

*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.*

## **PING AN SECURITIES GROUP (HOLDINGS) LIMITED**

### **平安證券集團(控股)有限公司**

*(Carrying on business in Hong Kong as PAN Securities Group Limited)*

*(Incorporated in Bermuda with limited liability)*

*(Provisional Liquidators Appointed)*

*(For Restructuring Purposes)*

**(Stock Code: 00231)**

### **SUPPLEMENTAL INFORMATION IN RELATION TO THE DECISION OF THE STOCK EXCHANGE ON RULE 13.24**

References are made to (1) the announcement of Ping An Securities Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 5 October 2020 (the “**Announcement**”) and (2) a second letter from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) to the Company dated 9 October 2020 (the “**Second Letter**”), both relating to the decision of the Stock Exchange to suspend the trading of the shares (the “**Shares**”) of the Company under Rule 6.01(3) of the Rules Governing the Listing Securities on the Stock Exchange (the “**Listing Rules**”) as the Company failed to maintain a sufficient level of operations as required under Rule 13.24 of the Listing Rules to warrant the continued listing of the Shares (the “**Decision**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as in the Announcement.

Pursuant to Rule 2B.06(1) of the Listing Rules, the Company has the right to request for the Decision to be reviewed by the Listing Committee within seven (7) business days of receipt of the Second Letter on 9 October 2020 (i.e. on or before 20 October 2020). Accordingly, the suspension of trading of the Shares will be effective from 21 October 2020 (i.e. immediately after the expiry of seven (7) business days of receipt of the Second Letter) unless the Company applies for an aforementioned review of the Decision.

The Board would also like to provide supplemental information in respect of the reasons for the Decision made by the Stock Exchange as set out below:-

1. The Company’s shares have been listed on the Main Board for over thirty years. In September 2015, the Company acquired Ping An Securities Limited, a securities brokerage and financial advisory house in Hong Kong principally engaged in the financial services business (including provision of securities brokerage, securities underwriting and placements and financial advisory services) (the “**Financial Services Business**”). Since then, the Company has commenced the businesses in the financial sector and changed its name to “Ping An Securities Group (Holdings) Limited”.
2. The Group is now principally engaged in:
  - (i) Financial Services Business;
  - (ii) money lending business (the “**Money Lending Business**”) (since 2018);
  - (iii) insurance brokerage business (the “**Insurance Brokerage Business**”) (since 2017);  
and

- (iv) property development business (the “**Property Development Business**”) (since 2015).
- 3. For the year ended 31 December 2019, the Company's auditors issued a disclaimer opinion on, among others, (i) going concern; (ii) the revenue and account receivables in respect of management fee from Super Harvest Global Fund SPC (the “**Fund**”) as a result of loss of books and records of the Fund; (iii) recoverable amounts of intangible assets (i.e. the trademark of “Ping An”) relating to the Financial Services Business; (iv) appropriateness of full impairment of loans and interests receivables; and (v) fair value of the investment properties and the related prepayments from customers.
- 4. Between May and September 2020, the Company received various demand letters and writ of summons from creditors and landlords in relation to numerous outstanding debts and other liabilities (e.g. rental and service charges payables). As at 31 August 2020, it had unaudited borrowings of approximately HK\$743 million, which significantly exceeded its cash balance.

### **Financial Services Business**

- 5. The Financial Services Business has been the Company's principal business in the past years. It mainly comprises providing securities brokerage, margin financing, underwriting and placing, financial advisory and asset management services. Its scale of operation has been small and loss making or only recorded minimal profits from 2015 to 2019 and for the six months ended 30 June 2020.
- 6. For securities brokerage, margin financing, underwriting and placements and financial advisory services, they have diminished substantially after the cessation of certain SFC licenses for regulated activities in 2019. The Company can now only execute sell orders for clients but not buy orders or receive any additional assets from clients. The Company does not have any detailed plan to uplift the restrictions on its licenses or concrete strategy to improve this business.
- 7. The asset management services started in 2018 and was primarily engaged in the management of the Fund. The underlying investments were primarily the USD senior notes issued by the Company itself. The proceeds from the senior notes were mainly used to provide loans to the three borrowers who subsequently failed to repay. The asset management services do not appear to have business of substance.
- 8. Overall, the Stock Exchange considers this segment is not viable and sustainable and/or has no substance.

### **Money Lending Business**

- 9. This business was started in 2018 and has a short operating history. The Company has made loans to only three borrowers and all of the loans were in default after the former director who approved the loans left the Company. The entire loan and interest receivables were impaired in 2019. The business does not appear to have substance. Further, the Company's plans to revise the business model and expand its sources of funding and customer base are general and lack supporting details.

## **Insurance Brokerage Business**

10. The Insurance Brokerage Business was acquired in December 2017. Its scale of operation has been small, and it was loss making or only recorded minimal profits since commencement. It does not appear to be a business of sufficient scale.

## **Property Development Business**

11. The land in Foshan (the “**Land**”) was the only property development project held by the Company. The construction of the properties on the Land has been suspended since June 2019 due to, among others, the Company’s failure to pay construction costs and insufficient funds. There are a number of litigations against the Company from pre-leasing tenants. These raise question of whether this business is viable and sustainable.

## **The Company’s plan**

12. The Company plans to conduct proposed debt restructuring and possible fund raisings to improve its financial performance and position. However, these plans are still at preliminary stage and in lack of concrete details. It is uncertain how these corporate actions will eventually materialise and substantially improve the Company's business operations.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules. Shareholders and potential investors of the Company who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

**Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Company’s shares or other securities of the Company.**

By Order of the Board  
**Ping An Securities Group (Holdings) Limited**  
*(Carrying on business in Hong Kong as PAN Securities Group Limited)*  
*(Provisional Liquidators Appointed)*  
*(For Restructuring Purposes)*  
**Cheung Kam Fai**  
*Executive Director & CEO*

Hong Kong, 9 October 2020

*As at the date of this announcement, the Board comprises Mr. Cheung Kam Fai (CEO) as executive Director; Mr. Cheung Ming Ming and Mr. Tsui Cheung On as non-executive Directors; and Mr. Wong Yee Shuen, Wilson, Mr. Suen To Wai and Mr. Yau Wai Lung as independent non-executive Directors.*