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PING AN SECURITIES GROUP (HOLDINGS) LIMITED
平安證券集團(控股)有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00231)

**(i) MAJOR AND CONNECTED TRANSACTIONS –
DISPOSAL OF SUBSIDIARIES;**
**(ii) CONTINUING CONNECTED TRANSACTION –
LEASING OF OFFICE PREMISES; AND**
(iii) RESUMPTION OF TRADING

(1) THE DISPOSALS

The Board is pleased to announce that on 27 April 2016 (after trading hours), the Company and the Purchaser entered into the Disposal Agreements, pursuant to which the Company has conditionally agreed to sell and the Purchaser under each Disposal Agreement has conditionally agreed to purchase the entire issued share capital in Target Company I and Target Company II for a total consideration of HK\$828,000,000.

Pursuant to each of the Disposal Agreements, the consideration for the sale and purchase of the respective Target Groups shall be set off against the Promissory Notes.

LISTING RULES IMPLICATIONS OF THE DISPOSALS

Since certain applicable percentage ratios (as defined under the Listing Rules) for the Disposals are in aggregate more than 25% but all of them are less than 75%, the Disposals together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. In addition, as the Purchaser is wholly owned by Mr. Liang Zhenye, the son of Mr. Liang Wenguan who is a substantial Shareholder interested in approximately 21.41% of the issued share capital of the Company, the Purchaser is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposals constitute connected transactions for the Company and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon completion of the Disposal Agreements, Target Company I and Target Company II will cease to be subsidiaries of the Group and become wholly-owned subsidiaries of the Purchaser and connected persons of the Company.

As at the date of this announcement, Mr. Liang Wenguan is interested in 3,979,498,463 Shares, representing approximately 21.41% of the existing issued share capital of the Company. As such, Mr. Liang Wenguan, Mrs. Nijssen Victoria, the daughter of Mr. Liang Wenguan and an executive Director, and their respective associates will abstain from voting on the resolution(s) to be proposed at the SGM for approving the Disposal Agreements and the respective transactions contemplated thereunder.

(2) THE LEASING OF OFFICE PREMISES

On 27 April 2016 (after trading hours), the Purchaser and the Company entered into the Framework Leasing Agreement, pursuant to which the Purchaser has conditionally agreed to lease the Hong Kong Office to be owned by the Purchaser upon completion of Disposal Agreement II to the Company for the purpose of the Group's daily operations.

Upon the Framework Leasing Agreement becoming effective, the Purchaser and the Company or its nominated subsidiary may enter into further Specific Leasing Agreement(s) for the leasing of the Hong Kong Office in accordance with the terms of the Framework Leasing Agreement.

LISTING RULES IMPLICATIONS OF THE LEASING OF OFFICE PREMISES

As the Purchaser is wholly-owned by Mr. Liang Zhenye, the son of Mr. Liang Wenguan who is a substantial Shareholder interested in approximately 21.41% of the issued share capital of the Company, the Purchaser is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Framework Leasing Agreement will constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As all the applicable the percentage ratios (as defined under the Listing Rules) for the Framework Leasing Agreement and the transactions contemplated thereunder exceed 0.1% but do not exceed 5%, the Framework Leasing Agreement and the transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Disposals. The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Disposal Agreements are fair and reasonable and how to vote in respect of the resolutions on the Disposals and the respective transactions contemplated thereunder after taking into account the recommendation of the Independent Financial Adviser. The Company will appoint independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Disposals and the respective transactions contemplated thereunder, the letter from the Independent Board Committee and the letter of advice from the independent financial adviser, other general information of the Company and the notice of the SGM will be despatched to the Shareholders on or before 31 May 2016 to allow sufficient time to prepare the information to be included in the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 28 April 2016 pending publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 29 April 2016.

(1) THE DISPOSAL OF SUBSIDIARIES

On 27 April 2016 (after trading hours), the Company and the Purchaser entered into Disposal Agreement I and Disposal Agreement II, pursuant to which the Company has conditionally agreed to sell and the Purchaser under each Disposal Agreement has conditionally agreed to purchase the entire issued share capital in Target Company I and Target Company II, for a total consideration of HK\$828,000,000.

Disposal Agreement I

Date

27 April 2016 (after trading hours)

Parties

- (1) Vendor: the Company
- (2) Purchaser: Season Trade Limited, a limited company incorporated in the Republic of the Marshall Islands and wholly owned by Mr. Liang Zhenye

Assets to be disposed of

Pursuant to Disposal Agreement I, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire Sale Share I, being the entire issued share capital of Target Company I.

Consideration I and payment terms

The total consideration for Sale Share I is HK\$785,000,000. Consideration I has been determined after arm's length negotiations among the parties to Disposal Agreement I with reference to the audited consolidated net asset value of Target Group I as at 31 December 2015 ("**Adjusted NAV I**") as adjusted by the preliminary indicative valuation of the Chongqing Property of RMB1,400,000,000 (equivalent to approximately HK\$1,666,667,000) as at 31 March 2016. After the adjustment, Adjusted NAV I amounted to approximately HK\$782,463,000, thus Consideration I represents a slight premium over Adjusted NAV I.

The preliminary valuation of the Chongqing Property (subject to finalisation) was estimated by an independent valuer based on market approach.

Consideration I shall be set off entirely against the Promissory Notes, where the Purchaser shall procure Mr. Liang Zhenye to execute a deed of release for the Promissory Notes in the amount of HK\$785,000,000 in favour of the Company upon completion of Disposal Agreement I.

In view of the above, the Directors (excluding the independent non-executive Directors who shall provide their view after receiving the advice from the Independent Financial Adviser) consider that the terms and conditions (including Consideration I) of Disposal Agreement I are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of Disposal Agreement I is conditional upon the satisfaction of all of the following conditions:

- (a) approval of the Independent Shareholders at the SGM for Disposal Agreement I and the transactions contemplated thereunder having been obtained;
- (b) all intra-Group loans to Target Group I having been waived by the Group;
- (c) in the event that the transactions contemplated hereunder is deemed by the SFC as a frustrating action and/or special deal, the relevant waiver and/or approval (as the case may be) from the SFC having been obtained; and

- (d) all other necessary consents, approvals and permits (including without limitation, the necessary approval from the Stock Exchange) required for consummation of the transactions contemplated under Disposal Agreement I having been obtained.

The compliance with the above conditions could not be waived by either parties to Disposal Agreement I.

Warranties, representations and undertakings

Pursuant to Disposal Agreement I, the Company made, *inter alia*, the following warranties, representations and undertakings to the Purchaser:

- (a) the Company has full power to enter into and deliver Disposal Agreement I and to exercise its rights and perform its obligations thereunder;
- (b) the Company has not created or imposed any encumbrances of whatsoever nature on Sale Share I in favour of any other person; and
- (c) the Company undertakes to assume its own tax liabilities that may arise out of the transactions contemplated hereunder under the laws of Hong Kong (if any).

Pursuant to Disposal Agreement I, the Purchaser made, *inter alia*, the following warranties, representations and undertakings to the Company:

- (a) the Purchaser has full power to enter into and deliver Disposal Agreement I and to exercise its rights and perform its obligations thereunder;
- (b) any tax liabilities arising out of the transactions contemplated under Disposal Agreement I in the PRC shall be borne by the Purchaser;
- (c) the Purchaser undertakes to assume its own tax liabilities that may arise out of the transactions contemplated thereunder under the laws of Hong Kong (if any); and
- (d) the Purchaser undertakes with the Company to take such actions or sign or execute such documents as may be necessary to discharge the Company's liability under the Promissory Notes to an extent necessary to satisfy Consideration I upon completion of Disposal Agreement I.

Termination

If the conditions precedent to completion of Disposal Agreement I are not fully fulfilled by the Long Stop Date, Disposal Agreement I shall lapse and have no further effect save for clauses regarding notices, costs, confidentiality, the general provisions, governing law and independent legal advice. Lapse of Disposal Agreement I shall not affect the Company's or Purchaser's accrued rights, obligations or liabilities thereunder.

Completion

Completion shall take place on the Completion Date.

Disposal Agreement II

Date

27 April 2016 (after trading hours)

Parties

- (1) Vendor: the Company
- (2) Purchaser: Season Trade Limited, a limited company incorporated in the Republic of the Marshall Islands and wholly owned by Mr. Liang Zhenye

Assets to be disposed of

Pursuant to Disposal Agreement II, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire Sale Share II, being the entire issued share capital of Target Company II.

Consideration II and payment terms

The total consideration for Sale Share II is HK\$43,000,000. Consideration II has been determined after arm's length negotiations among the parties to Disposal Agreement II with reference to the audited consolidated net asset value of Target Company II as at 31 December 2015 ("**Adjusted NAV II**") as adjusted by the preliminary indicative valuation of the Hong Kong Office of HK\$55,800,000 as at 31 March 2016. After the adjustment, Adjusted NAV II amounted to approximately HK\$42,403,000, thus Consideration II represents a slight premium over Adjusted NAV II.

The preliminary valuation of the Hong Kong Office held by Target Group II (subject to finalisation) was estimated by an independent valuer based on market approach.

Consideration II shall be entirely set off against the Promissory Notes, where the Purchaser shall procure Mr. Liang Zhenye to execute a deed of release for the Promissory Notes in the amount of HK\$43,000,000 in favour of the Company upon completion of Disposal Agreement II.

In view of the above, the Directors (excluding the independent non-executive Directors who shall provide their view after receiving the advice from the Independent Financial Adviser) consider that the terms and conditions (including Consideration II) of Disposal Agreement II are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of Disposal Agreement II is conditional upon satisfaction or of all of the following conditions:

- (a) approval of the Independent Shareholders at the SGM for Disposal Agreement II and the transactions contemplated thereunder having been obtained;
- (b) all intra-Group loans to Target Group II having been waived by the Group;
- (c) in the event that the transactions contemplated hereunder is deemed by the SFC as a frustrating action and/or special deal, the relevant waiver and/or approval (as the case may be) from the SFC having been obtained; and
- (d) all other necessary consents, approvals and permits (including without limitation, the necessary approval from the Stock Exchange) required for consummation of the transactions contemplated under Disposal Agreement II having been obtained.

The compliance with the above conditions could not be waived by either parties to Disposal Agreement II.

Warranties, representations and undertakings

Pursuant to Disposal Agreement II, the Company made, inter alia, the following warranties, representations and undertakings to the Purchaser:

- (a) the Company has full power to enter into and deliver Disposal Agreement II and to exercise its rights and perform its obligations thereunder;
- (b) the Company undertake to assume its own tax liabilities that may arise out of the transactions contemplated hereunder under the laws of Hong Kong (if any); and
- (c) the Company has not created or imposed any encumbrances of whatsoever nature on Sale Share II in favour of any other person.

Pursuant to the Disposal Agreement II, the Purchaser made, inter alia, the following warranties, representations and undertakings to the Company:

- (a) the Purchaser has full power to enter into and deliver Disposal Agreement II and to exercise its rights and perform its obligations thereunder;
- (b) the Purchaser undertake to assume its own tax liabilities that may arise out of the transactions contemplated hereunder under the laws of Hong Kong (if any); and

- (c) the Purchaser undertakes with the Company to take such actions or sign or execute such documents as may be necessary to discharge the Company's liability under the Promissory Notes to an extent necessary to satisfy Consideration II upon completion of Disposal Agreement II.

Termination

If the conditions precedent to completion of Disposal Agreement II are not fully fulfilled by the Long Stop Date, Disposal Agreement II shall lapse and have no further effect save for clauses regarding notices, costs, confidentiality, the general provisions, governing law and independent legal advice. Lapse of Disposal Agreement II shall not affect the Company's or Purchaser's accrued rights, obligations or liabilities thereunder.

Completion

Completion shall take place on the Completion Date.

Information of the Group

The Group is principally engaged in leasing property for rental, royalty right leasing, trading of goods as well as securities brokerage and provision of financial services.

In 2015, the Group acquired the land use right of a piece of land in Foshan City, Guangdong Province, the PRC. Under the current development plan, the land will be developed into a project with gross floor area of approximately 94,400 square metres, 92,000 square metres and 8,800 square metres for shops, offices and hotel development. It is expected that pre-sale of the project will commence in 2017.

The Group has also started a new line of business, being securities brokerage and provision of financial services, since late 2015 after the successful completion of acquisition of 100% of the equity interests in Ping An Securities Limited on 25 September 2015. Ping An Securities Limited is one of the well-established securities brokerage and financial advisory houses in Hong Kong providing a wide range of financial services, including the provision of securities brokerage, securities underwriting and placements and financial advisory services. As the Stock Exchange has been ranked the world's top five in fund raising from initial public offerings every year since 2002 and was ranked the top second in 2015, the Group is optimistic about the future development of the new line of business in securities brokerage and provision of financial services.

Information of Target Group I

Target Company I is a wholly-owned subsidiary of the Company incorporated in the BVI with limited liability. As at the date of this announcement, save for holding the 100% equity interest in Glory Point and Da Hong, Target Company I is not engaged in any business.

Glory Point and Da Hong were incorporated in the BVI with limited liability. As at the date of this announcement, Glory Point and Da Hong are wholly-owned subsidiaries of Target Company I and investment holding companies principally engaged in the holding of 55% and 45% equity interests in Madex Infrastructure respectively.

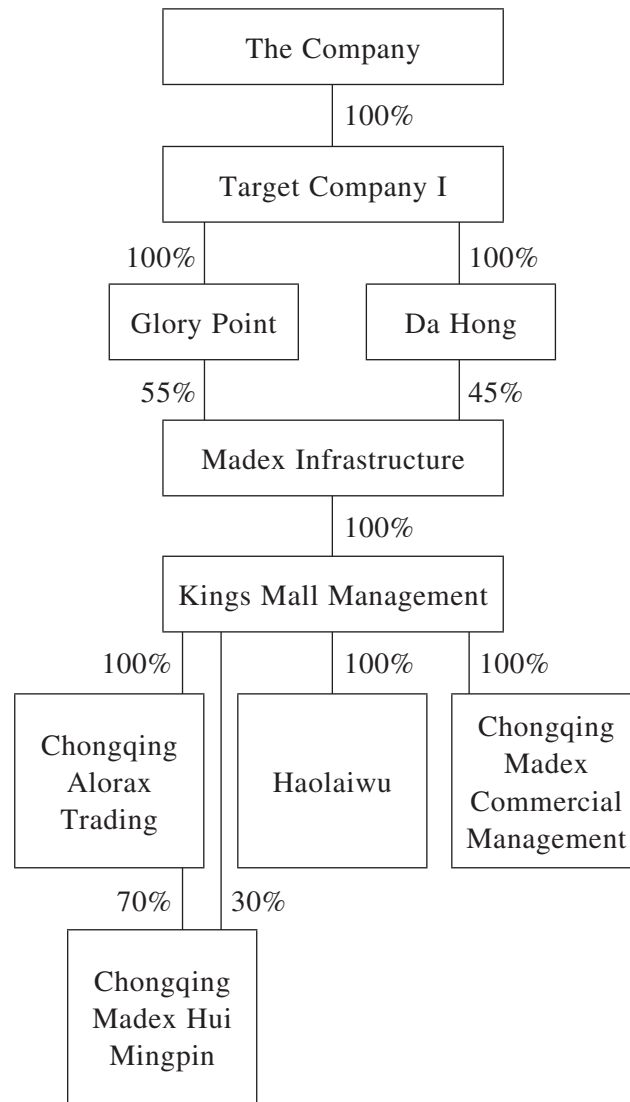
Madex Infrastructure was incorporated in Hong Kong with limited liability. As at the date of this announcement, Madex Infrastructure is an investment holding company principally engaged in the holding of the entire equity interests in Kings Mall Management.

Kings Mall Management was established in the PRC with limited liability and is principally engaged in the holding of the Chongqing Property. Apart from the holding of the Chongqing Property, as at the date of this announcement Kings Mall Management also holds the entire equity interests in Chongqing Alorax Trading, Chongqing Madex Commercial Management and Haolaiwu and owns 30% of the equity interests in Chongqing Madex Hui Mingpin.

Chongqing Alorax Trading owns the remaining 70% of the equity interests in Chongqing Madex Hui Mingpin, which operates a supermarket in the PRC as at the date of this announcement.

Chongqing Madex Commercial Management is mainly engaged in property management business in the PRC.

Haolaiwu was established in the PRC with limited liability and currently does not conduct any business activities.



The audited consolidated financial information of Target Group I for the two financial years ended 31 December 2014 and 31 December 2015 is summarized below:

	For the year ended 31 December 2014	For the year ended 31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	20,499	33,290
Profit/(loss) before taxation	(494,322)	(455,131)
Profit/(loss) after taxation	(393,346)	(361,966)

The audited consolidated net liabilities of Target Group I as at 31 December 2015 was approximately HK\$926,693,000.

Information of Target Group II

Target Company II is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, save for holding the entire issued share capital in New China IQ, Target Company II is not engaged in any business.

New China IQ was incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Target Company II. As at the date of this announcement, New China IQ holds the legal and beneficial title to the Hong Kong Office.



The audited consolidated financial information of Target Group II for the two financial years ended 31 December 2014 and 31 December 2015 is summarized below:

	For the year ended 31 December 2014	For the year ended 31 December 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	—	—
Profit/(loss) before taxation	(1,298)	(1,362)
Profit/(loss) after taxation	(1,298)	(1,362)

The audited consolidated net liabilities of Target Group II as at 31 December 2015 was approximately HK\$30,489,000.

Financial effects of the Disposals on the Group

Upon completion of the Disposal Agreements, members of the Disposal Group will cease to be subsidiaries of the Company. As such, the results of the Disposal Group will no longer be consolidated into the Group's financial statements.

Based on the total of Consideration I and Consideration II in the amount of HK\$828,000,000 (their aggregate fair values as at 31 December 2015 were approximately HK\$636,019,000), the Promissory Notes will be fully set off and discharged upon Completion. The estimated aggregated losses on disposals of Target Group I and Target Group II (based on their audited net liabilities as at 31 December 2015) were approximately HK\$244,024,000 (subject to final audit).

Reasons for and benefits of the Disposals and Proposed use of proceeds

The Chongqing Property, comprising both residential building and commercial podium, has been used by the Group to earn rental income. As at the date of this announcement, only 59% of the total lettable floor area of the Chongqing Property has been leased out while its remaining portion is left vacant. The Company is of the view that the future prospects of the commercial property market of the PRC is uncertain as a result of the growing popularity of online shopping.

As at the date of this announcement, the Group has outstanding Promissory Notes in the principal amount of HK\$828,000,000. The Promissory Notes have a maturity of 3 years and carry interest of 2% to 5% per annum.

The Group is of the view that the Disposals represent a good opportunity for the Group to dispose of the Chongqing Property with unsatisfactory occupancy rate so that more resources can be put on the aforesaid property development project in Guangdong Province and new line of business of the Group. In addition, as (i) the consideration for the sale and purchase of the respective Target Groups shall be set off against the entire outstanding Promissory Notes in the principal amount of HK\$828,000,000; and (ii) the aggregate debts (excluding intra-Group loans) owed by the Target Group were approximately HK\$1,473,804,000 as at 31 December 2015, the Disposals can also substantially reduce the Group's liabilities and interest expenses, which would enhance the overall financial position of the Company.

Since the Purchaser has agreed to lease back the Hong Kong Office to the Group at fair market rent pursuant to the Framework Lease Agreement, Disposal II would not have material impact of the operations of the Group.

Given the above, the Directors (excluding the independent non-executive Directors who shall provide their view after receiving the advice from the Independent Financial Adviser) consider that the Disposals are in the interests of the Company and the Shareholders as a whole.

Listing Rules implications of the Disposals

Since certain applicable percentage ratios (as defined under the Listing Rules) for the Disposals are in aggregate more than 25% but all of them are less than 75%, the Disposals together constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules. In addition, as the Purchaser is wholly owned by Mr. Liang Zhenye, the son of Mr. Liang Wenguan, who is a substantial Shareholder interested in approximately 21.41% of the issued share capital of the Company, the Purchaser is a connected person of the Company. Accordingly, the Disposals constitute connected transactions of the Company and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Upon completion of the Disposal Agreements, Target Company I and Target Company II will cease to be subsidiaries of the Group and become wholly-owned subsidiaries of the Purchaser and connected persons of the Company.

As at the date of this announcement, Mr. Liang, is interested in 3,979,498,463 Shares, representing approximately 21.41% of the existing issued share capital of the Company. As such, Mr. Liang Wenguan, Mrs. Nijssen Victoria, the daughter of Mr. Liang Wenguan and an executive Director, and their respective associates will abstain from voting on the resolutions to be proposed at the SGM for approving the Disposal Agreements and the respective transactions contemplated thereunder.

(2) THE LEASING OF OFFICE PREMISES

On 27 April 2016 (after trading hours), the Purchaser and the Company entered into the Framework Leasing Agreement, pursuant to which the Purchaser has conditionally agreed to lease the Hong Kong Office to be owned by the Purchaser upon completion of Disposal Agreement II to the Company for the purpose of the Group's daily operations.

Upon the Framework Leasing Agreement becoming effective, the Purchaser and the Company or its nominated subsidiary may enter into further Specific Leasing Agreement(s) for the leasing of the Hong Kong Office in accordance with the terms of the Framework Leasing Agreement.

Principal terms of the Framework Leasing Agreement

Lease Term: the period commencing from the effective date of the Framework Leasing Agreement, which is the Completion Date, up to and including 31 December 2018

Lessor: the Purchaser

Lessee: the Company or its subsidiaries

Area to be leased: approximately 2,481 sq. ft.

Total rental per year: HK\$149,000 (approximately HK\$60.06 per sq. ft. per month)

Other terms and conditions: The rental fee is payable monthly on the last business day of each month. Subject to compliance with the Listing Rules, a party may give at least three months' written notice before the expiry of the Framework Leasing Agreement to the other party in order to extend the Framework Leasing Agreement.

The effectiveness of the Framework Leasing Agreement shall be conditional upon the completion of Disposal Agreement II and the effective date of the Framework Leasing Agreement shall be the Completion Date.

Either party shall have the right to terminate the Framework Leasing Agreement upon serving a three months' written notice or a written notice in the event of default under the Framework Leasing Agreement.

The rental has been determined after arm's length negotiations between the parties to the Framework Leasing Agreement and is calculated on the basis of the market rate of leasing property.

The parties to the Framework Leasing Agreement shall enter into further Specific Lease Agreement(s) for leasing the Hong Kong Office, provided that:

1. the term of the Specific Leasing Agreements must be for a fixed term of not more than three years;
2. the terms and conditions of the Specific Leasing Agreements must be no less favourable than the terms and conditions of leasing agreements entered into by independent third parties for similar or comparable premises; and
3. the aggregate annual rental payable under all of the Specific Leasing Agreements for any given year during the Term shall not exceed the corresponding Annual Caps for the relevant year.

In the event that the entering into of or amendment to any Specific Leasing Agreement will result in the aggregate annual rental payable by the Company to the Purchaser exceeding the proposed annual cap for the relevant year, the Company shall take all necessary procedures to comply with the Listing Rules, including to make announcement(s) if appropriate and to seek independent shareholders' approval if necessary.

Proposed Annual Caps

The proposed annual caps of the rental in respect of the Framework Leasing Agreement is as follows:

	Year ending 31 December 2016	Year ending 31 December 2017	Year Ending 31 December 2018
Proposed Annual Caps <i>(All amounts in HK\$'000)</i>	1,043	1,788	1,788

The Annual Caps have been determined with reference to the prevailing market rent for the comparable commercial properties near the Hong Kong Office. The Directors (including the independent non-executive Directors) consider such Annual Caps as fair and reasonable.

The Group will satisfy the consideration of the Lease Transactions with its internal resources.

Reasons for and benefits of the Framework Leasing Agreement

Information of the Group

The Group is principally engaged in leasing property for rental, royalty right leasing, trading of goods as well as securities brokerage and provision of financial services.

The Hong Kong Office is situated at a favourable location in Hong Kong in the central business district. As such, the Board is of the view that setting up its offices at the Hong Kong Office will provide the Group with a geographic advantage to conduct its business and daily operation. In addition, the Board is also of the view that the rental and payment terms contemplated under the Framework Leasing Agreement are more favorable than the comparable premises in the area.

In view of the above and the basis of determination of the Proposed Annual Caps, the Board (including the independent non-executive Directors) considers that: (i) the terms of the Framework Lease Agreement are fair and reasonable and on normal commercial terms; (ii) the Lease Transactions are in the ordinary and usual course of business of the Group; (iii) the entering into of the Framework Lease

Agreement by the Company is in the interests of the Company and the Shareholders as a whole; and (iv) the Annual Caps (including the basis of determination thereof) are fair and reasonable.

Mrs. Nijssen Victoria, the daughter of Mr. Liang Wenguan and an executive Director, and her respective associates are considered to have a material interest in the Framework Leasing Agreement or the Lease Transactions and will accordingly abstain from voting in the board resolution approving the same.

Listing Rules Implications of the Framework Leasing Agreement

As the Purchaser is wholly owned by Mr. Liang Zhanye, the son of Mr. Liang Wenguan, who is a substantial Shareholder interested in approximately 21.41% of the issued share capital of the Company, the Purchaser is a connected person of the Company. Accordingly, the transactions contemplated under the Framework Leasing Agreement constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As all the applicable the percentage ratios (as defined under the Listing Rules) for the Framework Leasing Agreement and the transactions contemplated thereunder exceed 0.1% but do not exceed 5%, the Framework Leasing Agreement and the transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, to approve the Disposals. The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Disposal Agreements are fair and reasonable and how to vote in respect of the resolutions on the Disposals and the transactions contemplated thereunder after taking into account the recommendation of the independent financial adviser. The Company will appoint independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Disposals and the respective transactions contemplated thereunder, the letter from the Independent Board Committee and the letter of advice from the independent financial adviser, other general information of the Company and the notice of the SGM will be despatched to the Shareholders on or before 31 May 2016 to allow sufficient time to prepare the information to be included in the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was suspended with effect from 9:00 a.m. on 28 April 2016 pending publication of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 29 April 2016.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions having the following meanings:

“Annual Caps”	the annual aggregate maximum amounts payable by the Company to the Purchaser under the Lease Transactions for the Term as set out in the section headed “Proposed Annual Caps” of this announcement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“Chongqing Alorax Trading”	Chongqing Alorax Trading Company Limited* (重慶艾諾希爾進出口貿易有限公司), a company established in the PRC with limited liability. As at the date of this announcement, Chongqing Alorax Trading is wholly-owned by Kings Mall Management
“Chongqing Madex Commercial Management”	Chongqing Madex Commercial Management Limited* (重慶盛明商業管理有限公司), a company established in the PRC with limited liability. As at the date of this announcement, Chongqing Madex Commercial Management is wholly-owned by Kings Mall Management
“Chongqing Madex Hui Mingpin”	Chongqing Madex Hui Mingpin Department Store Limited* (重慶盛明匯名品百貨有限公司), a company established in the PRC with limited liability. As at the date of this announcement, Chongqing Madex Hui Mingpin is owned as to 70% by Chongqing Alorax Trading and as to 30% by Kings Mall Management
“Chongqing Property”	various portions on Levels B2 to L7 of the Mall located at No. 8 Nanping North Road, Nanping Jie Dao, Nan’an District, Chongqing, the PRC* (中國重慶市南岸區南坪街道南坪北路8號)

“Company”	Ping An Securities Group (Holdings) Limited (stock code: 00231), a company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Completion Date”	the date falling within the fourteen (14) Business Days after the date on which the conditions precedent have been satisfied, or such other date as the Company and the Purchaser may agree
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration I”	the consideration for Sale Share I, being HK\$785,000,000
“Consideration II”	the consideration for Sale Share II, being HK\$43,000,000
“Da Hong”	Da Hong Investments Limited, a company incorporated in the BVI with limited liability. As at the date of this announcement, Da Hong is a wholly-owned subsidiary of Target Company I and owns 45% equity interests in Madex Infrastructure
“Director(s)”	the director(s) of the Company
“Disposal Agreement I”	the agreement dated 27 April 2016 entered into between the Company and the Purchaser relating to Disposal I
“Disposal Agreement II”	the agreement dated 27 April 2016 entered into between the Company and the Purchaser relating to the Disposal II
“Disposal I”	the proposed disposal of Sale Share I pursuant to the terms of Disposal Agreement I
“Disposal II”	the proposed disposal of Sale Share II pursuant to the terms of Disposal Agreement II
“Disposals”	Disposal I and Disposal II, collectively
“Disposal Agreements”	Disposal Agreement I and Disposal II, collectively

“Disposal Group”	Target Group I and Target Group II, collectively
“Framework Leasing Agreement”	the agreement entered into between the Company and the Purchaser on 27 April 2016 (after trading hours) to govern the rental and leasing of the Hong Kong Office
“Glory Point”	Glory Point Investments Limited, a company incorporated in the BVI with limited liability. As at the date of this announcement, Glory Point is a wholly-owned subsidiary of Target Company I and owns 55% equity interests in Madex Infrastructure
“Group”	the Company and its subsidiaries
“Haolaiwu”	重慶好來屋家居用品有限公司(Chongqing Haolaiwu Household Appliances Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of Kings Mall Management as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Office”	the office premises located at Suite 3005, 30th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, at which the Company’s principal place of business is situated as at the date of this announcement
“Independent Board Committee”	a committee of the Board (comprising Dr. Dong Ansheng, Mr. Wong Yee Shuen, Wilson and Mr. Tsang Wah Kwong, all being independent non-executive Directors) established to advise the Independent Shareholders on (i) the Disposal Agreements and the respective transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than Mr. Liang Wenguan and his associates

“Kings Mall Management”	Chongqing Kings Mall Business Management Company Limited* (重慶帝景摩爾商業管理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Madex Infrastructure as at the date of this announcement
“Lease Transactions”	the leasing of the Hong Kong Office under any Specific Leasing Agreement(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2016 or such other date as the Company and the Purchaser may agree
“Madex Infrastructure”	Madex Infrastructure Limited, a company incorporated in Hong Kong with limited liability and owned as to 55% by Glory Point and 45% by Da Hong as at the date of this announcement
“New China IQ”	New China IQ Limited, a company incorporated in Hong Kong with limited liability and owned as to 100% by Target Company II
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“Promissory Notes”	promissory notes in the aggregate amount of HK\$828,000,000 executed by the Company in favour of Mr. Liang Zhenye
“Purchaser”	Season Trade Limited, a limited company incorporated in the Republic of the Marshall Islands and wholly owned by Mr. Liang Zhenye, the son of Mr. Liang Wenguan who is a substantial shareholder holding approximately 21.41% of the issued share capital of the Company
“Sale Share I”	the entire issued share capital of Target Company I
“Sale Share II”	the entire issued share capital of Target Company II

“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held for approving the Disposal Agreements and the respective transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Leasing Agreement(s)”	the specific leasing agreement(s) to be entered into between the Company and the Purchaser for the leasing of the Hong Kong Office in accordance with terms of the Framework Leasing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company I”	Quick Silver Global Enterprises Limited, a company incorporated in the BVI whose entire issued share capital is held by the Company as at the date of this announcement
“Target Company II”	Fortune House Worldwide Holdings Limited, a company incorporated in the BVI whose entire issued share capital is held by the Company as at the date of this announcement
“Target Group I”	Target Company I and its subsidiaries
“Target Group II”	Target Company II and its subsidiaries
“Target Groups”	Target Group I and Target Group II, collectively

For the purpose of this announcement, unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of RMB0.84 to HK\$1.00. The exchange rate has been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rate or at all.

All the English translation of certain Chinese names or words in this announcement is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

By Order of the Board
Ping An Securities Group (Holdings) Limited
Cheung Kam Fai
Executive Director

Hong Kong, 28 April 2016

As at the date of this announcement, the Board comprises Mr. Zhang Guodong, Mrs. Nijssen Victoria and Mr. Cheung Kam Fai as executive Directors; Mr. William Keith Jacobsen as non-executive Director; and Dr. Dong Ansheng, Mr. Wong Yee Shuen, Wilson and Mr. Tsang Wah Kwong as independent non-executive Directors.