

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATES
AND
CONTINUED SUSPENSION OF TRADING**

This voluntary announcement is made by Target Insurance (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the purpose of updating the shareholders (the “**Shareholders**”) of the Company and potential investors on the latest development of the Group.

SITUATION SINCE THE TAKEOVER

As announced by the Company on 10 January 2022, pursuant to the direction of the Insurance Authority (the “**IA**”) (the “**Direction**”), the affairs, business and property of Target Insurance Company, Limited (“**Target**”), being a wholly owned subsidiary of the Company, have come under the management of Messrs. Lai Kar Yan (Derek) and Kam Chung Hang (Forrest) of Deloitte Touche Tohmatsu, who were appointed by the IA on 7 January 2022 to be the joint and several managers (the “**Managers**”), with effect from 7 January 2022 (the “**Takeover**”).

On 17 January 2022, an application was filed on behalf of the Company to the Insurance Appeals Tribunal (the “**IAT**”) to review, among other things, the Direction (the “**Review Application**”) as well as to make an urgent application to stay the execution of the said Direction (the “**Stay Application**”). Under the directions of the Chairman of the IAT, the hearing for the Stay Application was held on 31 January 2022 and has been adjourned to 1 March 2022, while the hearing for the Review Application has been scheduled on 22 April 2022.

STATEMENTS IN IA PRESS RELEASE

The board of directors (the “**Board**”) noticed a press release (“**IA Press Release**”) was issued by the IA on 7 January 2022. The Company entirely disagrees with the statements set out in the IA Press Release that Target might be in breach of the statutory requirements under the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong). The Company has sought advice from its legal advisers and will take appropriate actions, including the Stay Application and the Review Application, to rebut such speculative statements.

STATUS OF CASH PLACED WITH NERICO BROTHERS LIMITED (“**NBL**”)

Based on the correspondence with the IA in late November 2021, Target would have to withdraw the majority of its cash from NBL, while it may keep the remaining balance with NBL for cash management purpose. By a letter dated 6 January 2022, the IA informed that Target had to transfer all cash placed with NBL to a designated account which was in effect different from our understanding from the IA in late November 2021. As announced on 10 January 2022, Target first opened the segregated account with NBL in April 2020 and subsequently conducted spot foreign currency trading as cash management. Such decision to conduct cash management through NBL was made, within IA’s knowledge, by the former board of directors of Target rather than its current board of directors.

LEGAL ACTIONS BY INDEPENDENT ASSETS MANAGEMENT LIMITED (“**IAML**”)

On 6 January 2022 and 18 January 2022, the Company was informed that:- (i) a third party (the “**First Purchaser**”) had completed an off-market acquisition of 30,000,000 ordinary shares (the “**Shares**”) of the Company from IAML, being a substantial shareholder of the Company, on 18 October 2021 (the “**First Purported Transfer**”); and (ii) another third party (the “**Second Purchaser**”) had completed an off-market acquisition of 50,000,000 Shares from IAML on 12 January 2022 (the “**Second Purported Transfer**”). Previously, a stop notice (the “**Stop Notice**”) dated 27 August 2021 was served by the legal advisor of IAML on the Company and the Share Registrar. The Stop Notice is intended to stop the transfer of the 106,600,000 Shares held in the name of IAML under seven share certificates issued by the Company. These share certificates comprise one share certificate for 5,000,000 Shares, one share certificate for 6,600,000 Shares, 15,000,000 Shares and four share certificates each for 20,000,000 Shares. Until now, IAML has applied to stop the transfer of a total of 186,600,000 Shares

Legal actions have been lodged by IAML to, among other things, restrain and prohibit the registration by the Company of the First Purported Transfer and the Second Purported Transfer. On 28 January 2022, upon hearing the submissions by the leading counsel of IAML and the counsel of the Company, it was ordered by the High Court of Hong Kong, among other things, that:-

- The injunction to restrain and prohibit the Company from taking steps to register the First Purported Transfer be continued, pending the determination of the High Court legal action by IAML against the First Purchaser and the Second Purchaser (the “**Legal Action for the Purported Transfers**”).

- An injunction to restrain and prohibit the Company from taking any steps to register the Second Purported Transfer be granted and continued, pending the determination of the Legal Action for the Purported Transfers.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 5 January 2022 and will remain suspended until further notice.

By order of the Board
Target Insurance (Holdings) Limited
Lin Feng
Executive Director

Hong Kong, 21 February 2022

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Dr. Ng Yu (Chairman), Mr. Lin Feng and Mr. Dai Chengyan; and an independent non-executive director, namely Dr. Wang Jun Sheng.