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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)

(Stock Code: 00231)

INSIDE INFORMATION – UPDATE ON WINDING-UP PETITION AND APPOINTMENT OF PROVISIONAL LIQUIDATORS FOR RESTRUCTURING PURPOSES

This announcement is made by Ping An Securities Group (Holdings) Limited (the “**Company**”) pursuant to Rules 13.09 and 13.25 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements (the “**Announcements**”) of the Company dated 25 September 2020, 29 September 2020, and 4 October 2020 in relation to the Order made by the Bermuda Court that JPLs be appointed on a light touch basis for restructuring purposes of the Company. Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcements.

The Board announced that, on 20 October 2020, the Company filed the Recognition Application for recognition of the Order in relation to the appointment of the JPLs by the High Court in Hong Kong (the “**Hong Kong Court**”) under HCMP 1810/2020.

The order for recognition and assistance sought by the JPLs from the Hong Kong Court under the Recognition Application, being premised on the letter of request issued by the Bermuda Court requesting the assistance of the Hong Kong Court, are mainly as follows:

1. The provisional liquidation of the Company and the appointment of Osman Mohammed Arab and Lai Wing Lun, both of RSM Corporate Advisory (Hong Kong) Limited, 29th Floor, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong and Edward Alexander Niles Whittaker of R&H Services Limited, 3rd Floor, 5 Reid Street Hamilton, HM 11 Bermuda, as Joint Provisional Liquidators of the Company for restructuring purposes, pursuant to the Order, be recognized by the Court.
2. The JPLs have and may exercise in the Hong Kong Special Administrative Region the following powers:
 - (a) to develop and propose a restructuring of the Company’s indebtedness in a manner designed to allow the Company to continue as a going concern, with a view to making a compromise or arrangement with the Company’s creditors, including (without limitation) a compromise or arrangement by way of scheme of arrangement;

- (b) to monitor, oversee and supervise the Board in its management of the Company with a view of developing and proposing any compromise or arrangement with the Company's creditors, and any corporate and/or capital reorganization of the Company and its subsidiaries (including but not limited to any share subscription and placement of shares in the Company and its subsidiaries);
- (c) to monitor, consult with and otherwise liaise with the creditors and/or shareholders of the Company (as deemed appropriate in the sole discretion of the JPLs) in relation to a restructuring and its implementation, including the establishment of a creditors' committee if deemed appropriate by the JPLs (in their absolute discretion);
- (d) without prejudice to the generality of the foregoing, for the purpose of any proposal to be presented to The Stock Exchange of Hong Kong Limited (the "HKEx") for the resumption of trading of the Company's shares and maintenance of the Company's listing on the HKEx, and to satisfy any resumption conditions (if required):
 - (i) to investigate matters and report to the regulatory authorities where appropriate;
 - (ii) to liaise with the Company's auditors in relation to the provision of the 2020 Results and Annual Report;
 - (iii) to undertake a review of internal control systems; and
 - (iv) monitor the progress of the independent committee of the Company;
- (e) to seek out investors and financiers for the purpose of investing in and/or providing finance to the Company;
- (f) to terminate, complete or perfect any agreement or transaction relating to the business of the Company, including, without prejudice to the generality of this power, to novate or assign any such agreements or transactions, so far as may be necessary for the purpose of managing the affairs of the Company, protecting the assets of the Company and restructuring the Company's assets and affairs to enable the resumption of trading of the Company's shares and maintenance of the Company's listing on the HKEx;
- (g) to oversee the existing Board (and attend any Board meetings) so as to effect a maximisation of returns to the stakeholders of the Company;
- (h) to locate, protect, secure and take into their possession and control all assets and property to which the Company is or appears to be entitled;
- (i) to deal with all questions in any way relating to or affecting the assets or the restructuring of the Company;

- (j) to locate, protect, secure and take into their possession and control the books, papers, and records of the Company including the accountancy and statutory records within the jurisdiction of the Court and to investigate the assets and affairs of the Company and the circumstances which gave rise to its insolvency, including, without limitation, to require the Company to make a forensic image of the Company's and its subsidiaries' management information systems including records stored on their computers. Such forensic image is to be stored on behalf of the Company and appropriately safeguarded to protect the integrity of the data (including all metadata) and shall only be accessed with the mutual written consent of the Board and the JPLs or as directed by the Court. The books, records and documents of the Company include, for the avoidance of doubt:
 - (i) emails exchanged and other correspondence between the Company and its auditors, and the Company and other third parties; and
 - (ii) documents and information provided by the Company to its auditors and provided by the auditors to the Company in relation to the audit work;
- (k) in relation to the Company and its subsidiaries, to review and approve any asset disposition valued at more than HK\$1 million;
- (l) to do all such things as may be necessary or expedient for the protection or recovery of the Company's property and assets at law or in equity within the jurisdiction of the Court as the JPLs may consider to be appropriate;
- (m) with the consent of the Company, to supervise the operation and/or opening and/or closing of any bank accounts in the name of and on behalf of the Company;
- (n) to operate and open any bank accounts on behalf of the Company for the purpose of paying costs and expenses of the provisional liquidation of the Company;
- (o) to draw, accept, make and indorse any bill of exchange or promissory note or borrow funds for the purpose of the day to day expenses of the provisional liquidation, in the name and on behalf of the Company, with the same effect with the respect of the Company's liability as if the bill or note had been drawn, accepted, made or indorsed or the loan had been entered into by or on behalf of the Company in the course of its business;
- (p) to communicate with and carry out any necessary filings with regulatory bodies as appropriate, including, without limitation, the HKEx and the Securities and Futures Commission of Hong Kong in the name and on behalf of the Company;
- (q) to make payments to creditors which may have the effect of preferring such creditors, in order to minimise the interruption to the day to day activities of the Company;
- (r) to discharge debts incurred by the Company after the commencement of the provisional liquidation of the Company as expenses or disbursements properly incurred in the provisional liquidation;

- (s) to engage staff to assist them in the performance of their duties for the purpose of the provisional liquidation and to remunerate them out of the assets of the Company as an expense of the provisional liquidation;
 - (t) to appoint agents, attorneys and professional advisors as the JPLs may consider necessary to advise and assist them in the performance of their duties and to remunerate them for their reasonable fees and expenses out of the assets of the Company as an expense of the provisional liquidation;
 - (u) to authorise the Board to exercise such of the above powers relating to the Company on such terms and the JPLs consider fit; and
 - (v) to do all other things incidental to the exercise of the powers set out herein.
3. Anything that is authorized or required to be done by the JPLs is to be done by all or anyone or more of the persons appointed.
 4. For so long as the Company remains in provisional liquidation in Bermuda, no action or proceeding shall be proceeded with or commenced against the Company or its assets or affairs, or their property within the jurisdiction of the Court, except with leave of the Court and subject to such terms as the Court may impose. Any such application for leave shall in the first instance be made in writing to the Companies Judge, or another Judge if the Companies Judge is unavailable.
 5. The JPLs do have liberty to apply.
 6. The costs of this application be paid out of the assets of the Company as an expense of the provisional liquidation.

Further announcements will be made as soon as practicable to update the shareholders of the Company and potential investors on the development of the relevant court proceedings. Interested parties may contact the Company at Room 510, 5/F, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong for more information in relation to the Recognition Application.

Shareholders and potential investors of the Company should exercise caution when dealing in the 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, 6 November 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 Shun, Wilson, Mr. Suen To Wai and Mr. Yau Wai Lung as independent non-executive Directors.