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PING AN SECURITIES GROUP (HOLDINGS) LIMITED
平安證券集團(控股)有限公司
(IN LIQUIDATION)

(Carrying on business in Hong Kong as PAN Securities Group Limited)
(Incorporated in Bermuda with limited liability)

(Stock Code: 00231)

DISPOSAL OF TRADEMARKS AND GOODWILL

THE PROPOSED DISPOSAL

The Company announces that on 22 August 2022, the Company, Grand Ahead, PASL and the Purchaser entered into the Term Sheet in respect of the proposed assignment of all the legal and/or beneficial titles and/or interests in and of the Assets by PASL to the Purchaser at a total Consideration of HK\$7,410,000.

As completion of the Proposed Disposal is subject to satisfaction of a number of conditions precedent, it may or may not proceed. Shareholders and other investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Company announces that on 22 August 2022, the Company, Grand Ahead and PASL, as vendor, entered into the Term Sheet with the Purchaser, as purchaser, in respect of the Proposed Disposal.

THE TERM SHEET

Details of the Term Sheet are set out below:

Date:

22 August 2022

Parties:

- (1) The Company
- (2) Grand Ahead Finance Limited, a wholly-owned subsidiary of the Company

- (3) Ping An Securities Limited, a wholly-owned subsidiary of Grand Ahead, as vendor
- (4) Ping An of China Securities (Hong Kong) Company Limited, as the purchaser

Assets to be disposed of:

Pursuant to the Term Sheet, PASL has conditionally agreed to assign all the legal and/or beneficial titles and/or interests in and of the Assets to the Purchaser absolutely and irrevocably, and the Purchaser intends to acquire such titles and interests in and of the Assets.

The Assets shall comprise (i) three (3) trademark registrations and three (3) trademark applications for “平安” or “PING AN” under class 36 at the Hong Kong Trade Marks Registry, Intellectual Property Department (collectively, the “**Trademarks**”); and (ii) all associated goodwill of and relating to any marks, names, logos, devices and/or domain names comprising the Trademarks or any of them and/or any derivative form of the Trademarks which is confusingly similar thereto, including without limitation, “PING ON” which has accrued in Bermuda, Hong Kong and/or the People’s Republic of China (regarding of when such goodwill arose) (the “**Goodwill**”).

The Purchaser acknowledges that the transfer/ assignment of the Assets is subject to the following exceptions (collectively, the “**Exceptions**”):

- (i) The Company is a public listed company. Change of company name requires approval by a majority of its shareholders in a general meeting in accordance with the laws of the place of incorporation of the Company. In accordance with the requirements of the Listing Rules, a circular setting out, among others, the reason(s) for the change of company name has to be sent to the shareholders of the Company together with the notice of special general meeting. Even it is envisaged that the listing of the Company will be cancelled as it cannot fulfill the resumption guidance by 30 September 2022, the Company will still be subject to the same compliance requirements in relation to change of name irrespective whether or not it is a listed company. Since the Company is currently in liquidation, there is no justification to creditors and the Hong Kong Court for approving the spending of the limited monetary resources in convening the special general meeting for the sole purpose to change the name of the Company. In addition to its company name, the Company will need to continue to use its domain name, namely <<http://pingansecgp.com>>, and its email domains/addresses ending with a phrase consisting of “pingan” until dissolution.
- (ii) Ping An Finance Limited (“**PAFL**”), a company incorporated in Hong Kong under company registration No. 2318742, cannot pass a shareholder resolution to change its company name since its sole corporate shareholder, being a company incorporated in the British Virgin Islands, has been struck off from the Register. Furthermore, PAFL does not have directors as at the date of the execution of the Term Sheet, hence there is no board of directors to appoint any director.

The fair value of the Assets as at 30 June 2022 is HK\$2,400,000.

Consideration:

The total Consideration for the assignment of all the legal and/or beneficial titles and/or interests in and of the Assets shall be HK\$7,410,000.

At the direction of Grand Ahead (as acknowledged and agreed by PASL), the Purchaser shall pay the Consideration to the Company in partial satisfaction of the amounts due to the Company by Grand Ahead and the Consideration shall be payable in the following manner:

- (i) the amount of HK\$1,482,000 (20%) by drawing down on the Cashier Order upon the signing of the Term Sheet;
- (ii) the amount of HK\$3,705,000 (50%) after (a) the approval of the Proposed Disposal by the Supreme Court of Bermuda, if required, and (b) the due execution and delivery of the deed of assignment of the Assets by PASL in favour of the Purchaser (the “**Assignment Deed**”) effecting the Proposed Disposal, which assignment will take effect immediately upon execution. In the Assignment Deed, PASL and the Purchaser shall jointly appoint a law firm (which is to be recommended by the Purchaser at its own discretion) as the joint trade mark agent to register and/or file an assignment recordal in relation to such Assignment Deed with the Hong Kong Trade Marks Registry;
- (iii) the amount of HK\$1,482,000 (20%) after Completion and upon fulfillment of all the conditions subsequent set out below; and
- (iv) the amount of HK\$741,000 (10%) upon two months from the effective date of the Assignment Deed and its delivery to the Purchaser.

In the event the Proposed Disposal does not proceed for whatever reason (including without limitation, failure to obtain approval from any competent courts and/or regulatory authorities), any and all the Consideration paid shall be refundable PROVIDED THAT no part of the Consideration paid shall be refundable after the execution and delivery of the Assignment Deed by PASL.

As disclosed in the Company’s announcement dated 30 June 2022, in order to maximize the return to creditors of the Company, the Liquidators have commenced the tender process to dispose of certain assets of the Company and sought proposals from potential investors for the acquisition of, among others, the Assets. On 12 July 2022, the Purchaser submitted a proposal to bid for the Assets. After arm’s length negotiation among the parties, the Consideration has been arrived at with reference to, among others, the fair value of the Assets subject to the Proposed Disposal of HK\$2,400,000 as at 30 June 2022.

Conditions precedent to the Proposed Disposal:

Completion of the Proposed Disposal is conditional upon the satisfaction of the following conditions:

- (i) approval of the Proposed Disposal by the Supreme Court of Bermuda, if required; and
- (ii) all other approvals, consents and permits required to give effect to the Proposed Disposal having been obtained and not revoked.

None of the above conditions could be waived.

With a view to satisfy the above conditions precedent and/or to implement the terms of the Term Sheet, and unless otherwise agreed by the parties thereto in writing:-

- (i) within twenty one (21) days from the drawing down of the Cashier Order as mentioned above, the Company shall file an application with the Bermuda Court seeking approval for the Proposed Disposal; and
- (ii) within fourteen (14) days from the Company and/or Grand Ahead being notified of the approval of the Proposed Disposal by the Bermuda Court, PASL shall execute and deliver the original of the Assignment Deed (which terms are to be agreed by the parties) in favour of the Purchaser.

The Purchaser shall cooperate with PASL for the fulfilment of the above conditions precedent.

The Company has filed an application with the Bermuda Court on 2 September 2022 to seek its approval for the Proposed Disposal.

Completion:

Completion shall take place on such date when the Assignment Deed is duly executed by PASL and the Purchaser with the original of such Assignment Deed delivered to the Purchaser or such person as designated by the Purchaser.

Notwithstanding Completion, the Company, Grand Ahead and/or PASL shall proceed to fulfil all the conditions subsequent as set out below.

Conditions subsequent:

The Proposed Disposal shall be conditional upon the fulfillment of all the following conditions subsequent, which shall be fully satisfied within one (1) month from the execution and delivery of the Assignment Deed to the Purchaser:

- (i) completion of the change of company name of PASL, to an another name not containing the words “Ping An”, “Ping On” and/or “平安”;
- (ii) the withdrawal of the claim by PASL against the Purchaser in Hong Kong High Court Action No. 266 of 2013 permanently on the basis of no order as to costs by way of consent summons to be filed with the Hong Kong Court and the issuance of a sealed order by the Hong Kong Court in relation thereto; and
- (iii) completion of withdrawal of any opposition, invalidation and/or any other trade mark proceedings against the Purchaser, its affiliates and/or parent companies for

the trademarks “ 中国平安”, “ ” and “平安萬里通” permanently on the basis of no order as to costs.

None of the above conditions subsequent can be waived.

Upon fulfillment of all the conditions subsequent above, the Company and/or Grand Ahead shall give a written notice to the Purchaser notifying the Purchaser the fulfillment of each of the conditions subsequent and the respective date of such fulfillment.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Based on the latest audited financial statements of the Company as at 31 December 2020 and the latest management accounts of PASL as at 15 August 2022 available to the Liquidators, the Trademarks and Goodwill do not carry any book value. Accordingly, it is expected that PASL will record a gain of HK\$7,410,000 in respect of the Proposed Disposal. The actual gain on the Proposed Disposal to be recorded may be different from the estimated amount as it will depend on, amongst other factors, the actual transaction costs incurred for the Proposed Disposal.

The proceeds from the Proposed Disposal shall be used to settle the costs payable pursuant to Rule 179 of the Companies (Winding-up) Rules (Chapter 32H of the Laws of Hong Kong).

INFORMATION ON THE COMPANY, GRAND AHEAD, PASL AND THE PURCHASER

The Company is incorporated in Bermuda with limited liability. On 10 May 2021, the Company was ordered to be wound up by the Hong Kong Court and on 19 August 2021, a regulating order was granted by the Hong Kong Court appointing the Liquidators.

According to the 2020 Annual Report of the Company, the Group mainly engaged in the business of provision of securities brokerage, securities underwriting and placements and financial advisory services, insurance brokerage service and property development.

Since their appointment and up to the date of this announcement, the Liquidators have been provided with limited financial information of certain subsidiaries of the Group. Based on information made available to the Liquidators, the Group currently maintains minimal operation.

Grand Ahead is a wholly-owned subsidiary of the Company and principally engaged in investment holding.

As at the date of this announcement, PASL is a wholly-owned subsidiary of Grand Ahead and is a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in types 1, 4, 6 and 9 regulated activities. On 24 August 2022, the Company, Grand Ahead and Mr. Cheung entered into a disposal agreement pursuant to which Grand Ahead has conditionally agreed to

sell, and Mr. Cheung has conditionally agreed to purchase, the entire issued share capital of PASL. For the avoidance of doubt, the aforementioned disposal agreement does not include the disposal of the Assets to Mr. Cheung.

The Purchaser is a company incorporated in Hong Kong with limited liability and is the first wholly-owned overseas subsidiary of Ping An Securities Company Limited (平安證券股份有限公司) (“**PASCL**”). The majority shareholding of PASCL (i.e. more than 50%) is beneficially owned by Ping An Insurance (Group) Company of China, Limited (HKEX: 2318; SSE: 601318) (“**Ping An China**”), a company listed on the Main Board of the Stock Exchange and Shanghai Stock Exchange. Hence, Ping An China is the majority ultimate beneficial owner of the Purchaser. Currently, the Purchaser is principally engaged in investment holding and is a licensed insurance intermediary under the Insurance Authority and holds a mandatory provident fund principal intermediary licence from the Mandatory Provident Fund Schemes Authority. To the best of the Company’s knowledge, information and belief and having made all reasonable enquiries, save for the Purchaser being an affiliate of one of the members of the committee of inspection appointed by the Supreme Court of Bermuda, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

As disclosed in the Company’s announcement dated 30 June 2022, a successful restructuring of the Group is remote and the 18-month period for taking remedial actions to resume trading of the shares on the Stock Exchange will expire on 30 September 2022. In the circumstances, the Liquidators have commenced the tender process to dispose of certain assets of the Company in order to maximize the return to creditors of the Company. Accordingly, the Liquidators have sought proposals from potential investors for the acquisition of, among others, the Assets. Subsequently, on 12 July 2022, the Purchaser submitted a proposal to bid for the Assets. Given the Consideration is greater than the fair value of the Assets, the Liquidators are of the view that the Proposed Disposal at a premium is in the interests of the Company.

Based on the limited financial information available to the Liquidators, it is expected that the Group will only have minimal level of operations and assets upon completion of the Proposed Disposal and it is the Liquidators’ view that the likelihood of the Company meeting all resumption guidance and resume trading by the resumption deadline of 30 September 2022 is slim.

As completion of the Proposed Disposal is subject to satisfaction of a number of conditions precedent, such disposal may or may not proceed. Shareholders and other investors of the Company are advised to exercise caution when dealing in the shares of the Company.

CONTINUED SUSPENSION OF TRADING

Trading in the Company’s shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. Shareholders and other investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the respective meanings set out opposite to them:

“Assets”	collectively, the Trademarks and the Goodwill
“Assignment Deed”	has the meaning ascribed to it under the section headed “The Term Sheet – Consideration” in this announcement
“Cashier Order”	the cashier order in the amount of HK\$1,482,000 submitted by the Purchaser together with a proposal to bid for the Assets
“Company”	Ping An Securities Group (Holdings) Limited (In Liquidation) (Carrying on business in Hong Kong as PAN Securities Group Limited), an exempted company incorporated in Bermuda with limited liability, and the securities of which are listed on the Stock Exchange
“Completion”	completion of the Proposed Disposal
“Consideration”	the consideration payable by the Purchaser in respect of the Proposed Disposal
“Director(s)”	the director(s) of the Company
“Exceptions”	has the meaning ascribed to it under the section headed “The Term Sheet – Assets to be disposed of” in this announcement
“Grand Ahead”	Grand Ahead Finance Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Goodwill”	has the meaning ascribed to it under the section headed “The Term Sheet – Assets to be disposed of” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong Court”	the High Court of Hong Kong
“Liquidators”	Mr. Lai Kar Yan (Derek) and Mr. Yip Wa Ming (Ben), being the joint and several liquidators of the Company, acting only as agents of the Company and without personal liability
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange from time to time
“Mr. Cheung”	Mr. Cheung Kam Fai (張錦輝), an executive Director and Chief Executive Officer of the Company who is interested in approximately 2.85% of the issued share capital of the Company
“PAFL”	has the meaning ascribed to it under the section headed “The Term Sheet – Assets to be disposed of” in this announcement
“PASL”	Ping An Securities Limited 平安證券有限公司, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Grand Ahead as at the date of this announcement
“Proposed Disposal”	the proposed assignment of all the legal and/or beneficial titles and/or interests in and of the Assets by PASL to the Purchaser
“Purchaser”	Ping An of China Securities (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term Sheet”	the legally binding term sheet dated 22 August 2022 and entered into among the Company, Grand Ahead, PASL and the Purchaser in relation to the Proposed Disposal
“Trademarks”	has the meaning ascribed to it under the section headed “The Term Sheet – Assets to be disposed of” in this announcement
“%”	per cent.

For and on behalf of
Ping An Securities Group (Holdings) Limited
(In Liquidation)
Lai Kar Yan (Derek)
Yip Wa Ming (Ben)
Joint and Several Liquidators
acting only as agents of the Company and
without personal liability

Hong Kong, 9 September 2022

On the basis of the information available from the previous announcements made by the Company, immediately before the winding up order was granted against the Company, the executive director, the non-executive director and the independent non-executive directors are as follows:-

Executive Director:

Mr. Cheung Kam Fai (Chief Executive Officer)

Non-executive Director:

Mr. Tsui Cheung On

Independent Non-executive Directors:

Mr. Wong Yee Shuen, Wilson

Mr. Suen To Wai

Mr. Yau Wai Lung

The affairs, business and property of the Company are being managed by the Joint and Several Liquidators who act as agents of the Company only and without personal liability.