

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.



TARGET INSURANCE (HOLDINGS) LIMITED
泰加保險(控股)有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 6161)



AMBER HILL FINANCIAL HOLDINGS LIMITED
安山金控股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 33)

JOINT ANNOUNCEMENT

This joint announcement is made by the respective board of directors of Target Insurance (Holdings) Limited (“**Target Insurance (Holdings)**”) and Amber Hill Financial Holdings Limited (“**Amber Hill Financial Holdings**”).

By Direction dated 7 January 2022, the Insurance Authority (the “**IA**”) has, pursuant to section 35 of the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong), directed (the “**IA’s Direction**”) that with effect from 7 January 2022, the affairs, business and property of Target Insurance Company, Limited (“**Target Insurance Company**”), being a wholly-owned subsidiary of Target Insurance (Holdings), shall be managed by 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 joint and several managers (the “**Joint and Several Managers**”) under the IA’s Direction in accordance with the relevant provision of the Insurance Ordinance.

The board of the Target Insurance (Holdings) has obtained legal advice and is in the course of considering to make an application to the Insurance Appeals Tribunal to review, inter alia, the aforesaid direction as well as to make an urgent application to stay the said direction.

In the meantime, the boards of Target Insurance (Holdings) and Amber Hill Financial Holdings noticed certain news report (the “**News Report**”) containing various inaccurate factual allegations have been circulating and/or published on the internet. In the News Report, it was alleged that the funds of approximately HK\$1.2 billion or US\$154,177,206, which was placed by Target Insurance Company into Nerico Brothers Limited (“**NBL**”) (a licensed corporation regulated by the Securities and Futures Commission), were actually deposited into an overseas fund named “Amber Hill ES Currency Arbitrage Fund SP” (the “**Amber Hill ES Fund**”) which is in turn managed by a Cayman Islands fund manager and advised by a Singapore-incorporated investment advisor. Both the manager and investment advisor are subsidiary companies of Amber Hill Financial Pte Ltd of which Dr. Ng Yu (“**Dr. Ng**”) is a director and shareholder. Dr. Ng is at the same time the Chairman and executive director of Target Insurance (Holdings).

These News Reports are in effect trying to suggest Dr. Ng is acting in conflict of interest and/or otherwise improperly by having substantial funds and assets of Target Insurance Company being invested into the Amber Hill ES Fund of which Dr. Ng himself has an interest (whether directly or otherwise) without proper disclosure.

The boards of Target Insurance (Holdings) and Amber Hill Financial Holdings wish to clarify the aforesaid inaccurate allegations and update their respective shareholders as follows:

1. Target Insurance (Holdings) does not accept the appointment of the Joint and Several Managers as valid or lawful. Target Insurance (Holdings) duly reserves its right to challenge the authority of the Joint and Several Managers to act on behalf of Target Insurance Company. Based on advice obtained from legal counsel, the board of Target Insurance (Holdings) is considering to make an application to the Insurance Appeals Tribunal to review, inter alia, the aforesaid direction for the appointment of the Joint and Several Managers as well as to make an urgent application to stay the said direction.
2. At all material times, NBL has been an independent third party from Target Insurance (Holdings) or Amber Hill Financial Holdings.
3. The board of Target Insurance (Holdings) has ascertained from Dr. Ng who confirms that he did not, and does not, have any ownership or directorship interest in NBL.
4. In January 2020, Target Insurance Company has subscribed Amber Hill ES Fund in the amount of approximately US\$7.5 million. Such subscription constituted an exempted continuing connected transaction of Target Insurance (Holdings) and has been fully disclosed in its 2020 Annual Reports for the information of shareholders and potential investors. This investment was made prior to Dr. Ng joining Target Insurance (Holdings) and/or Target Insurance Company.
5. Target Insurance Company opened a segregated account with NBL in April 2020 and subsequently conducted spot foreign currency trading (the “**Cash Management**”). The funds deposited with NBL from time to time amounted to approximately US\$79.0 million by the year ended 31 December 2020. Again, the board of Target Insurance (Holdings) wishes to emphasise that the decision to deposit cash with NBL was made prior to Dr. Ng joining Target Insurance (Holdings) and/or Target Insurance Company.
6. All along since mid-2020, the then management team of Target Insurance Company has regularly reported to the IA about the status of its deposit with NBL. Target Insurance Company has not received any objection or disagreement from the IA regarding the deposit with NBL until August 2021.
7. In early 2021, Target Insurance (Holdings) has received injection of funds from Dr. Ng in exchange of the issue of the zero coupon unsecured redeemable convertible bonds in the aggregate principal amount of HK\$400.0 million. Subsequently, Target Insurance Company had since further increased the amount of deposit placed with NBL for Cash Management purpose.

8. As announced by Target Insurance (Holdings) on 7 January 2022, NBL has confirmed that none of the funds placed by Target Insurance Company with NBL were used for subscribing any unit in Amber Hill ES Fund as alleged in the News Report.
9. NBL has further confirmed that it has on its own initiative invested a total of approximately US\$6.2 million in a fund named “AIF Currency Arbitrage Fund”, and those investment were all contributed by NBL’s own house capital which had nothing to do with Target Insurance Company. Following two rounds of redemption in December 2021, the remaining investment of NBL in AIF Currency Arbitrage Fund amounted to only approximately US\$2.1 million.
10. Each of Amber Hill ES Fund and AIF Currency Arbitrage Fund is under the group of private companies owned by Dr. Ng. Amber Hill Financial Holdings has made proper enquiry with independent director of the aforesaid funds and confirmed that they did not receive the funds of approximately HK\$1.2 billion or US\$154,177,206 from NBL for the subscription of any fund unit.
11. Save as disclosed in this joint announcement and previous publications made by Target Insurance (Holdings) and Amber Hill Financial Holdings, there is no relationship (direct or indirect, historical or present) between (i) Amber Hill ES Fund/AIF Currency Arbitrage Fund; and (ii) Target Insurance (Holdings)/Amber Hill Financial Holdings. In particular, Dr. Ng at no point in time had any conflict of interest and that the funds of approximately HK\$1.2 billion or US\$154,177,206 were not used for subscribing any unit in Amber Hill ES Fund directly or indirectly through NBL.

Each of Target Insurance (Holdings) and Amber Hill Financial Holdings reserves the rights to take legal action against any party which disseminated false or unsubstantiated information.

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

By order of the Board
Amber Hill Financial Holdings Limited
Dai Chengyan
Non-executive Director

Hong Kong, 10 January 2022

As at the date of this joint announcement, the board of directors of Target Insurance (Holdings) comprises three executive directors, namely Dr. Ng Yu (Chairman), Mr. Lin Feng and Mr. Dai Chengyan; and two independent non-executive directors, namely Mr. Anthony Espina and Dr. Wang Jun Sheng.

As at the date of this joint announcement, (i) the executive directors of Amber Hill Financial Holdings are Dr. Ng Yu and Mr. Lin Feng; (ii) the non-executive director of Amber Hill Financial Holdings is Mr. Dai Chengyan; and (iii) the independent non-executive directors of Amber Hill Financial Holdings are Mr. Anthony Espina, Mr. Wang Jun Sheng and Mr. Lo Hang Fong.