereof, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares to be the holders of at least one-third of the issued shares of the class.

6. ISSUANCE OF THE SHORT-TERM NOTES

Reference is made to the Company's announcement dated 8 December 2014.

In order to meet the liquidity demand and support the growth of new businesses of the Company, the Company has proposed to issue the Short-term Notes, with details as follows:

6.1 Issue size

The outstanding balance of the Short-term Notes shall not exceed 60% of the net capital of the Company and shall be subject to approval by the PBOC.

LETTER FROM THE BOARD

6.2 Authorisation in relation to the issuance of the Short-term Notes

The Board has resolved to put forward to the general meeting a resolution to authorise the Board, and to agree the Board to authorise the management, to determine the specific issuance proposal of the Short-term Notes within the limit approved by the PBOC and according to the business development needs of the Company, including the size, time and term of the issuance etc., and to authorise the management to engage intermediaries and sign and execute all agreements and documents in relation to the issuance of the Short-term Notes.

6.3 Validity of the resolution

The resolution regarding the issuance of the Short-term Notes shall be valid for 2 years from the date of passing of the relevant resolution at the general meeting.

7. ISSUANCE OF THE CORPORATE BONDS

Reference is made to the Company's announcement dated 8 December 2014.

In order to further diversify the Company's financing sources, optimize its capital structure, promote further development of its businesses and strengthen its overall competitiveness, the Company has proposed to issue the Corporate Bonds, with details as follows:

7.1 Issue size

The aggregate issue size of the Corporate Bonds shall not exceed RMB5.5 billion (inclusive) and shall not exceed 40% of the net assets of the Company as at the end of June 2014. The Company may apply to the relevant regulatory authorities for the issuance of the Corporate Bonds in single or multiple tranches.

7.2 Arrangement on placement to shareholders

The Corporate Bonds will not be issued to any person who is a Shareholder at the time of the issuance.

7.3 Maturity

The Corporate Bonds may have single or multiple maturity periods, but the maturity period of any issuance shall not exceed 10 years (inclusive).

7.4 Coupon rate and rate determination mechanism

The coupon type, coupon rate and coupon payout schedule of the Corporate Bonds shall be determined through negotiation between the Company and the lead underwriter(s) with reference to the conditions at the time of the issuance.

LETTER FROM THE BOARD

7.5 Use of proceeds

The proceeds raised from the issuance of the Corporate Bonds are intended to be used to supplement the working capital of the Company.

7.6 Listing of the Corporate Bonds

The Company intends to apply for the listing of the Corporate Bonds on the Shanghai Stock Exchange.

7.7 Guarantee arrangements

The Board intends to put forward to the general meeting a resolution to authorise the Board or any such person(s) as the Board may delegate to consider and arrange guarantee(s) for the Corporate Bonds taking into account the then market conditions.

7.8 Validity of the resolution

The resolution regarding the issuance of the Corporate Bonds shall be valid for 12 months from the date of passing of the relevant resolution at the general meeting.

7.9 Authorisation in relation to the issuance of the Corporate Bonds

The Board has resolved to put forward to the general meeting a resolution to authorise the Board, and to agree the Board to in turn authorise Mr. Gu Weiguo and Mr. Wu Chengming, Directors of the Company, to implement the issuance of the Corporate Bonds at their sole discretion under the framework and principles as deliberated and adopted at the general meeting, in accordance with the Company Law, the Securities Law, the Measures for Pilot Projects for the Offering of Corporate Bonds of the PRC and other applicable laws and regulations, the relevant provisions of the Articles of Association as well as the market conditions at the time of the issuance of the Corporate Bonds, and in the best interest of the Shareholders. The authorisations include but are not limited to:

- (1) handling the formalities with the relevant regulatory authorities regarding the approval, registration, filing, permit and consent for the issue;
- (2) formulating detailed proposal of the issue and amending and adjusting the terms of the issue, including but not limited to all matters relating to the issue such as details of issue size (including whether to apply to the relevant regulatory authorities for the issue of the corporate bonds in tranches and the issue size for each tranche), term of bonds, type of bonds, coupon rate and rate determination mechanism, timing of issue (whether by tranches and the number of tranches), use of proceeds, guarantee plans, any repurchase and redemption terms and how these terms are to be formulated, rating arrangements, details of subscription methods, details of placement arrangements, debt repayment guarantees, term and means of repayment of principal and interests and listing of bonds;

LETTER FROM THE BOARD

- (3) engaging intermediaries to handle the filing matters in connection with the issue and handle the listing matters with respect to the Corporate Bonds upon the completion of the issue, including but not limited to the authorisation, execution, implementation, amendment and completion of all necessary documents, contracts, agreements and treaties in connection with the issue and the listing of the Corporate Bonds (including without limitation the prospectus, sponsor agreement, underwriting agreement, bond trustee agreement, listing agreement, rules of meeting of bondholders and various announcements and other legal documents), and information disclosure in accordance with the laws, regulations and other regulatory documents;
- (4) appointing trustee manager in connection with the issue, signing the bond trustee agreement and formulating the rules for meeting of bondholders;
- (5) in the event of any changes in the policies of regulatory authorities regarding the issue of the Corporate Bonds or changes in the market conditions, making adjustments to the detailed proposal of the issue and other relevant matters according to the opinions of the regulatory authorities, except for matters which are required to be approved by the Shareholders' general meeting pursuant to the relevant laws, regulations and the Articles of Association;
- (6) dealing with other matters in connection with the issue and the listing; and
- (7) this authorisation shall be valid from the date of passing of the resolutions at the Shareholders' general meeting to the completion date of the aforementioned authorised matters.

7.10 Protection measures for repayment

The Board further proposes to put forward to the general meeting a resolution to authorise the Board to take the following measures in the event that the Company anticipates that it will be unable to repay the principal and interests of the Corporate Bonds as and when they fall due or that the Company fails to repay the principal and interests of the Corporate Bonds when they fall due:

- (1) no distribution of any dividend to the Shareholders;
- (2) suspend the implementation of major projects that require capital expenditures of the Company, such as significant external investments and mergers and acquisitions;
- (3) reduce or suspend payment of salary and bonus to directors and senior management of the Company; and
- (4) no re-designation of the Company's key responsible personnel.

LETTER FROM THE BOARD

8. AMENDMENT TO THE PLAN ON AUTHORISATION GIVEN BY THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD

Reference is made to (i) the circular and notice of the 2013 fourth extraordinary general meeting dated 9 August 2013, and (ii) the announcement on the resolutions passed at the 2013 fourth extraordinary general meeting dated 25 September 2013, in relation to, among other things, the plan on authorisation given by the Shareholders' general meeting to the Board.

The plan on authorisation given by the Shareholders' general meeting to the Board has been approved at the 2013 fourth extraordinary general meeting held on 25 September 2013. With the swift expansion of the Company's business, the overall size of debt financing of the Company has also increased rapidly. In order to ensure that the Company's debts match the size of its business and to increase the flexibility for the Company's selection of debt financing instruments, the Company intends to amend the authorisation in relation to the issuance of debt financing instruments as set forth in section (1)(b) of the plan on authorisation given by the Shareholders' general meeting to the Board as follows:

"The balance of the issued debt financing instruments shall not exceed 350% of the net capital. The Board is authorised to determine at its sole discretion, within the aforesaid authorised scope, all matters regarding the issue of debt financing instruments (including but not limited to the issue size, issue term, interest rate, guarantee, issue methods, arrangements on placement to Shareholders and use of proceeds) in accordance with relevant laws and regulations, opinions and suggestions of regulatory authorities, capital requirements of the Company, market conditions relating to the issue, and in the best interest of the Company. In particular, the balance of short-term notes shall not exceed 60% of the Company's net capital, the balance of corporate bonds shall not exceed 40% of the Company's net assets, and the balance of short-term corporate bonds shall not exceed 60% of the Company's net capital."

EGM, DOMESTIC SHARE CLASS MEETING AND H SHARE CLASS MEETING

The forms of proxy and the reply slips of the EGM, the Domestic Share Class Meeting and the H Share Class Meeting are enclosed.

If you intend to appoint a proxy to attend the EGM, the Domestic Share Class Meeting and/or the H Share Class Meeting, please complete the enclosed forms of proxy in accordance with the instructions printed thereon and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the Office of the Board of Directors of the Company (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the meetings or any adjournment thereof in person or by post. Completion and return of the forms of proxy will not preclude you from attending and voting in person at the meetings or any adjournment thereof if you so wish.

LETTER FROM THE BOARD

If you intend to attend the EGM, the Domestic Share Class Meeting and/or the H Share Class Meeting in person or by proxy, please complete the enclosed reply slips and return the same to Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the Office of the Board of Directors of the Company (for holders of Domestic Shares) on or before Thursday, 5 March 2015.

VOTING BY POLL

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

RECOMMENDATION

The Board considers that all resolutions proposed at the EGM, the Domestic Share Class Meeting and the H Share Class Meeting are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends you to vote in favour of all resolutions proposed at those meetings.

ADDITIONAL INFORMATION

Your attention is drawn to the other information set out in the Appendices to this circular.

The New H Share Issue, the A Share Offering and the issuance of the Short-term Notes and the Corporate Bonds may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution in dealing in the securities of the Company.

By order of the Board
China Galaxy Securities Co., Ltd.
Chen Youan
Chairman

9 February 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the First Extraordinary General Meeting of 2015 of China Galaxy Securities Co., Ltd. (the “**Company**”) will be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No.51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC, on Thursday, 26 March 2015 at 9:30 a.m. for the following purposes. Unless the context otherwise requires, expressions used in this notice shall have the same meaning set out in the circular of the Company dated 9 February 2015 (the “**Circular**”).

SPECIAL RESOLUTIONS

- 1. To consider and approve the New H Share Issue (as defined and described in the Circular):**

“THAT:

the New H Share Issue and the following items of the New H Share Issue be and are hereby approved:

- 1.1 Types of shares to be issued
- 1.2 Size of issue
- 1.3 Time of issue
- 1.4 Method of issue
- 1.5 Target subscribers
- 1.6 Issue price
- 1.7 Method of subscription
- 1.8 Accumulated profit
- 1.9 Use of proceeds
- 1.10 Validity period of the resolution
- 1.11 Authorisation of amendment to the Articles of Association
- 1.12 Other authorisations in relation to the New H Share Issue

NOTICE OF EXTRAORDINARY GENERAL MEETING

1.13 Other matters”

(Please refer to the Circular for details of the New H Share Issue.)

2. **To consider and approve the extension of the validity period of the A Share Offering plan (the full text is set forth in the Circular)**
3. **To consider and approve the extension of the validity period of the Authorisations concerning the A Share Offering (the full text is set forth in the Circular)**
4. **To consider and approve the amendments to the Articles of Association as follows:**

- 4.1 To add “concurrent insurance agency business and custody business of securities investment funds” in the business scope of the Company as set forth in Article 12 of the Articles of Association.

Consequently, Article 12 of the Articles of Association shall be revised as follows:

“**Article 12** Subject to the approval by the CSRC and registration with relevant authority, the business scope of the Company shall include: securities brokerage, securities investment advisory, financial consultations in relation to securities trading and securities investment, securities underwriting and sponsorship, proprietary securities trading, margin financing and securities trading, open-ended securities fund distribution, intermediary services to Galaxy Futures, agency sale of financial product, concurrent insurance agency business, custody business of securities investment funds, and other businesses approved by the CSRC.

The Company shall operate within the approved scope of business. The Company may change its scope of business by amending the Articles accordingly through statutory procedures and registering such changes with the registration authority, subject to the approval by the CSRC.”

- 4.2 To delete the third paragraph of Article 132 Section 3 of the Articles of Association, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”.

Consequently, Article 132 of the Articles of Association shall be revised as follows:

“**Article 132** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall

NOTICE OF EXTRAORDINARY GENERAL MEETING

include the matters to be considered, the place, date and time of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting, excluding the date of the meeting. In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or more than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then proceed to hold the meeting.

If there is any requirement by the laws and regulations in the place where the shares of the Company are listed, such requirements shall apply.”

5. To consider and approve the amendment to the Rules of Procedure of the Shareholders’ General Meeting of the Company as follows:

To delete the third paragraph of Article 79 Section 3 of the Rules of Procedure of the Shareholders’ General Meeting of the Company, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”.

Consequently, Article 79 of the Rules of Procedure of the Shareholders’ General Meeting of the Company shall be revised as follows:

“**Article 79** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall include the matters to be considered, the place, date and time of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting, excluding the date of the meeting. In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or more than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then proceed to hold the meeting.

If there is any requirement by the laws and regulations in the place where the shares of the Company are listed, such requirements shall apply.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. To consider and approve the issuance of the Short-term Notes (as defined and described in the Circular):

“THAT:

the issuance of the Short-term Notes and the following items of the issuance of the Short-term Notes be and are hereby approved:

6.1 Issue size

6.2 Authorisation in relation to the issuance of the Short-term Notes

6.3 Validity of the resolution”

(Please refer to the Circular for details of the issuance of the Short-term Notes.)

7. To consider and approve the issuance of the Corporate Bonds (as defined and described in the Circular):

“THAT:

the issuance of the Corporate Bonds and the following items of the issuance of the Corporate Bonds be and are hereby approved:

7.1 Issue size

7.2 Arrangement on placement to Shareholders

7.3 Maturity

7.4 Coupon rate and rate determination mechanism

7.5 Use of proceeds

7.6 Listing of the Corporate Bonds

7.7 Guarantee arrangements

7.8 Validity of the resolution

7.9 Authorisation in relation to the issuance of the Corporate Bonds

7.10 Protection measures for repayment”

(Please refer to the Circular for details of the Corporate Bonds.)

NOTICE OF EXTRAORDINARY GENERAL MEETING

- 8. To consider and approve the amendments to the plan on authorisation given by the Shareholders' general meeting to the Board (the full text is set forth in the Circular)**

By order of the Board
China Galaxy Securities Co., Ltd.
Chen Youan
Chairman

Beijing, the PRC, 9 February 2015

Notes:

1. 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 in his/her stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorisation, if any, must be completed and returned to the Office of the Board of Directors of the Company (for holders of Domestic Shares) or the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares), not less than 24 hours before the time appointed for holding the EGM 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.
3. Domestic shareholders whose names appear in the register of domestic shareholders of the Company at 4:30 p.m. on Wednesday, 18 February 2015 shall be entitled to attend the EGM.
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 Monday, 23 February 2015 to Thursday, 26 March 2015 (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 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 Wednesday, 18 February 2015. Holders of H Shares who are registered with Computershare Hong Kong Investor Services Limited on or before the aforementioned date are entitled to attend the EGM.
5. Where there are joint holders of any shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the EGM in respect of such shares.
6. Shareholders of the Company intending to attend the EGM in person or by their proxies should return the reply slip for attending the EGM in person or by post to the Office of the Board of Directors of the Company (for holders of Domestic Shares) or the Company's H Share registrar, Computershare Hong Kong Investors Services Limited (for holders of H Shares) on or before Thursday, 5 March 2015. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
7. Shareholder or his proxy shall produce proof of identity when attending the EGM:
 - (1) 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (2) 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.
8. 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.
9. The Office of the Board of Directors of the Company is located at Tower C, Corporate Square, 35 Finance Street, Xicheng District, Beijing, the PRC
- Tel. no.: 86 (10) 6656 8888
Fax no.: 86 (10) 6656 8640
10. In case of any discrepancy between the Chinese version and the English version of this notice, the Chinese version shall prevail.

As at the date of this notice, the non-executive Directors of the Company are Mr. CHEN Youan, Mr. XU Guoping, Mr. LI Chenghui, Mr. SHI Xun and Ms. QI Xiaoli; the executive Directors are Mr. GU Weiguo and Mr. WU Chengming; and the independent non-executive Directors are Mr. WANG Shiding, Mr. LIU Feng, Mr. ZHOU Ruijin and Mr. WU Yuwu.

NOTICE OF DOMESTIC SHARE CLASS MEETING



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)

NOTICE OF DOMESTIC SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the Domestic Share Class Meeting of China Galaxy Securities Co., Ltd. (the “**Company**”) will be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No.51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC, on Thursday, 26 March 2015 at 10:30 a.m. or immediately after the conclusion of the EGM or any adjournment thereof (whichever is the later) for the following purposes. Unless the context otherwise requires, expressions used in this notice shall have the same meaning set out in the circular of the Company dated 9 February 2015 (the “**Circular**”).

SPECIAL RESOLUTIONS

- 1. To consider and approve the New H Share Issue (as defined and described in the Circular):**

“THAT:

the New H Share Issue and the following items of the New H Share Issue be and are hereby approved:

- 1.1 Types of shares to be issued
- 1.2 Size of issue
- 1.3 Time of issue
- 1.4 Method of issue
- 1.5 Target subscribers
- 1.6 Issue price
- 1.7 Method of subscription
- 1.8 Accumulated profit
- 1.9 Use of proceeds
- 1.10 Validity period of the resolution
- 1.11 Authorisation of amendment to the Articles of Association

NOTICE OF DOMESTIC SHARE CLASS MEETING

1.12 Other authorisations in relation to the New H Share Issue

1.13 Other matters”

(Please refer to the Circular for details of the New H Share Issue.)

2. **To consider and approve the extension of the validity period of the A Share Offering plan (the full text is set forth in the Circular)**
3. **To consider and approve the extension of the validity period of the Authorisations concerning the A Share Offering (the full text is set forth in the Circular)**
4. **To consider and approve the amendments to the Articles of Association as follows:**

To delete the third paragraph of Article 132 Section 3 of the Articles of Association, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”.

Consequently, Article 132 of the Articles of Association shall be revised as follows:

“**Article 132** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall include the matters to be considered, the place, date and time of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting, excluding the date of the meeting. In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or more than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then proceed to hold the meeting.

If there is any requirement by the laws and regulations in the place where the shares of the Company are listed, such requirements shall apply.”

NOTICE OF DOMESTIC SHARE CLASS MEETING

5. To consider and approve the amendment to the Rules of Procedure of the Shareholders' General Meeting of the Company as follows:

To delete the third paragraph of Article 79 Section 3 of the Rules of Procedure of the Shareholders' General Meeting of the Company, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”.

Consequently, Article 79 of the Rules of Procedure of the General Meeting of the Company shall be revised as follows:

“**Article 79** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall include the matters to be considered, the place, date and time of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting, excluding the date of the meeting. In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or more than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then proceed to hold the meeting.

If there is any requirement by the laws and regulations in the place where the shares of the Company are listed, such requirements shall apply.”

By order of the Board
China Galaxy Securities Co., Ltd.
Chen Youan
Chairman

Beijing, the PRC, 9 February 2015

Notes:

1. Any shareholder entitled to attend and vote at the Domestic Share Class Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorisation, if any, must be completed and returned to the Office of the Board of Directors of the Company, not less than 24 hours before the time appointed for holding the Domestic Share Class Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the Domestic Share Class Meeting or any adjournment thereof should he/she so wish.
3. Domestic shareholders whose names appear in the register of domestic shareholders of the Company at 4:30 p.m. on Wednesday, 18 February 2015 shall be entitled to attend the Domestic Share Class Meeting.

NOTICE OF DOMESTIC SHARE CLASS MEETING

4. Where there are joint holders of any shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the Domestic Share Class Meeting in respect of such shares.
5. Shareholders of the Company intending to attend the Domestic Share Class Meeting in person or by their proxies should return the reply slip for attending the Domestic Share Class Meeting in person or by post to the Office of the Board of Directors of the Company on or before Thursday, 5 March 2015.
6. Shareholder or his proxy shall produce proof of identity when attending the Domestic Share Class Meeting:
 - (1) 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.
 - (2) 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 Domestic Share Class Meeting 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 Tower C, Corporate Square, 35 Finance Street, Xicheng District, Beijing, the PRC

Tel. no.: 86 (10) 6656 8888
Fax no.: 86 (10) 6656 8640
9. In case of any discrepancy between the Chinese version and the English version of this notice, the Chinese version shall prevail.

As at the date of this notice, the non-executive Directors of the Company are Mr. CHEN Youan, Mr. XU Guoping, Mr. LI Chenghui, Mr. SHI Xun and Ms. QI Xiaoli; the executive Directors are Mr. GU Weiguo and Mr. WU Chengming; and the independent non-executive Directors are Mr. WANG Shiding, Mr. LIU Feng, Mr. ZHOU Ruijin and Mr. WU Yuwu.

NOTICE OF H SHARE CLASS MEETING



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)

NOTICE OF H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that the H Share Class Meeting of China Galaxy Securities Co., Ltd. (the “**Company**”) will be held at Donghua Hall, 11th Floor, Beijing Minzu Hotel, No.51 Fuxingmen Inner Street, Xicheng District, Beijing, the PRC, on Thursday, 26 March 2015 at 11:10 a.m. or immediately after the conclusion of the Domestic Share Class Meeting or any adjournment thereof (whichever is the later) for the following purposes. Unless the context otherwise requires, expressions used in this notice shall have the same meaning set out in the circular of the Company dated 9 February 2015 (the “**Circular**”).

SPECIAL RESOLUTIONS

- 1. To consider and approve the New H Share Issue (as defined and described in the Circular):**

“THAT:

the New H Share Issue and the following items of the New H Share Issue be and are hereby approved:

- 1.1 Types of shares to be issued
- 1.2 Size of issue
- 1.3 Time of issue
- 1.4 Method of issue
- 1.5 Target subscribers
- 1.6 Issue price
- 1.7 Method of subscription
- 1.8 Accumulated profit
- 1.9 Use of proceeds
- 1.10 Validity period of the resolution
- 1.11 Authorisation of amendment to the Articles of Association

NOTICE OF H SHARE CLASS MEETING

1.12 Other authorisations in relation to the New H Share Issue

1.13 Other matters”

(Please refer to the Circular for details of the New H Share Issue.)

2. **To consider and approve the extension of the validity period of the A Share Offering plan (the full text is set forth in the Circular)**
3. **To consider and approve the extension of the validity period of the Authorisations concerning the A Share Offering (the full text is set forth in the Circular)**
4. **To consider and approve the amendments to the Articles of Association as follows:**

To delete the third paragraph of Article 132 Section 3 of the Articles of Association, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”.

Consequently, Article 132 of the Articles of Association shall be revised as follows:

“**Article 132** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall include the matters to be considered, the place, date and time of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting, excluding the date of the meeting. In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or more than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then proceed to hold the meeting.

If there is any requirement by the laws and regulations in the place where the shares of the Company are listed, such requirements shall apply.”

NOTICE OF H SHARE CLASS MEETING

5. To consider and approve the amendment to the Rules of Procedure of the Shareholders' General Meeting of the Company as follows:

To delete the third paragraph of Article 79 Section 3 of the Rules of Procedure of the General Meeting of the Company, which requires the quorum for a separate meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class”.

Consequently, Article 79 of the Rules of Procedure of the Shareholders' General Meeting of the Company shall be revised as follows:

“**Article 79** Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall include the matters to be considered, the place, date and time of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting, excluding the date of the meeting. In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or more than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public announcement, of the matters to be considered and the place, date and time of the meeting. The Company may then proceed to hold the meeting.

If there is any requirement by the laws and regulations in the place where the shares of the Company are listed, such requirements shall apply.”

By order of the Board
China Galaxy Securities Co., Ltd.
Chen Youan
Chairman

Beijing, the PRC, 9 February 2015

Notes:

1. Any shareholder entitled to attend and vote at the H Share Class Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorisation, if any, must be completed and returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, not less than 24 hours before the time appointed for holding the H Share Class Meeting 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 H Share Class Meeting or any adjournment thereof should he/she so wish.

NOTICE OF H SHARE CLASS MEETING

3. 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 H Share Class Meeting, from Monday, 23 February 2015 to Thursday, 26 March 2015 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the H Share Class Meeting, 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 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, 18 February 2015. Holders of H Shares who are registered with Computershare Hong Kong Investor Services Limited on or before the aforementioned date are entitled to attend the H Share Class Meeting.
4. Where there are joint holders of any shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the H Share Class Meeting in respect of such shares.
5. Shareholders of the Company intending to attend the H Share Class Meeting in person or by their proxies should return the reply slip for attending the H Share Class Meeting in person or by post to the Company's H Share registrar, Computershare Hong Kong Investors Services Limited (for holders of H Shares) on or before Thursday, 5 March 2015. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
6. Shareholder or his proxy shall produce proof of identity when attending the H Share Class Meeting:
 - (1) 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.
 - (2) 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 H Share Class Meeting 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. In case of any discrepancy between the Chinese version and the English version of this notice, the Chinese version shall prevail.

As at the date of this notice, the non-executive Directors of the Company are Mr. CHEN Youan, Mr. XU Guoping, Mr. LI Chenghui, Mr. SHI Xun and Ms. QI Xiaoli; the executive Directors are Mr. GU Weiguo and Mr. WU Chengming; and the independent non-executive Directors are Mr. WANG Shiding, Mr. LIU Feng, Mr. ZHOU Ruijin and Mr. WU Yuwu.

The A Share Offering plan has been approved at the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting held on 25 April 2014. The full text of the A Share Offering plan is set out as follows:

1. Place of listing

Shanghai Stock Exchange

2. Type of securities to be issued and nominal value

A Shares of RMB1.00 each

3. Proportion of issue

The numbers of A Shares to be issued will be not more than 1,693,510,473 shares (including any shares that may be issued under the over-allotment option) and will not exceed 18.35% of the total share capital of the Company immediately after the A Share Offering. The total size of actual issue, over-allotment and proportion of allotment will be determined by the Board pursuant to the authorisations from the general meeting of the Company, based on the capital requirements of the Company, communication with the regulatory authorities and the prevailing market conditions at the time of the issuance.

4. Target subscribers

Target subscribers of A Shares are qualified natural persons and institutional investors.

If any of the aforesaid persons are connected persons of the Company, the Company will take all necessary measures to comply with the listing rules of the jurisdictions where the shares of the Company are listed.

5. Strategic allotment

According to the business cooperation and scale of financing needs, the Company intends to implement strategic allotment under the A Share Offering so as to allot some of the shares to investors that satisfy the requirements of the laws and regulations and meet the development and strategic needs of the Company. The detailed proportion of allotment will be determined based on the requirements of the laws and regulations and subject to market conditions.

6. Method of pricing

Taking into account the actual situation of the capital markets and of the Company at the time of the issuance of the A Shares, the issue price will be fixed through making enquiries with off-line investors or directly fixed through negotiation between the lead underwriter(s) and the Company, or by any other legal and feasible methods.

The issue price of the A Shares will be determined on the basis of the conditions of domestic and overseas securities markets at the time of the A Share Offering, taking into account the interests of all Shareholders as a whole, and in accordance with relevant PRC regulations and the listing rules of the Shanghai Stock Exchange. Upon receiving the approval of the A Share Offering from the CSRC, the issue price range will be determined by making preliminary price consultations with qualified price consultation participants, and the issue price will be determined within the issue price range based on the cumulative bidding price consultations (or by other means of determining the issue price recognized by the CSRC); alternatively, the issue price will be directly fixed through negotiation between the lead underwriter(s) and the Company according to the conditions of domestic and overseas securities markets at the time of the A Share Offering, or by any other legal and feasible methods.

7. Method of issue

It is proposed that the A Share Offering will be conducted by issuance of new shares.

8. Use of proceeds

The proceeds raised from the A Share Offering, after deduction of the issue expenses, will all be used for strengthening the capital base of the Company and supplementing the working capital of the Company.

9. Transfer of state-owned shares

In accordance with the Implementing Measures for the Transfer of Some State-owned Shares from the Domestic Securities Market to the National Social Security Fund (《境內證券市場轉持部分國有股充實全國社會保障基金實施辦法》) and the relevant regulations, the state-owned shareholders of the Company shall fulfill their obligations to transfer 10% of the A Shares actually issued by the Company under the A Share Offering to the National Social Security Fund. The detailed scheme of transfer will be determined and implemented pursuant to the approval from the relevant authorities of the PRC.

10. Conversion into a joint stock company with limited liability with domestic and overseas listed shares

According to the plan of A Share Offering and taking into account the H Shares in issue, the Company will apply for the conversion into a joint stock company with limited liability with domestic and overseas listed shares.

11. Validity of the resolutions

The A Share Offering Plan shall be valid for 12 months from the date of passing of such resolution at the general meeting and the class meetings.

The Authorisations concerning the A Share Offering have been approved at the 2014 first extraordinary general meeting, the Domestic Share class meeting and the H Share class meeting held on 25 April 2014. The full text of the Authorisations concerning the A Share Offering is set out as follows:

For the purposes of the A Share Offering, a proposal will be put forward to the general meeting to authorise the Board, or its delegation to the Chairman (who may delegate to other directors), to deal with the relevant matters concerning the A Share Offering, including but not limited to:

1. Amending and improving specific schemes and measures of the A Share Offering and organizing their implementation based on the advices from the relevant government agencies and regulatory authorities and subject to market environment, and to the extent authorised by the general meeting, determining (including but not limited to) specific offering scale, number of shares transferred from state-owned shares, offering price (including price range and final price), time, method and target subscribers of the offering, strategic allotment and over-allotment and proportion of allotment, plan for use of proceeds and other matters relating to the implementation of the schemes concerning offering and listing.
2. Drafting, modifying and executing the applications, memoranda, relevant reports or materials relating to the A Share Offering and submitting the same to government agencies and regulatory authorities in connection with the A Share Offering (including but not limited to the Ministry of Finance of the PRC, CSRC, Shanghai Stock Exchange, Beijing Regulatory Bureau of the CSRC, National Council for Social Security Fund, China Securities Depository and Clearing Co., Ltd., Shanghai Office), handling the procedures relating to the A Share Offering including review and examination, registration, filing, approval and consent and issuing statements and undertakings relating to the A Share Offering, and performing such acts as it deems necessary, expedient or appropriate with respect to the A Share Offering.
3. Preparing, amending, signing, submitting and disclosing the Prospectus, signing, amending, implementing, suspending or terminating the agreements, contracts and documents relating to the A Share Offering, engaging sponsors (lead underwriters), legal counsels, auditors, receiving banks and other institutions relating to the A Share Offering.
4. Authorizing the Board to amend the provisions in the Articles of Association relating to the A Share Offering or amending the same in accordance with the requirements of securities regulatory authorities, stock exchanges and securities depository and clearing institutions, after completion of the A Share Offering, handling approval, change, filing and other matters in respect of the amendments of the Articles of Association and the change of the registered capital with securities regulatory authorities, administrations for industry and commerce, securities registration authorities and other relevant government departments.

Any amendments to the Articles of Association to be made by the Board pursuant to the authorisation of the general meeting shall be subject to the examination and approval procedures at the general meeting immediately following the amendments.

5. Should there be any new provisions and policies issued by the state and securities regulatory departments with respect to the initial public offering and listing, to the extent authorised by the general meeting, authorizing the Board to make corresponding amendments to the A Share Offering Plan in accordance with such new provisions and policies.
6. Authorizing relevant persons to handle matters relating to the A Share Offering as and when needed.
7. All other matters relating to the A Share Offering.
8. The authorisations shall be valid for 12 months from the date of passing of such authorisations at the general meeting and the class meetings.