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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 for the Company imposed by the Stock Exchange; (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; and (iv) 5 October 2022 in relation to the winding-up order issued against Target Insurance Company, Limited (the “**Subsidiary**”) (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, on 26 September 2022, the High Court of Hong Kong ordered that the Subsidiary be wound up and Messrs. Lai Kar Yan (Derek) and Kam Chung Hang (Forrest) of Deloitte Touche Tohmatsu be appointed as the joint and several liquidators of the Subsidiary. The winding-up proceedings of the Subsidiary (the “**Winding-up Proceedings**”) is expected to have significant adverse effect to the Group’s financial position and its operations as a whole. As the sole legal and beneficial owner of the Subsidiary, the Company will closely scrutinize the conduct of the Winding-up Proceedings and make recourse to legal action to safeguard its legitimate interests where appropriate. Further announcement(s) will be made by the Company if there is any material development relating to the Subsidiary as and when appropriate.

As previously announced by the Company, pursuant to the Direction by the Insurance Authority, the affairs, business and property of 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 “**Review Applications**”). As announced by the Company on 31 August 2022, the next hearing for the Applications was re-scheduled by the IAT to take place from 1 to 16 June 2023. Further announcement(s) will be made by the Company as and when appropriate, when there is any material progress on the Review 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 26 September 2022 was approximately HK\$32.5 million, as assessed by the Insurance Authority. While at this stage it remains unclear as to the costs arising from the Managers after 26 September 2022, the Company considers that such costs might have imposed a substantial financial burden on the Subsidiary before it was ordered to be wound up.

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, no target company has been identified in respect of the Proposed Acquisitions. 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

Following the appointments of Mr. Chiam Tat Yiu and Mr. Yu Cho Tak as independent non-executive Directors on 6 April 2022 and Ms. Liang Qin as an executive Director on 9 September 2022, the Company has complied with Rules 3.10A, 3.25 and 3.27A of the Listing Rules.

Meanwhile, following the resignations of certain former Directors 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 become less than three which is below the minimum requirement 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 become less than 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. 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, 6 January 2023

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