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

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

ANNOUNCEMENT IN RELATION TO THE ADJUSTMENT TO THE CONVERSION PRICE OF THE A SHARE CONVERTIBLE BONDS

Reference is made to the announcement of China Galaxy Securities Co., Ltd. (the "**Company**") dated 21 March 2022. The Company publicly issued the A share convertible corporate bonds in an amount of RMB7.8 billion (the "**A Share Convertible Bonds**") on 24 March 2022, with the conversion price of RMB10.24 per share. The A Share Convertible Bonds were listed for trading on the Shanghai Stock Exchange on 10 May 2022 with the abbreviation and code of "China Galaxy Convertible Bonds" and "113057", respectively.

Reference is also made to the announcement of the Company dated 29 June 2022. At the annual general meeting of the Company for 2021 held on 29 June 2022, the profit distribution plan for 2021 was considered and approved, pursuant to which the Company will distribute a cash dividend of RMB3.10 (inclusive of tax) per 10 shares to shareholders whose names appear on the register of members on the record date for distribution of the cash dividend for 2021.

In accordance with the relevant provisions set out in the prospectus for the A Share Convertible Bonds, upon occurrence of such circumstances as distribution of share dividends, capitalization, issuance of new shares or rights issue, distribution of cash dividends, etc. (excluding any increase in the share capital as a result of the conversion of the A Share Convertible Bonds), the conversion price of the A Share Convertible Bonds shall be adjusted based on the relevant formula, which includes:

Distribution of cash dividends: P1= P0-D

where: "P0" denotes the conversion price before the adjustment, "D" denotes the cash dividend per share, and "P1" denotes the adjusted conversion price.

Based on the above formula, P0, the conversion price before the adjustment, is RMB10.24 per share, and according to the Company's profit distribution plan for 2021, D, the cash dividend per share, is RMB0.31, and thus P1, the adjusted conversion price, will be RMB9.93 per share.

The adjusted conversion price of the A Share Convertible Bonds will take effect from 15 July 2022, being the ex-dividend date determined by the Company for the implementation of the profit distribution for 2021. The A Share Convertible Bonds may be converted into the A shares of the Company from 30 September 2022.

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

Beijing, the PRC
10 July 2022

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Gongyan (Chairman) and Mr. CHEN Liang (Vice Chairman and President); the non-executive directors are Mr. LIU Dingping, Mr. YANG Tijun, Ms. LIU Chang, Mr. LIU Zhihong and Mr. JIANG Yuesheng; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.