

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(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 17 April 2019 in relation to the lawsuit filed by the Company to the Beijing Second Intermediate People’s Court (the “**Court**”) against Mr. Sun Taoyong (孫濤勇), Shanghai Meng Ju Investment Management Center (LLP) (上海盟聚投資管理中心(有限合夥)) and Shanghai Meng Shang Investment Management Center (LLP) (上海盟商投資管理中心(有限合夥)) (collectively referred to as the “**Defendants**”).

The Company recently received a civil mediation letter (民事調解書) and a civil judgement letter (民事裁定書) issued by the Court. Following the mediation presided by the Court, the Company and the Defendants entered into a settlement agreement which was confirmed by the Court. Pursuant to the civil mediation letter, on the premise of timely and full performance of the settlement agreement, the Defendants shall repay the financing principal, financing interest and overdue interest totaling approximately RMB66,409,800 in installments to the Company in accordance with the settlement agreement. Upon full performance of the settlement agreement, each party shall not make any claims to the other party with respect to the previous securities margin trading or other relevant matters under the securities margin trading contract.

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
24 July 2020

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, Ms. XIAO Lihong, Mr. ZHANG Tianli and Ms. WANG Zelan; and the independent non-executive directors are Mr. LIU Ruizhong, Mr. WANG Zhenjun, Ms. LIU Chun and Mr. LAW Cheuk Kin Stephen.