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

INDICATIVE ANNOUNCEMENT IN RELATION TO THE EXPECTED SATISFACTION OF REDEMPTION CONDITIONS OF THE A SHARE CONVERTIBLE BONDS

References are made to the announcements of China Galaxy Securities Co., Ltd. (the “**Company**”) dated 30 August 2021, 19 October 2021, 12 January 2022, 7 March 2022, 16 March 2022, 21 March 2022, 10 July 2022, 23 September 2022 and 10 July 2023 and its circular dated 30 September 2021 in relation to the Company’s public issue of the A Share convertible corporate bonds in an amount of RMB7.8 billion (the “**A Share Convertible Bonds**”). The conversion period of the A Share Convertible Bonds commenced from 30 September 2022, and shall end on 23 March 2028. The current conversion price is RMB9.70 per share.

Pursuant to the relevant provisions of the offering document for the A Share Convertible Bonds (the “**Offering Document**”), during the conversion period of the A Share Convertible Bonds, when either of the following two circumstances occurs, the Company shall have the right to redeem all or part of the outstanding A Share Convertible Bonds at a price equal to the nominal value of the A Share Convertible Bonds plus the then accrued interest (the “**Conditional Redemption**”): (1) during the conversion period of the A Share Convertible Bonds, if the closing prices of A Shares in at least 15 trading days out of any 30 consecutive trading days are no less than 130% (inclusive) of the prevailing conversion price; or (2) when the amount of the outstanding A Share Convertible Bonds is lower than RMB30 million.

The formula for calculating the then accrued interest is: $IA=B \times i \times t \div 365$

IA: denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share Convertible Bonds held by the holders of A Share Convertible Bonds;

i: denotes the nominal interest rate of the A Share Convertible Bonds for the current year;

t: denotes the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date up to the redemption date of that interest accrual year (including the last interest payment date and excluding the redemption date).

In case of any adjustment to the conversion price during the aforesaid 30 trading days, in respect of the trading days prior to the adjustment to the conversion price, the calculation shall be based on the unadjusted conversion price and the closing price on each such day, while in respect of the trading days after the adjustment to the conversion price, the calculation shall be based on the adjusted conversion price and the closing price on each such day.

The closing prices of the A Shares of the Company for nine consecutive trading days from 25 July 2023 to 4 August 2023 are no less than 130% of the prevailing conversion price of the A Share Convertible Bonds of RMB9.70 per share. If the closing prices of the A Shares in at least six trading days out of any 21 consecutive trading days in the future are no less than 130% (inclusive) of the prevailing conversion price of the A Share Convertible Bonds, the Conditional Redemption will be triggered, in which case the Company shall, in accordance with the relevant provisions of the Offering Document, have the right to decide whether or not to redeem all or part of the outstanding A Share Convertible Bonds at a price equal to the nominal value of the A Share Convertible Bonds plus the then accrued interest.

The Company will, in accordance with the requirements of applicable laws, regulations and normative documents and the relevant provisions of the Offering Document, hold a meeting of the board of directors to determine whether or not to exercise the right of redemption when the Conditional Redemption is triggered. The Company will fulfill its information disclosure obligations in a timely manner.

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

Beijing, the PRC
4 August 2023

As at the date of this announcement, the executive directors of the Company are Mr. CHEN Liang (Chairman) and Mr. WANG Sheng (Vice Chairman and President); the non-executive directors are Mr. YANG Tijun, Ms. LI Hui, 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.