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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)**

**(1) QUARTERLY UPDATE ON THE RESUMPTION PROGRESS; AND  
(2) 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 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated (i) 5 January 2022 in relation to suspension of trading in the shares of the Company on the Stock Exchange; (ii) 20 January 2022, 17 February 2022 and 7 April 2022 in relation to the resumption guidance given by the Stock Exchange to the Company (the “**Resumption Guidance**”); and (iii) 13 May 2022 in relation to the application made by the Company to the Insurance Appeals Tribunal (“**IAT**”) to review, among other things, the direction of the Insurance Authority (the “**Direction**”) as well as the application to stay the execution of the said Direction (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings defined under the Announcements.

## UPDATE ON PROGRESS OF RESUMPTION

### Compliance with Rule 13.24 of the Listing Rules

As previously announced by the Company, pursuant to the Direction by the Insurance Authority, the affairs, business and property of Target Insurance Company, Limited (the “**Subsidiary**”) have come under the management of the Managers with effect from 7 January 2022 (the “**Takeover**”). The Company has made an application to the IAT to review, among other things, the Direction as well as to stay the execution of the said Direction (the “**Applications**”).

As announced by the Company on 13 May 2022, the hearing for the Applications was originally scheduled to be held on 22 April 2022 (with one more day reserved for 25 April 2022). Pursuant to the direction of the IAT dated 20 April 2022, the hearing for the Applications was ordered to be adjourned. As at the date of this announcement, the date of adjourned hearing had not been fixed and the Takeover remains in force and effective. Further announcement(s) will be made by the Company as and when appropriate, when there is any material progress on the Applications which warrants disclosure.

Based on information available, the remuneration and expenses to be paid by the Company to the Managers for the period from the commencement of the Takeover (i.e. 7 January 2022) to 8 April 2022 was approximately HK\$13.0 million, as assessed by the Insurance Authority. While at this stage it remains unclear when the Takeover would come to an end, the Company considers that the costs arising from the Managers’ remuneration and expenses would continue to impose a substantial financial burden on the Subsidiary and the Group.

Further, based on information available, the Board noticed that the following decisions have been effected in respect of the Subsidiary since the Takeover:-

- Taxi insurance policies which expired/are due to expire from February to June 2022 were not/will not be renewed.
- No new taxi insurance policies would be underwritten.
- In respect of non-taxi insurance and non-motor insurance policies, no new policies, other than renewal of existing policies, would be underwritten.

The Company wishes to emphasise that the aforesaid changes were made by the Managers unilaterally without consulting the management of the Company in advance.

As mentioned in the Company's announcement dated 31 March 2022, the Group will continue to pursue business opportunities in the global market going forward, and the Board believes that this would enhance sustainability and long-term return to the shareholders of the Company, while minimising the Group's risk concentration in any single market. As at the date of this announcement, the Company was still in the process of identifying and conducting preliminary studies on potential acquisition targets and engaging in negotiations but has not entered into any binding agreement(s) in respect of the Proposed Acquisitions. As such, as at the date of this announcement, the Company has not made, nor does it currently plan to make, any drawdown on the Facility made available to the Company as disclosed in the Company's announcement dated 24 February 2022. Further announcement(s) will be made by the Company as and when appropriate in this regard.

### **Compliance with Rules 3.10, 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules**

Reference is made to the Company's announcements dated (i) 6 April 2022 in relation to the appointment of each of Mr. Chiam Tat Yiu and Mr. Yu Cho Tak as an independent non-executive Director with effect from 6 April 2022; and (ii) 27 May 2022 in relation to the resignation of each of Dr. Ng Yu, Mr. Lin Feng and Mr. Dai Chengyan as an executive Director, and Mr. Wang Jun Sheng as an independent non-executive Director, with effect from 27 May 2022.

Since the appointments of Mr. Chiam and Mr. Yu on 6 April 2022 and up to the date of this announcement, the Company has complied with Rule 3.10A, Rule 3.25 and Rule 3.27A of the Listing Rules.

Meanwhile, following the resignations of each of Dr. Ng, Mr. Lin, Mr. Dai and Mr. Wang on 27 May 2022, the Company has failed to meet the requirements of:-

- Rule 3.10 of the Listing Rules as the number of independent non-executive Directors has fallen below the minimum requirement of three as prescribed under Rule 3.10(1) of the Listing Rules; and
- Rule 3.21 of the Listing Rules as the number of members of the audit committee of the Company has fallen below the minimum requirement of three.

The Company is in the process of identifying suitable candidate to fill the vacancy. The Company will continue to use its best endeavours to ensure that suitable candidate is appointed as soon as practicable and in any event within three months from 27 May 2022 in accordance with the Listing Rules. Should the Company fail to appoint suitable candidate to fill the vacancy within the specified period in accordance with the Listing Rules, the Company would submit an application to the Stock Exchange for a waiver from strict compliance with the relevant provisions of the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in this regard.

## **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**  
**Mr. Yu Cho Tak**  
*Independent Non-Executive Director*

Hong Kong, 30 June 2022

*As at the date of this announcement, the board of directors of the Company comprises two independent non-executive Directors, namely Mr. Chiam Tat Yiu and Mr. Yu Cho Tak.*