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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)

**CONVERSION OF CONVERTIBLE BONDS
AND CONTINUED SUSPENSION OF TRADING**

This announcement is made by Target Insurance (Holdings) Limited (the “**Company**”) on a voluntary basis. Reference is made to the announcement of the Company dated 19 January 2022 (the “**Announcement**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

CONVERSION OF CONVERTIBLE BONDS

As mentioned in the Announcement, on 19 January 2022, the Company was informed that 13.75% of the Convertible Bonds (in terms of principal amount) under the Placing were successfully placed to certain placees (the “**Placees**”). On 22 February 2022, the Company received conversion notice from one of the Placees (the “**Placee**”) about its intents to exercise the conversion rights to convert HK\$15,000,000 of the principal amount of the Convertible Bonds into 26,315,789 shares (the “**Shares**”) of the Company (the “**Conversion Shares**”), at the conversion price of HK\$0.57 per Conversion Share (the “**Conversion**”).

Upon completion of the Conversion, the Placee will not become a substantial shareholder (as defined in the Listing Rules) of the Company.

EFFECTS OF THE CONVERSION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement, and the effect on the shareholding structure of the Company immediately upon completion of the Conversion:

Name of shareholders of the Company	As at the date of this announcement		Immediately upon completion of the Conversion (Note 1)			
			(Assuming no outstanding share options of the Company being exercised)		(Assuming all of outstanding share options of the Company having been fully exercised)	
	<i>No. of Shares</i>	<i>Approximate % of issued Shares (Notes 2 & 3)</i>	<i>No. of Shares</i>	<i>Approximate % of issued Shares (Note 3)</i>	<i>No. of Shares</i>	<i>Approximate % of issued Shares (Note 3)</i>
Independent Assets Management Limited (Note 4)	158,750,000	25.37%	158,750,000	24.35%	158,750,000	24.05%
Smart Neo Holdings Limited (Note 5)	138,822,000	22.19%	138,822,000	21.29 %	138,822,000	21.03%
TAG Investment Limited (Note 6)	74,954,000	11.98%	74,954,000	11.50 %	74,954,000	11.36%
Muk Wang Lit Jimmy (Note 7)	360,000	0.06%	360,000	0.06%	2,000,000	0.30%
Lau Ka Yee (Note 8)	168,000	0.02%	168,000	0.02%	254,000	0.04%
Placee	—	—	26,315,789	4.04 %	26,315,789	3.99%
Other public shareholders	252,638,000	40.38%	252,638,000	38.74%	258,954,000	39.23%
Total	625,692,000	100.00%	652,007,789	100.00%	660,049,789	100.00%

Notes:

1. Assuming that there is no change in the number of issued Shares from the date of this announcement up to the date when the Conversion is completed.
2. Based on 625,692,000 Shares in issue as at the date of this announcement.
3. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

4. Independent Assets Management Limited (“**Independent Assets**”) claimed that the 158,750,000 Shares held in its name are wholly and beneficially owned by Dr. Cheung Haywood. Therefore, Dr. Cheung Haywood is deemed to be interested in the Shares owned by Independent Assets pursuant to the Securities and Futures Ordinance (Chapter 571 of the Hong Kong laws) (the “**SFO**”). Based on information available and public records, however, the Company is unable to determine the accuracy of Independent Assets’ claim. As announced in previous announcements of the Company, Independent Assets transferred 30,000,000 Shares and 50,000,000 Shares to two independent third parties, respectively (the “**Relevant Transfers**”). Pursuant to orders made by the High Court of Hong Kong, the Company is restrained from taking steps to register the Relevant Transfers, pending the determination of relevant legal disputes. Previously, a stop notice (the “**Stop Notice**”) was served by the legal advisor of Independent Assets on the Company and the Share Registrar which is intended to stop the transfer of the 106,600,000 Shares held in the name of Independent Assets under seven share certificates issued by the Company before Independent Assets has been notified accordingly. Until now, Independent Assets has applied to stop the transfer of a total of 186,600,000 Shares, and this is inconsistent with the number of Shares held by Independent Assets as shown by information available to the Company and public records. In view of the aforesaid, the Company could only provide the above information based on the Stock Exchange’s disclosure of interest records at this stage.
5. Based on information available and public records, Smart Neo Holdings Limited is the beneficial owner of 138,822,000 Shares and is wholly and beneficially owned by Dr. Ng Yu. Therefore, Dr. Ng Yu is deemed to be interested in the Shares owned by Smart Neo Holdings Limited pursuant to the SFO.
6. 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.
7. Mr. Muk Wang Lit Jimmy resigned as an executive Director with effect from 9 January 2022. Based on information available and public records, he is the beneficial owner of 360,000 Shares and 1,640,000 share options of the Company.
8. Ms. Lau Ka Yee resigned as an executive Director with effect from 7 January 2022. Based on information available and public records, she is the beneficial owner of 168,000 Shares and 86,000 share options of the Company.

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, 28 February 2022

As at the date of this announcement, the Board 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.