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泰加

TARGET INSURANCE (HOLDINGS) LIMITED

泰加保險（控股）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 6161)

**INSIDE INFORMATION
FULLY EXEMPT CONNECTED TRANSACTION RELATING
TO RECEIVING FINANCIAL ASSISTANCE
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Target Insurance (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

TERMS OF THE FACILITY

The board (the “**Board**”) of directors of the Company is pleased to announce that on 24 February 2022, the Company entered into a revolving facility agreement (the “**Facility Agreement**”) with Smart Neo Holdings Limited (“**Smart Neo**”). Smart Neo is a substantial shareholder of the Company and is wholly and beneficially owned by Dr. Ng Yu (“**Dr. Ng**”), the Chairman and an executive Director of the Company. Pursuant to the Facility Agreement, it is agreed that Smart Neo shall grant a revolving facility (the “**Facility**”) up to the principal amount of US\$750,000,000 (which is equivalent to approximately HK\$5.85 billion) to the Company for a term of 12 months effective from the date of the Facility Agreement.

The Facility is unsecured, interest-free and repayable on demand. The draw-down and provision of each tranche of loan under the Facility is subject to the fulfilment of the conditions specified in the Facility Agreement. Smart Neo shall have the absolute discretion to waive any or all of the conditions of the Facility Agreement as it thinks appropriate.

The funds drawn down from the Facility shall be used strictly for (i) acquisition of recognised insurance companies and/or projects worldwide, particularly insurance companies and/or projects in the Asian regions (including Singapore etc.), European regions (including the United Kingdom etc.) and Northern American regions (including the United States etc.) (the “**Proposed Acquisitions**”); or (ii) provision of financial assistance to Target Insurance Company, Limited (the “**Subsidiary**”), being a wholly owned subsidiary of the Group.

On the date of signing of the Facility Agreement of 24 February 2022, the Company has notified the Insurance Authority (the “**IA**”) in respect of the matters regarding the Facility Agreement and the Proposed Acquisitions (the “**Notice to IA**”) in compliance of the undertaking given by the Company to the IA, under which the notice period shall be not less than 60 days or shorter period as the IA may allow. Unless the Company receives the consent from the IA for shorter notice, the drawdown of the Facility will not take place earlier than 60 days after the date of the Notice to IA.

No binding agreement has been entered into in respect of the Proposed Acquisitions. Unless the Company receives the consent from the IA for shorter notice, the Company is unable to proceed with any Proposed Acquisitions within 60 days after the date of the Notice to IA. Further announcement(s) will be made by the Company if and when any of the Proposed Acquisitions materialize which triggers any disclosure obligations on the part of the Company.

BENEFITS OF THE FACILITY

Pursuant to the direction (the “**Directions**”) of the IA, the affairs, business and property of Target Insurance Company, Limited, being a wholly owned subsidiary of the Group, have come under the management of the joint and several managers appointed by the IA, with effect from 7 January 2022 (the “**Takeover**”). The Takeover has essentially deprived the Group of all its control and power over the Subsidiary. Further, 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. Pursuant to the Stock Exchange’s guidance for resumption of trading, the Company is required to demonstrate a sufficient level of operations and assets of sufficient value to support its operations to warrant continued listing of the Company’s shares under Rule 13.24 of the Listing Rules.

Under these difficult circumstances, Dr. Ng has demonstrated his strong, unequivocal support to the Group to overcome its hardships. The grant of the Facility demonstrates the endorsement and support of Dr. Ng in the Group’s long-term development. Leveraging Dr. Ng’s financial support, the Group would be well-positioned to pursue overseas business opportunities, establish its presence in the global insurance market and achieve geographical business diversification. While the Group has resorted to legal actions to challenge the IA’s Directions (including but not limited to the decision regarding the Takeover), the Board considers that it is vital for the Group to remain focused on pursuing suitable market opportunities and new growth drivers. Further, the Group may consider utilising part of the funds under the Facility to provide further financing and support the operations of the Subsidiary, where appropriate. Regrettably, in the face of stringent regulatory environment caused by certain existing management of the IA, the Group could no longer only serve the Hong Kong market. Going forward, the Group will devote more resources to establish its global presence and expand in overseas markets, while pursuing a diversified business development, so as to maximise the benefits of the Company’s shareholders.

In view of the aforesaid, the Board considers that the grant of the Facility to the Company is beneficial to the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES IN RESPECT OF THE FACILITY

As at the effective date of the Facility Agreement, Smart Neo is a substantial shareholder of the Company, and hence is a connected person of the Company pursuant to the Listing Rules. As such, the Facility constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. According to Rule 14A.90 of the Listing Rules, such financial assistance received by the Group is fully exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as the Board considers that it is conducted on normal commercial terms or better and it is not secured by the assets of the Group.

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
Dr. Ng Yu
Chairman and Executive Director

Hong Kong, 24 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.