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TARGET

TARGET INSURANCE (HOLDINGS) LIMITED

泰加保險(控股)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 6161)

Smart Neo Holdings Limited

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

**(1) PRE-CONDITIONAL
MANDATORY UNCONDITIONAL CASH OFFER BY
NERICO BROTHERS LIMITED FOR AND ON BEHALF OF
SMART NEO HOLDINGS LIMITED TO ACQUIRE
ALL THE ISSUED SHARES OF
TARGET INSURANCE (HOLDINGS) LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE
ACQUIRED BY THE OFFEROR) AND TO CANCEL ALL THE OUTSTANDING
SHARE OPTIONS OF THE COMPANY;
(2) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND
THE APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;
AND
(3) RESUMPTION OF TRADING**

Financial adviser to the Offeror



Offer agent to the Offeror



Independent financial adviser to the Independent Board Committee

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

BACKGROUND

Reference is made to the trading halt announcement of the Company dated 30 August 2021. The Company and the Offeror jointly announce that, despite the Offeror has served the Conversion Notice on the Company on 29 August 2021, the Company and the Offeror have mutually agreed that the Conversion Shares shall only be issued by the Company to the Offeror upon satisfaction of the Pre-Condition.

As at the date of this joint announcement, the Pre-Condition has not been fulfilled and none of the Conversion Shares has been issued to the Offeror.

PROPOSED CONVERSION AND THE PRE-CONDITION

On 29 August 2021, the Offeror has issued a notice of proposed conversion of the Convertible Bonds to the Company pursuant to which, the Offeror shall exercise its conversion rights to partially convert the Convertible Bonds in an amount of HK\$198,386,790 and shall be allotted with 348,047,000 Conversion Shares at a conversion price of HK\$0.57 per Conversion Share. Immediately upon completion of the Proposed Conversion, the Offeror will be interested in (i) 486,869,000 Shares, representing approximately 49.99995% of the total enlarged issued share capital of the Company; and (ii) the Convertible Bonds in the outstanding amount of HK\$201,613,210 which may be converted into 353,707,385 Conversion Shares.

As TICL is an authorised insurer under the Insurance Ordinance, the Proposed Conversion and the making of the Offers shall be conditional upon the Insurance Authority giving the necessary acknowledgements, consents or approvals for the Proposed Conversion (including the making of the Offers). The Pre-Condition is not waivable. If the Pre-Condition is not satisfied by 30 November 2021 (or such other date as the Offeror may determine), the Proposed Conversion will not take place and the Offers shall not be made.

The Offeror and the Company have written to the Insurance Authority to seek for the necessary acknowledgements, consents or approvals for the Proposed Conversion (including the making of the Offers) with the view to satisfy the Pre-Condition. As at the date of this joint announcement, the Pre-Condition has not been satisfied. The Offeror and the Company will make further announcement(s) in this regard as and when appropriate.

PRE-CONDITIONAL MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Company has (i) 625,692,000 Shares in issue; (ii) outstanding Convertible Bonds in the aggregate outstanding amount of HK\$400.0 million; and (iii) 9,118,000 Share Options entitling Optionholders to subscribe for the Shares at the exercise price of HK\$1.288. Save as disclosed above, the Company does not have any other outstanding options, warrants or relevant securities (as defined in note 4 of Rule 22 of the Takeovers Code) which are convertible or exchangeable into the Shares as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror is interested in a total of 138,822,000 Shares, representing approximately 22.18695% of the total issued share capital of the Company. If the Proposed Conversion materialises and upon completion of the Proposed Conversion, the Offeror will be interested in 486,869,000 Shares, representing approximately 49.99995% of the then total issued share capital of the Company.

Assuming none of the Share Options has been exercised, if the Proposed Conversion materialises and upon completion of the Proposed Conversion, the Offeror and the Offeror Concert Parties will be interested in 487,397,000 Shares, representing approximately 50.05417% of the then total issued share capital of the Company. Assuming all the Share Options have been exercised, if the Proposed Conversion materialises and upon completion of the Proposed Conversion, the Offeror and the Offeror Concert Parties will be interested in 489,123,000 Shares, representing approximately 49.76543% of the then total issued share capital of the Company.

Accordingly, subject to and upon completion of the Proposed Conversion (which is subject to satisfaction of the Pre-Condition) and assuming that no Share Options have been exercised, the Offeror will be required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Shares (other than those already owned and/or agreed to be acquired by the Offeror). The Offeror is also required to make a comparable offer to Optionholders pursuant to Rule 13.5 of the Takeovers Code to cancel all the outstanding Share Options.

As the Offeror will hold all the remaining Convertible Bonds after the completion of the Proposed Conversion, it is not necessary for the Offeror to make an offer for the remaining Convertible Bonds.

It is the intention of the Offeror that Nerico Brothers Limited will make the Offers on behalf of the Offeror in compliance with the Takeovers Code upon completion of the Proposed Conversion on the following basis:

The Share Offer

For each Offer ShareHK\$0.57 in cash

The Share Offer Price of HK\$0.57 per Offer Share equals the Conversion Price under the Convertible Bonds.

The Option Offer

For cancellation of each Share OptionHK\$0.0001 in cash

The exercise price of the Share Options is HK\$1.288, which is above the Share Offer Price of HK\$0.57 per Offer Share under the Share Offer. Arrangements will be made under the Option Offer to cancel the Share Options for a nominal payment of HK\$0.0001 for each Share Option.

Pursuant to the terms of the Pre-IPO Share Option Scheme, in the event a general offer is made to the Shareholders, the Optionholders shall be entitled to exercise the Share Options in full or in part (to the extent which has become exercisable but not already exercised) at any time within 14 days after the date of the notice given by the Company to the Optionholders and, to the extent any of the Share Options have not been so exercised, such Share Options shall upon the expiry of the said 14 days' period lapse.

The Offers, if they are made and assuming that no Share Options have been exercised, will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions. The Offeror is only required to make the Offers under Rule 26.1 of the Takeovers Code upon completion of the Proposed Conversion (which is conditional upon satisfaction of the Pre-Condition). Accordingly, the making of the Offers is subject to the satisfaction of the Pre-Condition.

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange.

The Pre-Condition

The Proposed Conversion and the making of the Offers shall be conditional upon the Pre-Condition being satisfied. Since the Offeror is only required to make the Offers under Rule 26.1 of the Takeovers Code upon completion of the Proposed Conversion (which is conditional upon satisfaction of the Pre-Condition), the Pre-Condition shall constitute a pre-condition of the Offers. The Pre-Condition cannot be waived. If the Pre-Condition is not satisfied by 30 November 2021 (or such other date as the Offeror may determine), completion of the Proposed Conversion will not take place and the Offers shall not be made.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Anthony Espina, Mr. Leung Ho Yin Alexander and Dr. Wang Jun Sheng has been formed to advise the Independent Shareholders and the Independent Optionholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers.

Rainbow Capital (HK) Limited has been appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offers.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing, among other matters, the terms and conditions of the Offers and the Forms of Acceptance of the Offers to the Shareholders within 21 days of the date of this joint announcement or such later date to which the Executive may consent. As the Proposed Conversion and the making of the Offers are conditional upon satisfaction of the Pre-Condition, if the Pre-Condition cannot be satisfied within 21 days of the date of this joint announcement, the Offeror and the Company will seek the consent from the Executive for an extension of time to despatch the Composite Document within 7 days of the fulfillment of the Pre-Condition.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite document. Accordingly, the Composite Document (accompanied by the Forms of Acceptance of the Offers) in connection with the Offers setting out, inter alia, (i) details of the Offers (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, is expected to be despatched jointly by the Offeror and the Company to the Shareholders and Optionholders subsequent to the satisfaction of the Pre-Condition.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 August 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 October 2021.

WARNING

Completion of the Proposed Conversion is conditional upon the satisfaction of the Pre-Condition. Accordingly, the Proposed Conversion may or may not proceed. The making of the Offers is subject to the completion of the Proposed Conversion which is in turn subject to satisfaction of the Pre-Condition. The Offers therefore is a possibility only and may or may not be made. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders, the Optionholders and potential investors of the Company of the possibility that the Offers may be made.

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Independent Shareholders and the Independent Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in respect of the Offers and the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers.

Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

References are made to the announcements of the Company dated 26 January 2021 and 30 April 2021, and the circular of the Company dated 11 March 2021 in relation to, among other matters, the Subscription Agreement entered into between the Company and the Offeror pursuant to which the Company agreed to issue and the Offeror agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$400.0 million which may be converted into 701,754,385 Conversion Shares based on the initial Conversion Price of HK\$0.57 per Conversion Share upon full conversion. The Listing Committee has conditionally granted (subject to allotment) and has not withdrawn or revoked the approval of listing of and permission to deal in all the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights under the Convertible Bonds. All the conditions precedent as set out in the Subscription Agreement have been fulfilled and the completion of the transactions under the Subscription Agreement took place on 30 April 2021. Following completion of the subscription under the Subscription Agreement, the Convertible Bonds in the aggregate principal amount of HK\$400.0 million were issued to the Offeror.

The Company and the Offeror jointly announce that, despite the Offeror has served the Conversion Notice on the Company on 29 August 2021, the Company and the Offeror have mutually agreed that, the Conversion Shares shall only be issued by the Company to the Offeror upon satisfaction of the Pre-Condition.

As at the date of this joint announcement, the Pre-Condition has not been fulfilled and none of the Conversion Shares has been issued to the Offeror.

PROPOSED CONVERSION AND THE PRE-CONDITION

On 29 August 2021, the Offeror has issued a notice of proposed conversion of the Convertible Bonds to the Company pursuant to which, the Offeror shall exercise its conversion rights to partially convert the Convertible Bonds in an amount of HK\$198,386,790 and shall be allotted with 348,047,000 Conversion Shares at a conversion price of HK\$0.57 per Conversion Share. Immediately upon completion of the Proposed Conversion, the Offeror will be interested in (i) 486,869,000 Shares, representing approximately 49.99995% of the total enlarged issued share capital of the Company; and (ii) the Convertible Bonds in the outstanding amount of HK\$201,613,210 which may be converted into 353,707,385 Conversion Shares.

As TICL is an authorised insurer under the Insurance Ordinance, the Proposed Conversion and the making of the Offers shall be conditional upon the Insurance Authority giving the necessary acknowledgements, consents or approvals for the proposed change of shareholding in the Company as a result of the Proposed Conversion (including the making of the Offers) (the “**Pre-Condition**”). The Pre-Condition is not waivable. If the Pre-Condition is not satisfied by 30 November 2021 (or such other date as the Offeror may determine), the Proposed Conversion will not take place and the Offers shall not be made.

The Offeror and the Company have written to the Insurance Authority to seek for the necessary acknowledgements, consents or approvals for the Proposed Conversion (including the making of the Offers) with the view to satisfy the Pre-Condition. As at the date of this joint announcement, the Pre-Condition has not been satisfied. The Offeror and the Company will make further announcement(s) in this regard as and when appropriate.

PRE-CONDITIONAL MANDATORY UNCONDITIONAL CASH OFFER

As at the date of this joint announcement, the Company has (i) 625,692,000 Shares in issue; (ii) outstanding Convertible Bonds in the aggregate outstanding amount of HK\$400.0 million; and (iii) 9,118,000 Share Options entitling Optionholders to subscribe for the Shares at the exercise price of HK\$1.288. Save as disclosed above, the Company does not have any other outstanding options, warrants or relevant securities (as defined in note 4 of Rule 22 of the Takeovers Code) which are convertible or exchangeable into the Shares as at the date of this joint announcement.

As at the date of this joint announcement, the Offeror is interested in 138,822,000 Shares, representing approximately 22.18695% of the total issued share capital of the Company. If the Proposed Conversion materialises and upon completion of the Proposed Conversion, the Offeror will be interested in 486,869,000 Shares, representing approximately 49.99995% of the then total issued share capital of the Company.

Assuming none of the Share Options has been exercised, if the Proposed Conversion materialises and upon completion of the Proposed Conversion, the Offeror and the Offeror Concert Parties will be interested in 487,397,000 Shares, representing approximately 50.05417% of the then total issued share capital of the Company. Assuming all the Share Options have been exercised, if the Proposed Conversion materialises and upon completion of the Proposed Conversion, the Offeror and the Offeror Concert Parties will be interested in 489,123,000 Shares, representing approximately 49.76543% of the then total issued share capital of the Company.

Accordingly, subject to and upon completion of the Proposed Conversion (which is subject to the satisfaction of the Pre-Condition) and assuming that no Share Options have been exercised, the Offeror will be required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Shares (other than those already owned and/or agreed to be acquired by the Offeror). The Offeror is also required to make a comparable offer to Optionholders pursuant to Rule 13.5 of the Takeovers Code to cancel all the outstanding Share Options.

As the Offeror will hold all the remaining Convertible Bonds after the completion of the Proposed Conversion, it is not necessary for the Offeror to make an offer for the remaining Convertible Bonds.

It is the intention of the Offeror that Nerico Brothers Limited (a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading) and Type 9 (asset management) regulated activities under the SFO) will make the Offers on behalf of the Offeror in compliance with the Takeovers Code upon completion of the Proposed Conversion on the following basis:

The Share Offer

For each Offer Share HK\$0.57 in cash

The Share Offer Price of HK\$0.57 per Offer Share equals the Conversion Price under the Convertible Bonds.

The Option Offer

For cancellation of each Share Option HK\$0.0001 in cash

The exercise price of the Share Options is HK\$1.288, which is above the Share Offer Price of HK\$0.57 per Offer Share under the Share Offer. Arrangements will be made under the Option Offer to cancel the Share Options for a nominal payment of HK\$0.0001 for each Share Option.

Pursuant to the terms of the Pre-IPO Share Option Scheme, in the event a general offer is made to the Shareholders, the Optionholders shall be entitled to exercise the Share Options in full or in part (to the extent which has become exercisable but not already exercised) at any time within 14 days after the date of the notice given by the Company to the Optionholders and, to the extent any of the Share Options have not been so exercised, such Share Options shall upon the expiry of the said 14 days' period lapse.

The Offers, if they are made and assuming that no Share Options have been exercised, will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions. The Offeror is only required to make the Offers under Rule 26.1 of the Takeovers Code upon completion of the Proposed Conversion (which is conditional upon satisfaction of the Pre-Condition). Accordingly, the making of the Offers is subject to the satisfaction of the Pre-Condition.

The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date. As at the date of this joint announcement, the Company has not declared any dividends which have not been distributed. No distributions or dividends shall be declared as a result of the Proposed Conversion and as at the date of this joint announcement, the Company has no plan to declare, recommend, or pay any dividends or make any other distributions on the Shares.

The Pre-Condition

As disclosed above, the Proposed Conversion and the making of the Offers shall be conditional upon the Pre-Condition being fulfilled. Since the Offeror is only required to make the Offers under Rule 26.1 of the Takeovers Code upon completion of the Proposed Conversion (which is conditional upon the Pre-Condition being satisfied), the Pre-Condition shall constitute a pre-condition of the Offers. The Pre-Condition cannot be waived. If the Pre-Condition is not satisfied by 30 November 2021 (or such other date as the Offeror may determine), completion of the Proposed Conversion will not take place and the Offers shall not be made.

The Share Offer Price

The Share Offer Price of HK\$0.57 per Offer Share represents:

- (i) a discount of approximately 41.24% to the closing price of HK\$0.970 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 41.84% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.980 per Share;
- (iii) a discount of approximately 41.78% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.979 per Share;
- (iv) a discount of approximately 42.42% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.990 per Share;
- (v) a discount of approximately 12.31% to the audited consolidated net asset value per Share as at 31 December 2020 of approximately HK\$0.650 (which was calculated by dividing the audited consolidated net asset value of the Group as at 31 December 2020 of approximately HK\$338.66 million by 521,410,000 Shares in issue as at 31 December 2020); and
- (vi) a discount of approximately 44.45% to the unaudited consolidated net asset value per Share as at 30 June 2021 of approximately HK\$1.026 (which was calculated by dividing the unaudited consolidated net asset value of the Group as at 30 June 2021 of approximately HK\$641.99 million by 625,692,000 Shares in issue as at 30 June 2021).

Highest and Lowest Share Prices

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price per Share as quoted on the Stock Exchange was HK\$1.58 on 21 May 2021 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.74 on 1 March 2021.

Value of the Offers

Assuming none of the Share Options has been exercised

Assuming the Proposed Conversion is completed and no Share Option has been exercised before the close of the Offers, based on the Share Offer Price of HK\$0.57 per Offer Share, the Share Offer for the entire issued share capital of the Company is valued at HK\$555,031,230. As the Offeror will hold 486,869,000 Shares immediately after the completion of the Proposed Conversion, a total of 486,870,000 Shares will be subject to the Share Offer. In the event that the Share Offer is accepted in full by Shareholders, the aggregate amount payable by the Offeror under the Share Offer will be HK\$277,515,900.

On the basis of the Option Offer Price of HK\$0.0001 each and 9,118,000 Share Options subject to the Option Offer (assuming no Share Options out of such 9,118,000 Share Options are exercised before the close of the Offers), the total amount required to satisfy the cancellation of the Share Options is approximately HK\$912. Based on the aforesaid and assuming that no Share Options are exercised before the close of the Offers, the Offers are valued at approximately HK\$277,516,812 in aggregate.

Assuming all Share Options have been exercised

In the event that all the Share Options are exercised in full by the Optionholders before the close of the Offers, the Company will have to allot 9,118,000 Shares, representing approximately 1.45727% of the issued share capital of the Company as at the date of this joint announcement. Assuming the Share Offer is accepted in full (including all the Shares allotted and issued as a result of the exercise of the Share Options), and on the basis of the Share Offer Price of HK\$0.57 per Offer Share and 495,988,000 Shares subject to the Share Offer, the maximum value of the Share Offer will be increased to approximately HK\$282,713,160. In such circumstances, no amount will be payable by the Offeror under the Option Offer and the Offers are valued at approximately HK\$282,713,160.

For the avoidance of doubt, in the event that there is no outstanding Share Option at the time of the Offeror making the Share Offer, only the Share Offer will be made by the Offeror and there will not be any Option Offer.

Financial resources available to the Offeror

The Offeror intends to finance the Offers by its internal funding.

Merdeka Corporate Finance Limited, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers. Merdeka Corporate Finance Limited is a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO.

Effect of Accepting the Offers

By accepting the Share Offer, Shareholders will sell their Shares fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offers are made, being the date of posting of the Composite Document, which is expected to be issued jointly by the Offeror and the Company. As at the date of this joint announcement, the Company has not declared any dividends which have not been distributed. No distributions or dividends shall be declared as a result of the Proposed Conversion and as at the date of this joint announcement, the Company has no plan to declare, recommend, or pay any dividends or make any other distributions on the Shares. Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

By accepting the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced. Pursuant to the terms of the Pre-IPO Share Option Scheme, the Optionholders shall be entitled to exercise the Share Options in full or in part (to the extent which has become exercisable but not already exercised) at any time within 14 days after the date of the notice given by the Company to the Optionholders (and such notice shall be given within seven (7) days of the Offers becoming or being declared unconditional) and, to the extent any of the Share Options have not been so exercised, such Share Options shall upon the expiry of the said 14 days' period lapse (i.e. the close of the Option Offer).

Taxation Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, the Offeror Concert Parties, the Company, Merdeka Corporate Finance Limited, Nerico Brothers Limited and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all Shareholders and Optionholders, including those who are not resident in Hong Kong. The availability of the Offers to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Such Shareholders and Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Independent Shareholders and Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any regulatory or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders and Overseas Optionholders who is not resident in Hong Kong will be deemed to constitute a representation and warranty from such Overseas Shareholder and Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. All such Overseas Shareholder and Overseas Optionholders should consult their professional advisers if in doubt.

Stamp Duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by each Shareholder who accepts the Share Offer at the rate of 0.13% of the consideration payable by the Offeror for that Shareholder's Offer Shares, and will be deducted from the cash amount payable by that Offeror to such Shareholder on acceptance of the Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Shareholders accepting the Share Offer and whose Offer Shares have been acquired by that Offeror, and will pay the buyer's ad valorem stamp duty in connection with such Offer Shares and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

Payment

Payment in cash in respect of acceptances of the Offers, net of seller's Hong Kong ad valorem duty, will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) from the date on which the duly completed acceptances of the Offers and the relevant documents of title of the Shares and Share Options in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Other Information

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for (a) 139,350,000 Shares held by the Offeror and the Offeror Concert Parties; (b) the Convertible Bonds in the outstanding amount of HK\$400.0 million held by the Offeror; and (c) 1,726,000 Share Options held by Mr. Muk Wang Lit Jimmy and Ms. Lau Ka Yee (both being executive Directors), none of the Offeror, its ultimate beneficial owner or the Offeror Concert Parties owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (ii) none of the Offeror, its ultimate beneficial owner and the Offeror Concert Parties has received any irrevocable commitment in respect of acceptance of the Offers;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offers;
- (iv) save for the matters described in the section headed “PROPOSED CONVERSION AND THE PRE-CONDITION” in this joint announcement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners or the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke the Pre-Condition or a condition to the Offers;
- (v) neither the Offeror, its ultimate beneficial owners or the Offeror Concert Parties has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) save for the completion of the subscription of the Convertible Bonds by the Offeror on 30 April 2021 pursuant to the Subscription Agreement entered into between the Company and the Offeror dated 26 January 2021, none of the Offeror and the Offeror Concert Parties has dealt in the Shares, options, derivatives, warrants and/or other securities convertible into Shares during the six months period immediately preceding the date of this joint announcement;
- (vii) there is no understanding, arrangement, agreement or special deal between any Shareholder; and (a) the Offeror and/or the Offeror Concert Parties; or (b) the Company, its subsidiaries or associated companies; and
- (viii) there is no understanding, arrangement, agreement or special deal between the Offeror or the Offeror Concert Parties on the one hand, and the Company or its Concert Parties on the other hand.

INFORMATION ON THE GROUP

The Company

The Company is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding. The Group is principally engaged in writing motor and other general insurance in Hong Kong with leading market position on motor insurance for taxi and public light bus.

Financial Information

Set out below is a summary of the audited financial information of the Group for each of the two financial years ended 31 December 2019 and 2020 as extracted from the annual report of the Company for the year ended 31 December 2020 and the unaudited financial information of the Group for the six months ended 30 June 2021 as extracted from the interim report of the Company for the six months ended 30 June 2021:

	For the six months ended 30 June 2021 (unaudited) HK\$'000	For the year ended 31 December 2020 (audited) HK\$'000	2019 (audited) HK\$'000
Net income	339,031	498,856	442,466
Profit/(Loss) before tax	70,742	61,190	(193,207)
Profit/(Loss) after tax	68,854	62,026	(198,520)
	As at 30 June 2021 (unaudited) HK\$'000	As at 31 December 2020 (audited) HK\$'000	2019 (audited) HK\$'000
Total assets	2,621,087	2,091,648	2,007,009
Total liabilities	1,979,093	1,752,988	1,701,133
Net assets	641,994	338,660	305,876

SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately after completion of the Proposed Conversion (assuming none of the Share Options has been exercised); and (iii) immediately after completion of the Proposed Conversion (assuming all the Share Options have been exercised).

	As at the date of this joint announcement		Immediately following the Proposed Conversion (assuming none of the Share Options has been exercised)		Immediately following the Proposed Conversion (assuming all the Share Options have been exercised)	
	<i>No. of Shares</i>	<i>% Approximate</i>	<i>No. of Shares</i>	<i>% Approximate</i>	<i>No. of Shares</i>	<i>% Approximate</i>
The Offeror (<i>Note 1</i>)	138,822,000	22.18695%	486,869,000	49.99995%	486,869,000	49.53610%
Muk Wang Lit Jimmy (<i>Note 2</i>)	360,000	0.05754%	360,000	0.03697%	2,000,000	0.20349%
Lau Ka Yee (<i>Note 3</i>)	168,000	0.02685%	168,000	0.01725%	254,000	0.02584%
Sub-total: Offeror and Offeror Concert Parties	139,350,000	22.27134%	487,397,000	50.05417%	489,123,000	49.76543%
IAML (<i>Note 4</i>)	158,750,000	25.37191%	158,750,000	16.30314%	158,750,000	16.15189%
TAG Investment Limited (<i>Note 5</i>)	74,954,000	11.97938%	74,954,000	7.69754%	74,954,000	7.62614%
Other public Shareholders	252,638,000	40.37737%	252,638,000	25.94515%	260,030,000	26.45654%
Total	625,692,000	100.00000%	973,739,000	100.00000%	982,857,000	100.00000%

Notes:

1. The Offeror is the beneficial owner of 138,822,000 Shares and is wholly and beneficially owned by Dr. Ng, an executive Director and the chairman of the Board.
2. Mr. Muk Wang Lit Jimmy is an executive Director of the Company and is the beneficial owner of 360,000 Shares and 1,640,000 Share Options.
3. Ms. Lau Ka Yee is an executive Director and is the beneficial owner of 168,000 Shares and 86,000 Share Options.

4. IAML is the beneficial owner of 158,750,000 Shares and is wholly and beneficially owned by Dr. Cheung, who resigned from executive Director and the chairman of the Board on 9 August 2021 but remained as an executive director of TICL. As each of the Offeror and IAML holds more than 20% of the issued capital of the Company, the Offeror and IAML were presumed to be acting in concert in relation to the Company under Class (1) of the definition of “acting in concert” under the Takeovers Code. An application has been made to the Executive for the rebuttal of the presumed concert party relationship between the Offeror and IAML, and the Executive has granted such rebuttal.
5. TAG Investment Limited is wholly-owned by Clever Path Holdings Limited, Clever Path Holdings Limited is wholly-owned by TAG Holdings Limited, TAG Holdings Limited is wholly-owned by Convoy (BVI) Limited, and Convoy (BVI) Limited, which in turn is wholly-owned by Convoy Global Holdings Limited. Therefore, each of Clever Path Holdings Limited, TAG Holdings Limited, Convoy (BVI) Limited, and Convoy Global Holdings Limited is deemed to be interested in these 74,954,000 Shares in which TAG Investment Limited is interested pursuant to the SFO.

INFORMATION ON THE OFFEROR

The Offeror is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding. The Offeror is directly wholly-owned by Dr. Ng, an executive Director and the chairman of the Board. As at the date of this joint announcement, the Offeror is a substantial Shareholder holding 138,822,000 Shares, representing approximately 22.18695% of the entire issued Shares of the Company.

Dr. Ng, aged 31, was appointed as an executive Director and co-chairman of the Board on 23 December 2020, and was subsequently appointed as chairman of the Board on 9 August 2021. Dr. Ng is currently the chairman of the board of directors, an executive director and a substantial shareholder (as defined under the Listing Rules) of Amber Hill Financial Holdings Limited (a company listed on the Main Board of the Stock Exchange; stock code: 33). He is also an executive director of TICL and the founder and chairman of Smile Charity Foundation. Dr. Ng obtained a completion certificate for the Advanced Technology Leadership Program issued by MIT (Massachusetts Institute of Technology) Industrial Liaison Program and a completion certificate for Family Wealth Succession Program organized by Harvard Law School Executive Education.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

The Offeror considers that the Proposed Conversion can reduce the debt liability of the Company.

Since the Offeror may, following the close of the Offers, hold more than 50% of the shareholding in the Company (and hence indirectly of the shareholding in TICL), the Offeror intends to place down the Shares acquired from the Share Offer immediately after the close of the Offers to ensure its shareholding in the Company (and hence indirectly in TICL) be reduced to a level below 50% so as to comply with the Insurance Ordinance.

The Offeror has written to the Insurance Authority to apply for the necessary acknowledgements, consents or approvals and such acknowledgements, consents or approval constitute part of the Pre-Condition. Further announcement(s) in this regard will be made if and when appropriate.

The Offeror intends to continue the existing businesses of the Group. As at the date of this joint announcement, the Offeror have no plan to inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets other than in the ordinary and usual course of business.

Immediately after the close of the Offers, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this joint announcement, the Offeror has not identified such investment or business opportunities.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment or to dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

Public Float and Maintaining the Listing Status of the Company

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

In order to ensure that, within a reasonable period after the close of the Offers, not less than 25% of the Company's total number of issued Shares will be held by the public, the Offeror and the Company will jointly and severally undertake to the Stock Exchange to take appropriate steps within a reasonable period following the close of the Offers to ensure that at least 25% of the total number of issued Shares will be held by the public.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Anthony Espina, Mr. Leung Ho Yin Alexander and Dr. Wang Jun Sheng has been formed to advise the Independent Shareholders and the Independent Optionholders as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers.

Rainbow Capital (HK) Limited has been appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offers. Rainbow Capital (HK) Limited is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as set out under the SFO.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document containing, among other matters, the terms and conditions of the Offers and the Forms of Acceptance of the Offers to the Shareholders within 21 days of the date of this joint announcement or such later date to which the Executive may consent. As the Proposed Conversion and the making of the Offers are conditional upon satisfaction of the Pre-Condition, if the Pre-Condition cannot be satisfied within 21 days of the date of this joint announcement, the Offeror and the Company will seek the consent from the Executive for an extension of time to despatch of the Composite Document within 7 days of the fulfillment of the Pre-Condition.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular into a composite document. Accordingly, the Composite Document (accompanied by the Forms of Acceptance of the Offers) in connection with the Offers setting out, inter alia, (i) details of the Offers (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders; and (iii) a letter of advice from an independent financial adviser to the Independent Board Committee in respect of the Offers, is expected to be despatched jointly by the Offeror and the Company to the Shareholders and Optionholders subject to the satisfaction of the Pre-Condition.

GENERAL

Disclosure of Dealings

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror, including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Offeror, are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 30 August 2021 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 October 2021.

WARNING

Completion of the Proposed Conversion is conditional upon the satisfaction of the Pre-Condition. Accordingly, the Proposed Conversion may or may not proceed. The making of the Offers is subject to the completion of the Proposed Conversion which is in turn subject to the satisfaction of the Pre-Condition. The Offers therefore is a possibility only and may or may not be made. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders, the Optionholders and potential investors of the Company of the possibility that the Offers may be made.

The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Independent Shareholders and the Independent Optionholders not to form a view on the Offers unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in respect of the Offers and the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers.

Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning as ascribed thereto under the Takeovers Code
“associates”	has the meaning as ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Target Insurance (Holdings) Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6161)
“Composite Document”	the composite document to be issued jointly by the Offeror and the Company in relation to the Offers in accordance with the Takeovers Code and the Listing Rules
“Concert Parties”	parties acting in concert (as such term is defined in the Takeovers Code) with the person or party as specified and as determined in accordance with the Takeovers Code
“Conversion Price”	HK\$0.57 per Share, subject to adjustment from time to time under the terms and conditions of the Subscription Agreement
“Conversion Share(s)”	A total of 348,047,000 new Share(s) at a Conversion Price of HK\$0.57 per Share to be allotted and issued to the Offeror upon the satisfaction of the Pre-Condition

“Convertible Bonds”	HK\$400.0 million zero coupon unsecured redeemable convertible bonds due 2026 issued by the Company to the Offeror in accordance with the terms of the Subscription Agreement and held by the Offeror as at the date of this joint announcement
“Director(s)”	director(s) of the Company
“Dr. Cheung”	Dr. Cheung Haywood, the sole owner of IAML, a former executive Director and Chairman of the Board prior to his resignation on 9 August 2021
“Dr. Ng”	Dr. Ng Yu, the sole owner and director of the Offeror, and an executive Director and the Chairman of the Board
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“Forms of Acceptance”	the forms of acceptance of and transfer of Shares which accompany the Composite Document
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IAML”	Independent Assets Management Limited, a company incorporated in the British Virgin Islands wholly-owned by Dr. Cheung
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Anthony Espina, Mr. Leung Ho Yin Alexander and Dr. Wang Jun Sheng, established for the purpose of making a recommendation to the Independent Shareholders and the Independent Optionholders in relation to the Offers
“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity, being the independent financial adviser to the Independent Board Committee in respect of the Offers
“Independent Optionholder(s)”	holder(s) of the Share Options, other than the Offeror and the Offeror Concert Parties

“Independent Shareholder(s)”	holder(s) of the Shares, other than the Offeror and the Offeror Concert Parties
“Insurance Authority”	the Insurance Authority of Hong Kong
“Insurance Ordinance”	the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong)
“Last Trading Day”	27 August 2021, being the last trading day immediately prior to suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offers”	collectively, the Share Offer and the Option Offer
“Offer Share(s)”	issued Shares other than those Shares already owned or agreed to be acquired by the Offeror
“Offeror”	Smart Neo Holdings Limited, a company incorporated in Hong Kong with limited liability and the entire shareholding of which is owned by Dr. Ng
“Offeror Concert Parties”	persons acting in concert with the Offeror in relation to the Company, including Mr. Muk Wang Lit Jimmy and Ms. Lau Ka Yee
“Option Offer”	the pre-conditional mandatory unconditional cash offer to be made by Nerico Brothers Limited on behalf of the Offeror for the cancellation of all outstanding Share Options in accordance with the Takeovers Code
“Option Offer Price”	the price of HK\$0.0001 per Share Option payable by the Offeror to Optionholders for each Offer Share tendered under the Option Offer
“Optionholders”	holder(s) of the issued Share Option(s)
“Overseas Optionholder(s)”	the Optionholder(s) whose address(es), as shown on the register of holders of Share Options of the Company, is/are outside Hong Kong
“Overseas Shareholders”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China

“Pre-Condition”	the pre-condition for the completion of the Proposed Conversion and the making of the Offers as described in the section headed “PROPOSED CONVERSION AND THE PRE-CONDITION”
“Pre-IPO Share Option Scheme”	the pre-IPO (initial public offering) share option scheme conditionally adopted by the Company on 30 September 2014
“Proposed Conversion”	proposed exercise of conversion rights to partially convert the Convertible Bonds in an amount of HK\$198,386,790 and shall be allotted with 348,047,000 Conversion Shares to the Offeror
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of no par value in the share capital of the Company
“Share Offer”	the pre-conditional mandatory unconditional cash offer to be made by Nerico Brothers Limited on behalf of the Offeror to acquire all of the Offer Shares in accordance with terms and conditions set out in this joint announcement
“Share Offer Price”	the price of HK\$0.57 per Offer Share payable by the Offeror to the Shareholders for each Offer Share tendered under the Share Offer
“Share Option(s)”	share options granted by the Company pursuant to the Pre-IPO Share Option Scheme of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement dated 26 January 2021 entered into between the Company and the Offeror in relation to the subscription of the Convertible Bonds
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers published by the SFC

“TICL”	Target Insurance Company, Limited, a direct wholly-owned subsidiary of the Company and an authorised insurer under the Insurance Ordinance
“%”	per cent.

By order of the sole director of
Smart Neo Holdings Limited
Ng Yu
Sole Director

By order of the Board
Target Insurance (Holdings) Limited
Tsang King Sun
Company Secretary

Hong Kong, 30 September 2021

The Company

As at the date of this joint announcement, the Board comprises six executive Directors, namely Dr. Ng Yu (Chairman), Mr. Chan Yat Wai (Chief Executive Officer), Mr. Muk Wang Lit Jimmy, Mr. Lin Feng, Mr. Dai Chengyan and Ms. Lau Ka Yee; and three independent non-executive Directors, namely, Mr. Anthony Espina, Mr. Leung Ho Yin Alexander and Dr. Wang Jun Sheng.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (save for the information relating to the Offeror and its Concert Parties), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (save for the information expressed by the sole director of the Offeror in his capacity as the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The Offeror

As at the date of this joint announcement, the sole director of the Offeror is Dr. Ng Yu.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (save for the information relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.