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

ANNOUNCEMENT ON PROGRESS OF LITIGATION

Reference is made to the announcement of China Galaxy Securities Co., Ltd. (the “**Company**”) dated 19 February 2019 in relation to the lawsuit filed by the Company to the Beijing Second Intermediate People’s Court against Mr. Xu Guodong (徐國棟).

The Company wishes to announce that the Company has recently received the Civil Ruling ((2019) Jing 02 Min Chu No. 97) issued by the Beijing Second Intermediate People’s Court, ordering Mr. Xu Guodong to: (1) repay financing principal amount of RMB50,544,883.56 to the Company within ten days from the effective date of the ruling; (2) pay financing interest of RMB14,455,961.37 to the Company within ten days from the effective date of the ruling; (3) pay penalty interest to the Company within ten days from the effective date of the ruling (the sum of the payment amounts determined in the above rulings (1) and (2) is the base amount on which interest shall be accrued at a daily interest rate of 0.05% from 16 January 2019 to the date of actual payment); and (4) pay the case acceptance fee of RMB369,094 and application fee for property preservation of RMB5,000.

Currently, all business operations of the Company remain normal. The above matter has no material impact on the business operations, financial position and solvency of the Company.

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

Beijing, the PRC
8 August 2019

As at the date of this announcement, the executive director of the Company is Mr. CHEN Gongyan (Chairman); the non-executive directors are Mr. LIU Dingping, Ms. XIAO Lihong, Mr. ZHANG Tianli and Ms. WANG Zelan; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun and Ms. LIU Chun.