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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)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**

**平安證券有限公司**  
Ping An Securities Limited

### **THE PLACING OF SHARES UNDER GENERAL MANDATE**

On 22 June 2018 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement for the placing of up to an aggregate of 2,500,000,000 new Shares to the Placees at the Placing Price of HK\$0.08 per Placing Share.

The maximum number of 2,500,000,000 Placing Shares represents (i) approximately 13.23% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, assuming that there will be no Shares other than the Placing Shares to be allotted and issued prior to the completion of the Placing.

The Placing Shares will be issued under the General Mandate. Therefore, the issue of the Placing Shares will not be subject to the approval of the Shareholders.

**Shareholders and potential investors should note that the completion of the Placing is subject to the fulfillment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE INTRODUCTION**

On 22 June 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent for the placing of up to an aggregate of 2,500,000,000 new Shares to the Placees at the Placing Price of HK\$0.08 per Placing Share.

## **THE PLACING AGREEMENT**

**Date** : 22 June 2018  
**Issuer** : The Company  
**Placing Agent** : Ping An Securities Limited

As at the date of this announcement, the Placing Agent is a wholly-owned subsidiary of the Company.

### **Placing and Placees**

Pursuant to the Placing Agreement and subject to the provisions contained therein, the Company appoints the Placing Agent to the exclusion of others, and the Placing Agent, relying on the representations, warranties and undertakings contained therein, agrees as agent for the Company during the Placing Period to procure the Placees on a best effort basis to subscribe for up to 2,500,000,000 Placing Shares at the Placing Price per Placing Share.

It is expected that there will be not less than 6 Placees which will be individuals, corporate, institutional investors or other investors procured by the Placing Agent. The Placee(s) and their ultimate beneficial owners(s) (if applicable) will be Independent Third Party(ies).

It is expected that none of the Placees will become a substantial Shareholder of the Company immediately after the Placing.

### **Placing Shares**

The maximum number of 2,500,000,000 Placing Shares represents (i) approximately 13.23% of the existing issued share capital of the Company; and (ii) approximately 11.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, assuming that there will be no Shares other than the Placing Shares to be allotted and issued prior to the completion of the Placing. The aggregate nominal value of the maximum number of 2,500,000,000 Placing Shares is HK\$125,000,000.

The Placing Shares will rank, upon issue and fully paid, *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price of HK\$0.08 per Placing Share represents (i) a discount of approximately 12.09% to the closing price of HK\$0.091 per Share as quoted on the Stock Exchange on 22 June 2018, being the day of the Placing Agreement; and (ii) a discount of approximately 13.04% to the average closing price of approximately HK\$0.092 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including 22 June 2018, being the day of the Placing Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to, among others, the market prices and the net asset value per Share. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Placing Period and Placing Commission**

The Placing Period shall be the period commencing upon execution of the Placing Agreement and terminating on the second business day immediately following the date on which the conditions precedent of the Placing Agreement are satisfied.

The Company shall pay to the Placing Agent the placing commission of 3% of the aggregate Placing Price of the total number of the Placing Shares actually placed on behalf of the Company by the Placing Agent in pursuance of its obligations under the Placing Agreement.

### **General Mandate**

The Placing Shares will be issued under the General Mandate. Therefore, the issue of the Placing Share will not be subject to the approval of the Shareholder.

Pursuant to the General Mandate, the Directors are authorized to allot and issue up to 3,779,010,402 new Shares. As at the date of this announcement, the General Mandate has not been utilised since it was granted.

## **Conditions precedent of the Placing**

Completion of the Placing is conditional upon:

- (a) the listing of, and permission to deal in, the Placing Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent) and such listing and permission not subsequently being revoked prior to Completion; and
- (b) there not having been, at any time before the end of the Placing Period:
  - (i) any material adverse change or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) of the Company which is material in the context of the Placing;
  - (ii) the occurrence of any event or the existence of any circumstance which would render any of the warranties given by the Company under the Placing Agreement untrue or inaccurate in any material respect.

The Company shall use its best endeavours to procure the fulfillment of the conditions precedent on or before 5:00 p.m. (Hong Kong time) on the Long Stop Date.

If the above conditions precedent are not fulfilled on or before 5:00 p.m. (Hong Kong time) on the Long Stop Date, the Placing Agreement shall (unless otherwise agreed in writing by the parties) terminate and none of the parties will have any claim against the other in respect of any matter or thing arising out of or in connection with the Placing Agreement save for, among others, any antecedent breach of any obligation under the Placing Agreement.

## **Completion of the Placing**

Completion of the Placing will take place on the fifth Business Day immediately after the end of the Placing Period (or such later date as the Company and the Placing Agent may agree in writing) (the “**Closing Date**”).

As completion of the Placing is subject to the satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## **Termination**

If at any time on or prior to 5:00 p.m. (Hong Kong time) on the Closing Date:

- (a) there develops, occurs or comes into force:
  - (i) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the business or financial condition or prospects of the Group; or
  - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or is likely to be materially adverse in the context of the Placing; or
  - (iii) any significant change (whether or not permanent) in local, national or international market conditions which in the reasonable opinion of the Placing Agent is or is likely to be materially adverse in the context of the Placing or makes it inadvisable or inexpedient to proceed therewith; or
  - (iv) any litigation or claim being instigated against any member of the Group which in the reasonable opinion of the Placing Agent is or is likely to be materially adverse in the context of the Placing; or
- (b) any breach (which is material in the reasonable opinion of the Placing Agent) of any of the representations, warranties and undertakings of the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or there has been a breach (which is material in the reasonable opinion of the Placing Agent) of any other provision of the Placing Agreement by the Company; or
- (c) there is any adverse change in the business or in the financial or trading position of the Company, or the Group which in the reasonable opinion of the Placing Agent is material in the context of the Placing, then and in any such case, the Placing Agent may, after consultation with the Company, terminate this Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 5:00 p.m. (Hong Kong time) on the Closing Date.

Upon termination of the Placing Agreement pursuant to the abovementioned force majeure factors, all liabilities of the Company and the Placing Agent shall cease and no party of the Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save for, among others, any antecedent breach of any obligation under the Placing Agreement.

### **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, all the Placing Shares.

### **REASONS FOR THE PLACING**

The Group is principally engaged in the business of property investment and development, provision of securities brokerage, securities underwriting and placements and financial advisory services.

As disclosed in the annual report of the Company for the year ended 31 December 2017, the Group has devoted more resources to the development of online investment platforms, mobile apps and automated Fintech solutions. Besides the Fintech development, the Group has also eyed on development of blockchain.

Building on its dedication of additional resources on Fintech solutions, the Group expects to launch a new version of mobile app in around July 2018 (the “New Mobile App”) for its securities brokerage business. The New Mobile App has adopted technology to facilitate and fulfill the customer due diligence process as required by the regulator on aspects including know your client and anti-money laundering, which targets to enable client on-boarding in a non-face-to-face situation. It is the plan of the Group to broaden the product offering on the New Mobile App continuously and transform it into a one-stop platform for wealth management services and products.

Apart from the New Mobile App, the Group has been exploring a few blockchain-related business opportunities.

It is anticipated that the working capital requirement of the Group would increase for promotion, operation and further improvement of the New Mobile App and for the development of its blockchain-related businesses.

In light of the expected increase in working capital, the Directors are of the view that the Placing will strengthen the financial position of the Group. Accordingly, the Directors consider that the Placing is in the interests of the Company and the Shareholders as a whole.

The Directors consider that the terms of the Placing, including the Placing Price and rate of the placing commission, are fair and reasonable based on current market conditions. Accordingly, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

The gross proceeds of the Placing will amount to approximately HK\$200,000,000. The net proceeds receivable by the Company, after deducting relevant expenses incurred in relation to the Placing, are estimated to be approximately HK\$193,500,000. The net Placing Price will be approximately HK\$0.0774 per Placing Share.

The Company intends to use the net proceeds raised from the Placing for general working capital and/or further investments for the securities brokerage, wealth management and blockchain-related businesses of the Group as and when the opportunities arise, but no specific investment targets have been identified yet as at the date of this announcement.

## CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholdings in the Company as at the date of this announcement and immediately after completion of the Placing, on the assumption that 2,500,000,000 Placing Shares are fully placed and there is no other change to the issued share capital of the Company prior to the completion of the Placing:

Shareholders	As at the date of this announcement		Upon completion of the Placing (assuming that all of the Placing Shares are placed in full)	
	<i>No. of Shares</i>	<i>Approximate Percentage</i>	<i>No. of Shares</i>	<i>Approximate Percentage</i>
Well Up (Hong Kong) Limited	11,984,542,634	63.43%	11,984,542,634	56.02%
Other public Shareholders	6,910,509,378	36.57%	6,910,509,378	32.30%
The Placees	–	–	2,500,000,000	11.68%
<b>Total</b>	<b>18,895,052,012</b>	<b>100%</b>	<b>21,395,052,012</b>	<b>100%</b>

## FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercise during the past twelve months immediately preceding the date of this announcement.

## GENERAL

**Shareholders and potential investors should note that the completion of the Placing is subject to the fulfillment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Ping An Securities Group (Holdings) Limited, a company incorporated in Bermuda with limited liability (carrying on business in Hong Kong as PAN Securities Group Limited), the issued Shares of which are listed on the main board of the Stock Exchange (Stock code: 00231)
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Completion”	completion of the Placing, which shall take place on such day as the Company and the Placing Agent may agree, and in any event shall not be later than the Long Stop Date, subject to the fulfillment of the conditions precedent in the Placing Agreement and “Completion Date” means the date of such completion;
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 6 June 2018 to issue and allot up to 3,779,010,402 new Shares, representing 20% of the aggregate nominal value of the share capital of the Company in issue on the date of the said meeting;
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China



“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	means 20 July 2018 (or such later date as the Company and the Placing Agent may agree in writing)
“Placee(s)”	any individuals, corporate, institutional investors or other investors whom the Placing Agent has procured to subscribe for any of the Placing Shares
“Placing”	the placing of up to 2,500,000,000 Placing Shares as contemplated under the Placing Agreement
“Placing Agent”	Ping An Securities Limited, a licensed corporation to carry out businesses in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), who is a wholly-owned subsidiary of the Company
“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 22 June 2018 in relation to Placing
“Placing Period”	the period commencing upon the execution of the Placing Agreement and terminating at 5:00 p.m. (Hong Kong time) on the second business day immediately following the date on which the conditions precedent of the Placing Agreement are satisfied
“Placing Price”	HK\$0.08 per Placing Share

“Placing Shares”	a maximum of 2,500,000,000 Placing Shares to be placed under the Placing
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“%” or “per cent.”	Percentage or per centum

By order of the Board  
**Ping An Securities Group (Holdings) Limited**  
*(Carrying on business in Hong Kong as  
PAN Securities Group Limited)*  
**Teng Wei**  
*Chairman & Executive Director*

Hong Kong, 22 June 2018

*As at the date of this announcement, the Board comprises Mr. Teng Wei (Chairman), Mr. Gong Qingli (CEO), Mr. Cheung Kam Fai and Mr. Lin Hongqiao as executive Directors; Ms. Tao Yanyan (Vice-chairman), and Mr. Wong Sai Hung as non-executive Directors; and Mr. Tsang Wah Kwong, Dr. Leung Wing Cheung, William and Dr. Yang Tao, as independent non-executive Directors.*