HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司

Reports and Financial Statements
For the year ended 31 December 2025

HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司

DIRECTORS' REPORT

The directors submit herewith their annual report together with the audited financial statements of Heng An Standard Life (Asia) Limited (the "Company") for the year ended 31 December 2025.

PRINCIPAL PLACE OF BUSINESS

Heng An Standard Life (Asia) Limited is a limited liability company incorporated and domiciled in Hong Kong. Its registered office and principal place of business is at 12/F Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

PRINCIPAL ACTIVITY

The principal activity of the Company is the issuance of insurance and investment contracts to provide its customers with asset management solutions for their savings and retirement needs. The Company also underwrites life insurance risks associated with death and disability.

The Company has not carried on any insurance business relating to liabilities or risks in respect of which persons are required by any Ordinance to be insured.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31 December 2025 and the Company's financial position as at that date are set out in the financial statements on pages 8 to 10.

The directors do not recommend any payment of dividend for the year ended 31 December 2025 (2024: nil).

DONATIONS

Charitable and other donations made by the Company during the year amounted to HK$143,000 (2024: HK$37,000).

SHARE CAPITAL AND RESERVES

Details of the movements in share capital and reserves are set out in the statement of changes in equity on page 11 and note 16 to the financial statements.

DIRECTORS

The directors during the financial year were:

Mr. Alexander Hugh McCormack BEGBIE*
Mr. Michael Stephen BISHOP*
Ms. WANG Lihua
Mr. WU Aijun
Mr. ZHAO Feng
Mr. YANG Zihao (Appointed on 1 February 2026)
Ms. LIU Dongyu (Resigned on 31 January 2026)

* Independent non-executive directors

In accordance with Article 120 of the Company's Articles of Association, all remaining directors retire but are automatically re-elected at the forthcoming annual general meeting.

CONTROLLERS

The controllers (within the meaning of Section 9 of the Hong Kong Insurance Ordinance ("the Insurance Ordinance")) of the Company during the year and up to the date of this report were:

Aberdeen Group plc
(formerly known as abrdn plc)
Heng An Standard Life Insurance Company Limited
Tianjin TEDA International Holding (Group) Company Limited
Mr. YANG Zihao (Appointed on 1 February 2026)
Ms. LIU Dongyu (Resigned on 31 January 2026)

DIRECTORS' AND CONTROLLERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance to which the Company, or any of its holding companies or fellow subsidiaries, was a party, and in which a director or a controller of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year except for the management contracts disclosed below.

No properties were transferred, payments made, loans advanced to or obligations assumed by or for a director or a controller of the Company, his/her nominees or associates (within the meaning of Section 9 of the Hong Kong Insurance Ordinance) during the year.

DIRECTORS' AND CONTROLLERS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its fellow subsidiaries or its holding company a party to any arrangements to enable the directors and controllers of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY OF DIRECTORS

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year.

MANAGEMENT CONTRACTS

The following material management contract with a related party existed during the financial year:

- Intragroup services agreement with Heng An Standard Life Insurance Company Limited (immediate parent), whereby it provides certain finance, IT and internal audit support services to the Company.

SUMMARY OF REINSURANCE ARRANGEMENTS

During the year, the Company carried on reinsurance arrangements with SCOR Reinsurance Company (Asia) Ltd and Hannover Rück SE Hong Kong Branch. Details of reinsurance arrangements are as follows:

Name of reinsurer	Type of benefit reinsured	Type of arrangement	Reinsurer's share %	Cedant's retention limit HK$
SCOR Reinsurance Company (Asia) Ltd (Treaty effective on 21 September 2020)	The following benefits of CareMore: • Death benefit • Critical illness benefit • Carcinoma-in-situ/Early stage cancer benefit	Quota Share	80%	600,000
SCOR Reinsurance Company (Asia) Ltd (Treaty effective on 27 May 2022)	• Basic death benefit • Critical illness benefit (for specified products) • Accidental death and disablement benefit • Accidental hospital income benefit & Accidental medical reimbursement • Hospital income benefit • Total and permanent disability benefit in waiver of premium and payers' benefit	Quota Share	80%	600,000
SCOR Reinsurance Company (Asia) Ltd (Treaty effective on 1 January 2024)	The following benefits of ProFuture: • Death benefit (for regular contribution account only)	Quota Share	80%	600,000
Hannover Rück SE Hong Kong Branch (Treaty effective on 1 January 2024)	The following benefits of OneFuture: • Death benefit	Quota Share	50%	N/A

AUDITOR

PricewaterhouseCoopers has resigned as the auditor of the Company and Deloitte Touche Tohmatsu has been appointed as the auditor of the Company to fill the casual vacancy following the resignation of PricewaterhouseCoopers, both with effect from 12 August 2025.

The financial statements have been audited by Deloitte Touche Tohmatsu who retire and, being eligible, offer themselves for re-appointment.

By order of the Board

Mr. YANG Zihao
Director
Hong Kong, 24 April 2026

Deloitte. 德勤

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Heng An Standard Life (Asia) Limited (the "Company") set out on pages 8 to 93, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Company's financial statements for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2025.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other Information - continued

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HENG AN STANDARD LIFE (ASIA) LIMITED - continued
恒安標準人壽(亞洲)有限公司
(incorporated in Hong Kong with limited liability)

Auditor's Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is YEUNG, Joe Chak, Richard (practising certificate number: P07064).

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong,24 April 2026

HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 HK$	2024 HK$ (restated)
Insurance revenue	12.5	124,229,478	111,836,200
Insurance service expenses	12.7	(79,196,573)	(86,268,087)
Insurance service result before reinsurance contract held		45,032,905	25,568,113
Allocation of reinsurance premium	12.2	(7,720,729)	(9,440,846)
Amounts recoverable from reinsurers for incurred claims	12.2	8,899,242	2,364,584
Net income/(expenses) from reinsurance contracts held		1,178,513	(7,076,262)
Insurance service result		46,211,418	18,491,851
Fee income for service relating to investment contracts	17	14,660,703	16,637,167
Net investment income	18a	29,813,067	25,620,907
(Impairment loss)/reversal of impairment loss on financial assets		(95,357)	82,833
Net investment income attributable to policyholders	18b	1,350,940,661	479,735,869
Other operating income and other gains and losses	19	3,148,500	3,572,003
Net income		1,398,467,574	525,648,779

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME - continued
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 HK$	2024 HK$ (restated)
Net investment contract benefits and claims	20	(54,797)	64,824
Insurance finance expenses for insurance contracts issued	12.6	(1,284,207,568)	(457,486,560)
Reinsurance finance (expenses)/income for reinsurance contracts held	12.6	(1,097,431)	644,418
Movement in investment contract liabilities		(75,009,787)	(23,287,819)
Expenses for acquisition of service agreements relating to investment contracts		(14,088,066)	(13,673,271)
Other operating expenses		(59,266,344)	(46,730,217)
Finance cost		(1,440,703)	(281,303)
Net expenses		(1,435,109,899)	(540,814,752)
Profit before tax	21	9,514,296	3,390,702
Income tax expenses	23	-	-
Profit and total comprehensive income for the year		9,514,296	3,390,702

HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	NOTES	2025 HK$	2024 HK$ (restated)	2023 HK$ (restated)
Assets				
Property and equipment	6	30,995,783	36,818,446	9,326,625
Intangible assets	7	25,246,262	26,366,680	25,769,662
Financial assets at fair value through profit or loss	8	9,077,034,330	7,572,592,522	7,154,151,278
Other receivables	9	37,729,153	26,495,074	45,509,248
Deferred incremental costs	10	32,926,815	45,110,536	56,572,934
Prepayment		2,963,974	3,418,443	3,533,164
Reinsurance contracts assets	12.2	-	-	752,939
Restricted cash	11	30,000,000	-	-
Cash and cash equivalents	11	28,758,863	34,986,340	149,588,731
Total assets		9,265,655,180	7,745,788,041	7,445,204,581
Liabilities				
Reinsurance contracts liabilities	12.2	1,305,962	1,835,802	-
Long term business liabilities				
- Insurance contracts	12.1	7,878,044,753	6,381,677,735	6,045,199,691
- Investment contracts	12.8	674,103,864	746,279,951	802,829,308
Lease liabilities	13	31,404,546	36,470,725	7,521,489
Contract liabilities	14	20,037,901	26,831,033	33,820,657
Accounts and other payables	15	167,752,859	69,201,796	75,733,139
Total liabilities		8,772,649,885	7,262,297,042	6,965,104,284
Net assets		493,005,295	483,490,999	480,100,297
Equity				
Share capital	16	1,269,100,000	1,269,100,000	1,269,100,000
Accumulated losses		(776,094,705)	(785,609,001)	(788,999,703)
Total equity		493,005,295	483,490,999	480,100,297

Approved and authorised for issue by the Board of Directors on 24 April 2026 and are signed on its behalf by:

Mr. WU Aijun Director	Mr. Michael Stephen BISHOP Director	Mr. YANG Zihao Chief Executive

HENG AN STANDARD LIFE (ASIA) LIMITED
恒安標準人壽(亞洲)有限公司

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital HK$	Accumulated losses HK$	Total HK$
Balance at 31 December 2023 (as previously reported)	1,269,100,000	(791,492,866)	477,607,134
Adjustment (Note 2)	-	2,493,163	2,493,163
Balance at 1 January 2024 (restated)	1,269,100,000	(788,999,703)	480,100,297
Profit for the year	-	3,390,702	3,390,702
Balance at 31 December 2024 (restated)	1,269,100,000	(785,609,001)	483,490,999
Profit for the year	-	9,514,296	9,514,296
Balance at 31 December 2025	1,269,100,000	(776,094,705)	493,005,295

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 HK$	2024 HK$ (restated)
Net cash used in operating activities	24(a)	(20,323,268)	(66,386,639)
Investing activities			
Purchases of property and equipment		(917,180)	(463,841)
Purchases of intangible assets - computer software		(2,894,104)	(5,471,982)
Purchases of financial assets at fair value through profit or loss		(824,581,006)	(750,203,437)
Proceeds from sales of property and equipment		-	4,620
Proceeds from sales of financial assets at fair value through profit or loss		832,525,282	702,392,565
Dividend received		1,143,993	803,927
Interest received		15,329,996	11,680,143
Net cash generated from/(used in) investing activities		20,606,981	(41,258,005)
Financing activities			
Capital element of lease rentals paid	24(b)	(5,066,179)	(6,699,697)
Interest element of lease rentals paid	24(b)	(1,384,332)	(281,303)
Proceeds from repurchase agreements	24(b)	26,830,357	-
Repayment of repurchase agreements	24(b)	(26,886,728)	-
Net cash used in financing activities	24(b)	(6,506,882)	(6,981,000)
Decrease in cash and cash equivalents		(6,223,169)	(114,625,644)
Adjustment for changes in expected credit losses		(4,308)	23,253
Cash and cash equivalents at 1 January		34,986,340	149,588,731
Cash and cash equivalents at 31 December	11	28,758,863	34,986,340

1. GENERAL INFORMATION

Heng An Standard Life (Asia) Limited (the "Company") is a limited liability Company incorporated in Hong Kong. The address of its registered office is 12/F Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

The Company underwrites life insurance associated with death and disability. The Company also issues insurance and investment contracts to provide its customers with asset management solutions for their savings and retirement needs. The Company operates in Hong Kong and offers its products to domestic market only.

The financial statements have been approved for issue by the Board of Directors on 24 April 2026.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and have been aligned with accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Company.

Basis of preparation

The directors of the Company have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company financial statements have been prepared under the historical cost convention except for financial assets at fair value through profit or loss ("FVTPL"), insurance contracts issued and reinsurance contracts held.

The financial statements are presented in Hong Kong dollars, which are also the functional currency of the Company.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS - continued

Basis of preparation - continued

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management of the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management of the Company in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

Application of new standards and amendments to standards

The Company has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The adoption of the above amendments has no material effect on how the Company's results and financial position for the current or prior periods have been prepared or presented in Company financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

As of to the date of issuance of these financial statements, the HKICPA has issued the following new standards and amendments which are not yet effective for the accounting year ended 31 December 2025 and which have not been early adopted in these financial statements:

Amendments to HKAS21	Translation to a Hyperinflationary Presentation currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS - continued

Basis of preparation - continued

New and amendments to HKFRS Accounting Standards in issue but not yet effective - continued

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The Company is in the process of assessing the detailed impact of HKFRS 18 on the Company's financial statements.

Restatement adjustments

The Company has reclassified certain contracts, previously accounted for as investment contracts under HKFRS 9 Financial Instruments ("HKFRS 9"), as insurance contracts under HKFRS 17 Insurance Contracts ("HKFRS 17"). This reclassification aligns with prevailing market practice and reflects the management of the Company's reassessment that the contracts transfer significant insurance risk, satisfying the requirements of HKFRS 17.

The financial statements for the prior years have been updated to reflect the revised outcomes.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS - continued

Basis of preparation - continued

Restatement adjustments - continued

The effect of the restatement on the line items in the statement of financial position as at 1 January 2024 are summarized as follows.

	Notes	Previously reported HK$	Restatement adjustment HK$	Restated HK$
As at 1 January 2024				
Statement of financial position				
Assets				
Deferred incremental costs	10	76,039,119	(19,466,185)	56,572,934
Liabilities				
Long term business liabilities				
- Insurance contracts	12.1	5,861,648,582	183,551,109	6,045,199,691
- Investment contracts	12.8	969,589,934	(166,760,626)	802,829,308
Accounts and other payables	15	114,482,970	(38,749,831)	75,733,139
Equity				
Accumulated losses		(791,492,866)	2,493,163	(788,999,703)

The line items in the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income for the year ended 31 December 2024 are summarized as follows.

	Notes	Previously reported HK$	Restatement adjustment HK$	Restated HK$
As at 31 December 2024				
Statement of Financial Position				
Assets				
Deferred incremental costs	10	111,154,018	(66,043,482)	45,110,536
Liabilities				
Long term business liabilities				
- Insurance contracts	12.1	5,762,807,783	618,869,952	6,381,677,735
- Investment contracts	12.8	1,421,386,009	(675,106,058)	746,279,951
Accounts and other payables	15	92,208,476	(23,006,680)	69,201,796
Equity				
Accumulated losses		(798,808,305)	13,199,304	(785,609,001)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS - continued

Basis of preparation - continued

Restatement adjustments - continued

	Notes	Previously reported HK$	Restatement adjustment HK$	Restated HK$
For the year ended 31 December 2024				
Statement of profit or loss and other comprehensive income				
Insurance revenue	12.5	104,097,508	7,738,692	111,836,200
Insurance service expenses	12.7	(40,858,922)	(45,409,165)	(86,268,087)
Insurance service result before reinsurance contract held		63,238,586	(37,670,473)	25,568,113
Fee income for service relating to investment contracts	17	25,583,035	(8,945,868)	16,637,167
Net investment income attributable to policyholders	18b	477,333,227	2,402,642	479,735,869
Other operating income and other gains and losses	19	6,040,543	(2,468,540)	3,572,003
Net investment contract benefits and claims	20	(17,573,825)	17,638,649	64,824
Insurance finance expenses for insurance contracts issued	12.6	(459,052,883)	1,566,323	(457,486,560)
Movement in investment contract liabilities		(19,318,854)	(3,968,965)	(23,287,819)
Expenses for acquisition of service agreements relating to investment contracts		(2,286,235)	(11,387,036)	(13,673,271)
Other operating expenses		(100,269,626)	53,539,409	(46,730,217)
Profit before tax	21	(7,315,439)	10,706,141	3,390,702

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. Insurance contracts can also transfer financial risk.

For reinsurance contracts held even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, the contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment

3.2.1 Level of aggregation

HKFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). HKFRS 17 also specifies that no group of insurance contracts for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has defined portfolios of insurance contracts issued based on its product lines, namely unit-linked, term life and critical illness contracts due to the fact that the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new business. In determining groups of contracts, the Company has elected to include in the same group contracts where its ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation.

The groups of contracts for which the fair value approach has been adopted on transition include contracts issued more than one year apart.

The unit-linked, term life and critical illness portfolios are divided into:

- A group of contracts that are onerous at initial recognition
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently
- A group of the remaining contracts in the portfolio

The reinsurance contracts held portfolios are further divided into:

- A group of contracts on which there is a net gain on initial recognition
- A group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition
- A group of the remaining contracts in the portfolio

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.2 Recognition

The Company recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due, or when the first payment is received if there is no due date
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous

The Company recognises a group of reinsurance contracts held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and

- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date

The reinsurance contracts held by the Company provide proportionate coverage. Therefore, the Company does not recognise a proportional reinsurance contract held until at least one underlying direct insurance contract has been recognised.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

3.2.3 Onerous groups of contracts

The Company issues some contracts before the coverage period starts and the first premium becomes due. Therefore, the Company has determined whether any contracts issued form a group of onerous contracts before the earlier of the beginning of the coverage period and the date when the first payment from a policyholder in the group is due. The Company looks at facts and circumstances to identify if a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.4 Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholders to pay the premiums, or in which the Company has a substantive obligation to provide the policyholders with services. A substantive obligation to provide services ends when:

The Company has the practical ability to reassess the risks of the particular policyholders and, as a result, can set a price or level of benefits that fully reflects those risks

Or, when the assessment is performed at a portfolio level, both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

For life contracts with renewal options, the Company evaluates whether the premiums and associated cash flows from renewed periods fall within the contract boundary. Renewals are considered outside the boundary if the pricing at the renewal date reflects a reassessment of the risks for that specific policyholders, or if the pricing is consistent with what the Company would charge for a new, equivalent contract. The Company reassesses the contract boundary for each group at the end of every reporting period.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.5 Measurement

(1) Insurance contracts - initial measurement

On initial recognition, an entity shall measure a group of insurance contracts at the total of:

- Fulfilment cash flows
- A contractual service margin ("CSM") representing the unearned profit the Company will recognise as it provides service under the insurance contracts in the group

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Company estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 **Insurance and reinsurance contracts accounting treatment** - continued

3.2.5 **Measurement** - continued

(1) Insurance contracts - initial measurement - continued

When estimating future cash flows, the Company includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
- Payments to a policyholder that vary depending on returns on underlying items
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes
- Costs the entity will incur:

  (i) performing investment activity, to the extent the entity performs that activity to enhance benefits from insurance coverage for policyholders. Investment activities enhance benefits from insurance coverage if the entity performs those activities expecting to generate an investment return from which policyholders will benefit if an insured event occurs.
  (ii) providing investment-return service to policyholders of insurance contracts without direct participation features.
  (iii) providing investment-related service to policyholders of insurance contracts with direct participation features.

Some of the cash flows within the contract boundary also fall within the scope of other HKFRS Accounting Standards. These include:

- salaries and pension costs for claims handling employees in the scope of HKAS 19 Employee Benefits; and
- depreciation charge of right-of-use assets used by the underwriting and claims handling departments in the scope of HKFRS 16 Leases.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 **Insurance and reinsurance contracts accounting treatment** - continued

3.2.5 **Measurement** - continued

(1) Insurance contracts - initial measurement - continued

When these costs are recognised as part of the insurance service expenses earlier under HKFRS 17 than they would be recognised applying other relevant HKFRS Accounting Standards, a corresponding credit is recognised as liabilities for incurred claims ("LIC"). The costs are measured applying the requirements of the HKFRS Accounting Standard relevant to the nature of the costs. At the point when the expense would have been recognised applying the other relevant HKFRS Accounting Standard, the Company transfers the corresponding amount from LIC to the relevant statement of financial position item applying other relevant HKFRS Accounting Standards.

The amount of building depreciation allocated to groups of insurance contracts is included within the fulfilment cash flows of those groups. It is recognised as insurance service expenses with a corresponding amount recognised in LIC. The amount of depreciation recognised in the period is reclassified from LIC to accumulated depreciation.

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions
- Current pricing information, when available

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time. The Company does not elect to accrete interest on insurance acquisition cash flows to be allocated to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 **Insurance and reinsurance contracts accounting treatment** - continued

3.2.5 **Measurement** - continued

(2) Insurance contracts - subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts measured under the General Model the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that: a) such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or, b) such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.5 Measurement - continued

(2) Insurance contracts - subsequent measurement - continued

The changes in fulfilment cash flows under the General Model relating to future service that adjust the CSM comprise:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period
- Changes in the risk adjustment for non-financial risk that relate to future service

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

For insurance contracts under the variable fee approach ("VFA"), the following adjustments relate to future service and thus adjust the CSM:

a. changes in the amount of the Company's share of the fair value of the underlying items; and

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.5 Measurement - continued

(2) Insurance contracts - subsequent measurement - continued

b. changes in the fulfilment cash flows ("FCF") that do not vary based on the returns of underlying items:

   i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
   ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
   iii. changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those described in the paragraph that states the adjustment do not adjust CSM under the VFA;
   iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
   v. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (ii)-(v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

a. changes in the obligation to pay the policyholders the amount equal to the fair value of the underlying items;
b. changes in the FCF that do not vary based on the returns of underlying items:

   i. changes in the FCF relating to the liabilities for incurred claims; and
   ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
   iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.5 Measurement - continued

(2) Insurance contracts - subsequent measurement - continued

Where, during the coverage period, a group of insurance contracts becomes onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Company comprising the fulfilment cash flows related to past service allocated to the group at that date.

(3) Insurance contracts - modification and derecognition

The Company derecognises insurance contracts when the Company derecognises a contract when it is extinguished - i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On the derecognition of a contract in a group of contracts not measured under the premium allocation approach ("PAA"):

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows that relate to future services, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.5 Measurement - continued

(3) Insurance contracts - modification and derecognition - continued

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the difference between the change in the carrying amount of the group caused by the derecognised fulfilment cash flows and the premium charged by the third party, unless the contract is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the difference between the change in the carrying amount of the group resulting from the derecognition of the fulfilment cash flows and the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the issuer received the premium that it would have charged less any additional premium charged for the modification.

(4) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

3.2.6 Presentation

The Company presents separately in the statement of financial position the carrying amount of groups of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts held that are assets and groups of reinsurance contracts held that are liabilities.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.6 Presentation - continued

(1) Insurance revenue

The Company's insurance revenue depicts the provision of coverage and other services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any distinct investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage
- The risk adjustment for non-financial risk, excluding changes that relate to future service that adjust the CSM and any amounts allocated to the loss component of the liability for remaining coverage
- The CSM release
- Amounts related to insurance acquisition cash flows

(2) Loss components

The Company has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes in the fulfilment cash flows to: (i) the loss component; and (ii) the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes in estimates of the fulfilment cash flows related to future service. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Company uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 **Insurance and reinsurance contracts accounting treatment** - continued

3.2.6 **Presentation** - continued

(3) Loss-recovery components

When the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

If a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

(4) Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money
- The effect of financial risk and changes in financial risk

Insurance finance income and expense on the Company's issued insurance contracts are not disaggregated in other comprehensive income. The Company opts to include the amount for the period in profit or loss because the related financial assets are managed on a fair value basis and measured at FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Insurance and reinsurance contracts accounting treatment - continued

3.2.6 Presentation - continued

(5) Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income. Amounts relating to the recovery of losses relating to reinsurance of onerous direct contracts are included as amounts recoverable from the reinsurer.

3.3 Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities.

3.4 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated to write off the cost or valuation of items, of property and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

Leasehold improvement and furniture	According to lease term
Office equipment	3 years
Computer equipment	3 years
Others	3 years

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.4 Property and equipment - continued

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

An asset's carrying amount is written down immediately if it exceeds its estimated recoverable amount.

Gains and losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss as other operating income/(expenses) on the date of retirement or disposal.

3.5 Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible, the Company has sufficient resources, the intention to complete development and the ability to use or sell the intangible asset; the intangible asset could generate probable future economic benefits and the expenditure attributable to the intangible asset could be measured reliably. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 3.8). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 3.8).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible asset with finite useful life is amortised from the date it is available for use and its estimated useful life is as follows:

Computer software	3 - 15 years

Both the period and method of amortisation are reviewed annually.

3.6 Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.6 Leases - continued

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Company has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Company, are printers.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 3.8). Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

At the commencement date of a lease, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment and a credit risk adjustment based on bond yields.

After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require the delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.7 **Financial instruments** - continued

Financial assets - continued

Classification and subsequent measurement of financial assets - continued

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective hedging instrument.

In addition, the Company may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income ("FVTOCI") as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses , including dividends and interest received, are recognised in profit or loss. The net gain or loss recognised in profit or loss arising financial assets at FVTPL backing shareholders' fund and Class A products is included in the " Net investment income". The net gain or loss arising from financial assets at FVTPL backing Class C products is included in the "Net investment income attributable to policyholders".

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.8 Impairment of assets

(a) Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9

The Company performs impairment assessment under ECL model on financial assets and contract assets which is subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

For other receivables and cash and cash equivalents and restricted cash assessed for expected credit losses on an individual basis, the Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

i. Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.8 Impairment of assets - continued

(a) Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 - continued

i. Significant increase in credit risk - continued

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

For internal credit risk management, the Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Irrespective of the above, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.8 Impairment of assets - continued

(a) Impairment of financial assets and contract assets subject to impairment assessment under HKFRS 9 - continued

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reason relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

iv. Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

v. Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default ("PD"), loss given default ("LGD") (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

ECLs are remeasured at each reporting date to reflect changes in the financial assets' credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.8 Impairment of assets - continued

(b) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired. An impairment loss previously recognised no longer exists or may have decreased:

- property and equipment; and
- intangible assets.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.9 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less.

3.11 Financial liabilities

Financial liabilities at FVTPL

Liabilities arising from investment contracts issued by the Company are designated as at FVTPL. A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability. The net gain or loss recognised in profit or loss includes dividend or interest paid and foreign exchange gain/loss on the financial liability and is included in the and "Movement in investment contract liabilities" line item.

Financial liabilities at amortised cost

All other financial liabilities of the Company are subsequently measured at amortised cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.11 Financial liabilities - continued

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.12 Investment contracts

(a) Classification

The Company issues contracts that constitute long term business under the Hong Kong Insurance Ordinance. These contracts transfer insurance risk or financial risk or both. These contracts also require the Company to provide certain services to policyholders, including unit-linked investment management services.

For financial reporting purposes, insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. As a general guideline, the Company defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event exceeds 5% of the benefits payable if the insured event does not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

(b) Recognition and measurements

Investment contracts include unit-linked contracts that transfer financial risk with no significant insurance risk. They are reported as financial liabilities whose fair value is dependent on the fair value of underlying financial assets (unit-linked) and are designated at inception as at FVTPL.

The initial fair value of unit-linked financial liabilities is determined as how much the policyholders contribute to the Company. The best evidence of the fair value of these financial liabilities at initial recognition is the fair value of the contributions received.

The subsequent fair value of unit-linked financial liabilities is determined using the current market value provided by the fund managers of the mutual funds multiplied by the number of units attributed to the contract holders at the reporting date.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.12 **Investment contracts** - continued

(b) Recognition and measurements - continued

Contributions received in respect of investment contracts of unit-linked products contributed by policyholders are treated as funds deposited and not reported in the income statement. Claims paid to policyholders are treated as a reduction to these deposits (unit-linked financial liabilities).

(c) Investment contract fee revenue

Customers are charged fees for fund management services and surrenders. The fund management charges are at fixed amounts or based on the pre-determined rate on the calculation date's net asset value of the managed portfolio that the Company manages. Regular fund management fees are deducted from net assets of relevant contracts on a monthly basis and recognised over the relevant months. Surrenders charge is imposed by the Company and recognise at the point on surrenders of the relevant contracts.

The Company's investment contracts include payment schedules which require an upfront management charge calculated on the basis of the net asset value of the managed portfolio. When the Company receives a deposit before the service commences, this will give rise to contract liabilities at the inception of a contract. Subsequently the contract liabilities are recognised in the profit or loss over the expected life of these contracts on a straight-line basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Company's performance in transferring control of services.

(d) Deferred incremental costs ("DIC")

Incremental costs that are directly associated with obtaining investment contracts, such as direct commissions, are capitalised as DIC if the Company expects to recover those costs. These costs would not have been incurred had the contract not been obtained. DIC is amortised on a systematic basis over the expected life of the contracts, consistent with the transfer of services to the customer and the pattern of revenue recognition. The Company assesses the DIC for impairment at each reporting date. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration that the Company expects to receive in exchange for the services to which the asset relates, less the costs that relate directly to providing those services.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.12 Investment contracts - continued

(e) Contract liability

The Company receives fees in advance for the services that the Company provides, including investment management services. Those fees related to investment contracts are specifically identified and recognised as a deferred income liability and released to the income statement on a straight line basis over the period when the services are provided.

(f) Receivables and payables related to investment contracts

Receivables and payables are recognised when due. These include amounts due to and from brokers and contract holders. The impairment loss is also calculated under the same method used for these financial assets. The process is described in note 3.8.

3.13 Reinsurance contracts held

Reinsurance contracts held are contracts that are entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company that meet the classification requirements for insurance contracts.

The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business.

For groups of reinsurance contracts held, the Company applies the same accounting policies as that applied to insurance contracts without direct participation features, with the following modifications.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets, which are dependent on the expected claims and benefits arising under the related reinsured insurance contracts are measured consistently with the amount associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Cash flows of reinsurance contracts held are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.13 Reinsurance contracts held - continued

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

3.14 Employee benefits

(a) Termination benefits

Termination benefits are recognised at the earlier of when the Company can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(b) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

3.15 Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

3. MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.15 Income tax - continued

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available in the near future against which the asset can be utilised, are recognised.

3.16 Related parties

(a) A person, or a close member of that person's family, is related to the Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Company or the Company's parent.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the group or an entity related to the group.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Classification of contracts with policyholders

The Company issues contracts that transfer insurance risk or financial risk or both. The directors apply significant judgement in determining the classification of these contracts as either insurance contracts or investment contracts.

Insurance contracts are those contracts that transfer significant insurance risk. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 5% more than the benefits payable if the insured event did not occur, provided the scenario has commercial substance.

Contracts that do not transfer significant insurance risk are classified as investment contracts. The directors review the terms and conditions of the contracts issued by the Company to determine whether the insurance risk transferred is significant. This determination involves a rigorous assessment of the scenarios in which additional benefits would be payable and affects the measurement and presentation of the liabilities in the financial statements.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of HKFRS 17 are all of the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the management of the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

(b) Key sources of estimation uncertainty - continued

(i) Estimates of future cash flows to fulfil insurance contracts - continued

In measuring insurance contract liabilities and reinsurance contract liabilities, the major assumptions used relate to mortality, morbidity, lapse rate, discount rate and risk adjustment required to administer the business in force at the reporting date and the valuation interest rate.

Mortality and morbidity

The Company bases its mortality and morbidity estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Company's own experience. The main source of uncertainty regarding these estimates is that epidemics such as AIDS, SARS, avian flu and wide-ranging lifestyle changes, such as in eating, smoking and exercise habits, could result in significant unexpected exposure to mortality and morbidity risk.

Lapse rates

The Company derives assumptions about lapse rates based on the Company's own experience, current conditions, future expectations and other information obtained at the end of each reporting period. Historical lapse rates are derived from the Company's policy administration data. An analysis is then performed of the Company's historical rates in comparison to the assumptions previously used. Statistical methods are used to derive adjustments to reflect the Company's own experience and any trends in the data to arrive at the probability weighted expected lapse rates. Analysis is performed and assumptions are set by major product line. These estimates affect the values placed on future premiums, expenses and claims.

Discount Rate

Bottom-up approach was applied in the determination of the discount rates for different products. The discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free yield for HK$ was derived using Hong Kong government bonds and this yield curve is used for contracts denominated in HK$. The risk-free yield for USD was derived using US Treasury and this yield curve is used for contracts denominated in non-HK$. Management of the Company uses judgement to assess liquidity characteristics of the liability cash flows.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued

(b) Key sources of estimation uncertainty - continued

(i) Estimates of future cash flows to fulfil insurance contracts - continued

Discount Rate - continued

Observable market information is available up to 15 and 30 years for risk-free yield for HK$ and USD respectively. For the unobservable period, the yield curve was interpolated between an ultimate rate and the last observable point using the Smith-Wilson method.

The unit fund growth rates for the underlying items of unit linked are assumed to be same as those for discount rates.

Risk adjustment

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates. The Company does not consider the effect of reinsurance in the risk adjustment for non-financial risk of the underlying insurance contracts.

The risk adjustment was calculated at the issuing entity level and then allocated down to each group of contracts in accordance with their risk profiles. The Company will determine the overall risk adjustment for non-financial risk based on the methodology for Margin Over Current Estimate ("MOCE") from Hong Kong Risk Based Capital ("HKRBC") Quantitative Impact Study 3 ("QIS 3") technical specification.

The resulting amount of the calculated risk adjustment corresponds to the confidence level of 75% (2024: 75%).

(ii) Fair value of the level 3 investments

In determining fair value of the investment (as discussed in note 5.3 below), the Management of the Company may rely on the financial data of investees and on estimates by the Management of the Company as to the effect of future developments. Although the Management of the Company uses its best judgement in estimating the fair value of the investment, there are inherent limitations in any estimation techniques. The fair value estimates presented herein are not necessarily indicative of an amount the Company could realise in a current transaction. Future events, such as any geopolitical events, will also affect the estimates of fair value. The effect of such events on the estimate of fair value, including the ultimate liquidation of the investment, could be material to the financial statements.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK

5.1 Underwriting risk

(i) Type of underwriting risk

The Company mainly offers investment linked insurance contracts, critical illness contracts as well as term life contracts.

The main insurance risks that the Company is exposed to are as follows:

- Mortality risk - risk of loss arising due to the incidence of policyholder death being different than expected
- Morbidity risk - risk of loss arising due to policyholder health experience being different than expected

The Company is also exposed to the following two risks which are not insurance risks but related to insurance contracts

- Lapse or persistency risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- Expense risk - risk of administrative costs associated with the servicing of an insurance contract, rather than in costs associated with insured events

The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with the insurance contracts that it issues. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of outwards reinsurance arrangements.

Reinsurance held (outward reinsurance) is placed on proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business.

Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

For the life insurance and life reinsurance contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.1 Underwriting risk - continued

(i) Type of underwriting risk - continued

The nature of the Company's exposure to underwriting risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

The risk under any one insurance contract relates to both the probability that an insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is difficult to predict accurately.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than previously estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

The Company manages underwriting risk by

- writing of business only on approved rates which have regard to experience of significant factors such as expenses, lapse, mortality and morbidity

- use of reinsurance

- monitoring of the adequacy of the assessed value of liabilities to cover insurance claims and other benefits, including ensuring that a prudent margin has been added when calculating liabilities

- regularly monitoring the solvency margin of the Company

(ii) Concentration risk

The Company's insurance portfolio consists exclusively of Class A and Class C products. The underwriting risk is predominantly concentrated in Class C products, which account for approximately HK$7,800,429,160 of the total insurance contract liabilities as at 31 December 2025. The exposure to the majority liability for Class C products is considered not significant as it is backed by the linked assets.

(iii) Process used to decide on assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the financial statements.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.1 Underwriting risk - continued

(iii) Process used to decide on assumptions - continued

In determining the liabilities for insurance contracts, HKFRS 17 measurement requirement is applied. The Appointed Actuary of the Company determines assumptions in relation to future deaths, incident rates, voluntary terminations, future administration expenses and discount rate. These assumptions are used for calculating the estimates of future cash flows within the contract boundary of the contract. Risk adjustments are added for non-financial risk as required by HKFRS 17 measurement requirement.

(iv) Sensitivity analysis for insurance contracts

The following sensitivity analysis shows the impact (gross and net of reinsurance held) on profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options. When options exist, they are the main reason for the asymmetry of sensitivities. The method used for deriving sensitivity information and significant assumptions made did not change from the previous period.

		2025		2024 (restated)	
		Increase/(decrease)		Increase/(decrease)	
	Scenario	Impact on profit before tax amount HK$	Impact on total equity (before the effects of taxation) amount HK$	Impact on profit before tax amount HK$	Impact on total equity (before the effects of taxation) amount HK$
Sensitivity analysis after reinsurance	15% increase in mortality & morbidity rates	(16,674,001)	(16,674,001)	(17,306,228)	(17,306,228)
	10% decrease in lapse	1,111,375	1,111,375	349,820	349,820
Sensitivity analysis before reinsurance	15% increase in mortality & morbidity rates	(16,409,011)	(16,409,011)	(16,248,522)	(16,248,522)
	10% decrease in lapse	1,986,628	1,986,628	1,216,956	1,216,956

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk

The Company has exposure to financial risk through its financial assets, financial liabilities and liabilities arising from insurance and reinsurance contracts held. The most important components of financial risk are liquidity risk, interest rate risk, currency risk, credit risk and price risk. For unit-linked investment contracts the Company matches all the assets on which the unit prices are based with assets in the portfolio in order to offset price, currency, credit or interest rate risk for these contracts.

	2025 HK$	2024 HK$ (restated)
Financial assets		
Financial assets at FVTPL	9,077,034,330	7,572,592,522
Financial assets at amortised cost	96,488,016	61,481,414
Total	9,173,522,346	7,634,073,936
Financial liabilities		
Financial liabilities at FVTPL	664,823,937	738,177,114
Financial liabilities at amortised cost	151,823,586	56,080,958
Total	816,647,523	794,258,072
Liabilities arising from		
Insurance contracts	7,878,044,753	6,381,677,735
Reinsurance contracts	1,305,962	1,835,802
Total	7,879,350,715	6,383,513,537

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates.

The Company is exposed to fair value interest rate risk in relation to debt securities. Changes in interest rate could have an impact on investment return as well as the discount rate used in the calculation of the insurance contract liabilities.

The sensitivity analysis is performed for reasonably possible movements in interest rate with all other variables held constant, showing the impact on profit before tax and equity.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(a) Interest rate risk - continued

At 31 December 2025, the Company's debt securities were recorded at FVTPL of HK$290,509,802 (2024: HK$360,924,362). It is estimated that if interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables remain constant, the Company's profit after tax for the year ended 31 December 2025 would decrease/increase by approximately HK$7,056,000 (2024: HK$7,045,000) as a result of change in the fair value of these debt securities.

The following table presents analysis of how a possible shift in market interest rates might impact the net impact on profit or loss and equity arising from insurance contracts:

			2025		2024 (restated)	
			Increase/(decrease)		Increase/(decrease)	
Ceded	Scenario		Impact on profit before tax amount	Impact on total equity (before the effects of taxation) amount	Impact on profit before tax amount	Impact on total equity (before the effects of taxation) amount
No (Gross basis)	Sensitivity analysis for interest rate risk	+ 25 bps shift in yield curves	2,912,021	2,912,021	2,823,969	2,823,969
		- 25 bps shift in yield curves	(3,071,116)	(3,071,116)	(2,983,408)	(2,983,408)

The impact of reinsurance contracts held on the above sensitivity analysis is considered immaterial; therefore, only the gross impact is presented.

The saving bank balance is also exposed to cash flow interest rate risk, but since it is on demand without significant interest, the Company considers the movement in interest rates will not have significant cash flow impact.

(b) Credit risk

The Company has exposure to credit risk, which is the risk that a counterparty fails to perform its financial obligations, including failure to perform those obligations in a timely manner. Key areas where the Company is exposed to credit risk are cash at bank, reinsurance of certain insurance liabilities to reinsurance counterparties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer/counterparty and therefore significant concentrations of credit risk primarily arise when the Company has significant exposure to individual customers/counterparties.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(b) Credit risk - continued

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholders. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract. The Company assesses the creditworthiness of reinsurers and other counterparties by reviewing credit grades provided by rating agencies and other publicly available financial information.

Reinsurance is placed with counterparties that have a good credit rating which is subject to annual review. At each reporting date, the Company performs and assessment of non-performance risk of reinsurers by reviewing their financial strength and updates the reinsurance purchase strategy if any.

At 31 December 2025, credit risk on reinsurance contract assets is limited because these reinsurance contracts were signed with reputable reinsurance companies with diversification. The reinsurance companies with credit ratings of A+ and AA- (2024: A+ and AA-) assigned by international credit-rating agencies. These reinsurance companies have a low risk of non-performance.

The balance of other receivable mainly represents the redemption receivable from major institutional brokers with good credit ratings assigned by international credit-rating agent and rental deposit receivable from a well-known property company which is reputable and creditworthy. Accordingly, these deposits and receivables are assessed to have low credit risk and management assess the loss allowance based on 12-month ECL, which is considered to be minimal at the end of the reporting period.

The Company has concentration of credit risk arising from bank balances. As at 31 December 2025, credit risk on these financial assets is limited because they were primarily placed with reputable financial institutions or regulated entities with diversification. These financial institutions or entities have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECLs.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(b) Credit risk - continued

The table below shows the credit rating for the bank balances for major counterparties at the reporting dates. Standard & Poor's credit ratings are used.

	2025		2024	
Counterparty	Rating	Gross carrying amount HK$	Rating	Gross carrying Amount HK$
HSBC Holdings Plc. - Bank balances	A-	53,108,892	A-	21,490,909
DBS - Bank balances	AA-	1,534,863	AA-	6,068,578
China Merchants Bank - Bank balances	BBB+	4,127,204	BBB+	7,434,640

The credit risks on bank balances is concentrated in HSBC Holdings Plc. and accounted for 90% (2024: 61%) of the total bank balances at 31 December 2025. The credit risks are limited as the counterparties are major institutional banks with good credit ratings assigned by international credit-rating agencies. The institutional banks have a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-month ECL and the ECL is assessed to be minimal at the end of the reporting period.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due or can do so only at excessive costs. The Company has a portion of financial assets held in cash and investment funds for liquidity purpose.

The following table details the remaining contractual value at the reporting date of the Company's financial liabilities and lease liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Company can be required to pay and expected undiscounted cash flow for insurance contracts issued as well as undiscounted cash flows expected to be received on related reinsurance contracts held.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(c) Liquidity risk - continued

	31 December 2025									
	Carrying amount HK$	Total contractual cash flow HK$	No stated maturity/ on demand HK$	Less than 1 year HK$	Between 1 and 2 years HK$	Between 2 and 3 years HK$	Between 3 and 4 years HK$	Between 4 and 5 years HK$	Between 5 and 10 years HK$	Over 10 years HK$
Financial assets										
Financial assets at FVTPL*	9,077,034,330	9,077,034,330	8,875,427,980	17,838,163	16,657,093	25,691,906	9,826,453	12,159,463	60,147,814	197,338,841
Other receivables	37,729,153	37,729,153	-	35,566,644	64,000	-	-	2,098,509	-	-
Restricted cash	30,000,000	30,000,000	30,000,000	-	-	-	-	-	-	-
Cash and cash equivalents	28,758,863	28,758,863	28,758,863	-	-	-	-	-	-	-
Total	**9,173,522,346**	**9,173,522,346**	**8,934,186,843**	**53,404,807**	**16,721,093**	**25,691,906**	**9,826,453**	**14,257,972**	**60,147,814**	**197,338,841**
Financial liabilities and insurance contract liabilities										
Reinsurance contracts	1,305,962	1,305,962	-	(2,193,121)	(511,943)	(305,786)	(185,782)	(35,341)	1,524,025	17,911,352
Insurance contracts	7,878,044,753	7,878,044,753	-	722,326,305	677,152,921	672,926,594	688,588,009	674,726,170	3,088,069,574	3,988,102,006
Investment contracts (unit reserves)	664,823,937	664,823,937	664,823,937	-	-	-	-	-	-	-
Accounts and other payables	151,823,586	151,823,586	-	151,823,586	-	-	-	-	-	-
Total	**8,695,998,238**	**8,695,998,238**	**664,823,937**	**871,956,770**	**676,640,978**	**672,620,808**	**688,402,227**	**674,690,829**	**3,089,593,599**	**4,006,013,358**
Lease liabilities	31,404,546	34,598,190	-	7,036,920	7,036,920	7,036,920	7,036,920	6,450,510	-	-

* The majority of the financial assets measured at FVTPL comprise policyholder selected mutual funds that back unit linked liabilities. These assets are highly liquid. Management is able to readily realise these investments to meet the Company's liquidity management needs.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(c) Liquidity risk - continued

	31 December 2024 (restated)									
	Carrying amount HK$	Total contractual cash flow HK$	No stated maturity/ on demand HK$	Less than 1 year HK$	Between 1 and 2 years HK$	Between 2 and 3 years HK$	Between 3 and 4 years HK$	Between 4 and 5 years HK$	Between 5 and 10 years HK$	Over 10 years HK$
Financial assets										
Financial assets at FVTPL*	7,572,592,522	7,572,592,522	7,284,071,629	34,856,047	50,027,330	38,151,634	25,050,470	41,368,936	55,584,246	162,329,664
Other receivables	26,495,074	26,495,074	-	24,004,617	86,200	-	-	-	2,404,257	-
Cash and cash equivalents	34,986,340	34,986,340	34,986,340	-	-	-	-	-	-	-
Total	**7,634,073,936**	**7,634,073,936**	**7,319,057,969**	**58,860,664**	**50,113,530**	**38,151,634**	**25,050,470**	**41,368,936**	**57,988,503**	**162,329,664**
Financial liabilities and insurance contract liabilities										
Reinsurance contracts	1,835,802	1,835,802	-	106,251	(663,961)	(519,432)	(352,927)	(263,159)	587,925	15,233,245
Insurance contracts	6,381,677,735	6,381,677,735	-	592,681,785	574,864,848	570,001,597	586,713,817	590,843,811	2,461,681,852	4,102,178,226
Investment contracts (unit-reserves)	738,177,114	738,177,114	738,177,114	-	-	-	-	-	-	-
Accounts and other payables	56,080,958	56,080,958	-	56,080,958	-	-	-	-	-	-
Total	**7,177,771,609**	**7,177,771,609**	**738,177,114**	**648,868,994**	**574,200,887**	**569,482,165**	**586,360,890**	**590,580,652**	**2,462,269,777**	**4,117,411,471**
Lease liabilities	36,470,725	41,635,110	-	7,036,920	7,036,920	7,036,920	7,036,920	7,036,920	6,450,510	-

* The majority of the financial assets measured at FVTPL comprise policyholder selected mutual funds that back unit linked liabilities. These assets are highly liquid. Management is able to readily realise these investments to meet the Company's liquidity management needs.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(d) Currency risk

Foreign currency translation risk arises when financial assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Company's exposures to foreign currencies are as follows:

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	USD HK$	EUR HK$	GBP HK$	Other currencies HK$
31 December 2025				
Financial assets				
Financial assets at fair value through profit or loss	8,713,026,386	135,813,770	7,087,938	67,147,542
Other receivables	35,003,623	574,125	194,421	820,294
Cash and cash equivalents	16,113,562	3,531,941	93,718	4,331,070
Total	**8,764,143,571**	**139,919,836**	**7,376,077**	**72,298,906**
Financial and insurance liabilities				
Reinsurance contracts	(129,434)	(363)	(1,068)	(11,929)
Long term business liabilities				
- Insurance contracts	3,064,481,796	3,339,714	7,309,172	35,348,386
- Investment contracts	644,262,585	5,470,807	444,327	3,359,295
Accounts and other payables	42,664,214	177,089	-	565,578
Total	**3,751,279,161**	**8,987,247**	**7,752,431**	**39,261,330**

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	USD HK$	EUR HK$	GBP HK$	Other currencies HK$
31 December 2024				
Financial assets				
Financial assets at fair value through profit or loss	7,304,621,616	114,168,449	2,868,799	64,066,162
Other receivables	25,957,025	-	-	-
Cash and cash equivalents	17,967,298	586,293	721,297	2,119,193
Total	7,348,545,939	114,754,742	3,590,096	66,185,355
Financial and insurance liabilities				
Reinsurance contracts	(112,220)	(93)	(57)	(3,638)
Long term business liabilities				
- Insurance contracts	2,402,258,524	2,317,770	4,430,305	28,248,682
- Investment contracts	718,018,125	6,007,745	263,174	7,006,188
Accounts and other payables	10,851,642	-	-	-
Total	**3,131,016,071**	**8,325,422**	**4,693,422**	**35,251,232**

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(d) Currency risk - continued

HK$ is pegged to USD and therefore there is no significant currency risk arising from the net financial assets/liabilities denominated in HK$.

If the EUR, GBP and other currencies strengthened/(weakened) against HK$ by 2% with all other variables including tax rate being held constant, the effects arising from the net financial asset/liability position will be as follows:

	2025		2024	
	Increase/ (decrease in) foreign exchange rates	Effect on profit after tax and accumulated losses	Increase/ (decrease in) foreign exchange rates	Effect on profit after tax and accumulated losses
EUR	2%	2,618,652	2%	2,128,586
	(2)%	(2,618,652)	(2)%	(2,128,586)
GBP	2%	(7,527)	2%	(22,067)
	(2)%	7,527	(2)%	22,067
Other currencies	2%	660,752	2%	618,682
	(2)%	(660,752)	(2)%	(618,682)

(e) Price risk

Price risk, or equity price risk, is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Company is exposed to equity price risk arising from listed equity security and unlisted mutual funds classified as financial assets at FVTPL. However, since the impact of the fair value changes are offset by the fair value changes of the relevant liabilities recognised on insurance and investment contracts, there is little net exposure.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.2 Financial risk - continued

(f) Capital management

Effective from 1 July 2024, the Company is subject to capital requirements under Hong Kong Risk-based Capital ("HKRBC") Regime introduced by Hong Kong Insurance Authority.

Pursuant to Chapter 41 of Hong Kong Insurance Ordinance ("IO"), the Company must ensure at all times that its capital base is not less than each of:

- the Prescribed Capital Amount ("PCA") of the insurer as determined in accordance with Part 5 of the Insurance (Valuation and Capital) Rules (Cap. 41R);
- the Minimum Capital Amount ("MCA") of the insurer, being 50% of the PCA; and
- HK$20 million

For the year ended 31 December 2025 and 2024, the Company complied with the capital requirements as set out by the relevant authorities in Hong Kong.

As at 31 December 2025 and 2024, the Company maintained capital base not less than HK$20 million.

5.3 Fair value hierarchy

The following table presents the fair value of the Company's financial assets and liabilities measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.3 **Fair value hierarchy** - continued

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
Recurring fair value measurements				
As at 31 December 2025				
Assets:				
Financial assets at FVTPL	9,069,006,794	-	8,027,536	9,077,034,330
Total assets	9,069,006,794	-	8,027,536	9,077,034,330
Liabilities:				
Financial liabilities on investment contracts designated at fair value through profit or loss	-	674,103,864	-	674,103,864
Total liabilities	-	674,103,864	-	674,103,864

	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
Recurring fair value measurements				
As at 31 December 2024 (Restated)				
Assets:				
Financial assets at FVTPL	7,572,592,522	-	-	7,572,592,522
Total assets	7,572,592,522	-	-	7,572,592,522
Liabilities:				
Financial liabilities on investment contracts designated at fair value through profit or loss	-	746,279,951	-	746,279,951
Total liabilities	-	746,279,951	-	746,279,951

The movement in fair value measurement in Level 3 during the year was as follows:

	2025 HK$	2024 HK$
At the beginning of the year	-	-
Transfers into Level 3	58,782,702	-
Unrealised losses recognised	(50,755,166)	-
At the end of the year	8,027,536	-

During the year ended 31 December 2025, investment in unlisted funds amounting to HK$58,782,702 was transferred from Level 1 into Level 3. The transfer was caused by the change of fair value hierarchy of the underlying assets of the investment due to the latest development of the funds impacted by geopolitical events.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISK - continued

5.3 **Fair value hierarchy** - continued

Valuation techniques

Fair value of financial assets at FVTPL is classified as Level 1 as the value prices from fund houses are quoted from the active market.

The Company's Level 2 financial instruments include investment contract liabilities. As at the year ended 31 December 2025, the outstanding balance of HK$674,103,864 (2024: HK$746,279,951) represents the liabilities arising from investment contracts linked to various unlisted mutual funds. The fair value of investment contracts liabilities is determined by reference to the value of policyholder's investment portfolio as key parameter inputs without adjustment.

The fair value of the investments in unlisted mutual funds valued at Level 3 was derived from the net asset value at the reporting date. The Management of the Company applied a discount for lack of marketability ("DLOM") to address the market illiquidity.

Quantitative information about fair value measurements using significant unobservable inputs and the sensitivity analysis:

	Fair value HK$	Valuation Approach	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Sensitivity used	(Decrease)/increase on fair value HK$
As at 31 December 2025						
Unlisted mutual funds	8,027,536	Net asset value of the mutual fund which is valued with reference to the fair value of the underlying assets and liabilities	DLOM (40%)	The higher the DLOM, the lower the fair value	±10%	(1,340,052) /1,340,052

6. PROPERTY AND EQUIPMENT

(a) **Reconciliation of carrying amount**

	Right-of-use assets HK$	Leasehold improvement and furniture HK$	Office equipment HK$	Computer equipment HK$	Others HK$	Total HK$
Year ended 31 December 2025						
Opening net book amount	35,842,461	1,170	1,127	973,688	-	36,818,446
Additions	-	263,618	63,322	590,240	-	917,180
Depreciation charge	(6,057,839)	(24,334)	(14,362)	(643,308)	-	(6,739,843)
Closing net book amount	29,784,622	240,454	50,087	920,620	-	30,995,783
At 31 December 2025						
Cost	36,347,033	12,251,104	1,324,630	7,205,835	508,207	57,636,809
Accumulated depreciation	(6,562,411)	(12,010,650)	(1,274,543)	(6,285,215)	(508,207)	(26,641,026)
Net book amount	29,784,622	240,454	50,087	920,620	-	30,995,783

6. PROPERTY AND EQUIPMENT - continued

(a) **Reconciliation of carrying amount** - continued

	Right-of-use assets HK$	Leasehold improvement and furniture HK$	Office equipment HK$	Computer equipment HK$	Others HK$	Total HK$
Year ended 31 December 2024						
Opening net book amount	6,252,727	1,648,633	21,816	1,403,449	-	9,326,625
Additions	-	-	-	463,841	-	463,841
Disposals	-	-	(45,717)	-	-	(45,717)
Lease modification	35,648,933	-	-	-	-	35,648,933
Depreciation charge	(6,059,199)	(1,647,463)	(15,869)	(893,602)	-	(8,616,133)
Written back on depreciation charge	-	-	40,897	-	-	40,897
Closing net book amount	35,842,461	1,170	1,127	973,688	-	36,818,446
At 31 December 2024						
Cost	36,347,033	11,987,486	1,261,308	6,615,595	508,207	56,719,629
Accumulated depreciation	(504,572)	(11,986,316)	(1,260,181)	(5,641,907)	(508,207)	(19,901,183)
Net book amount	35,842,461	1,170	1,127	973,688	-	36,818,446

6. PROPERTY AND EQUIPMENT - continued

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 December 2025 HK$	31 December 2024 HK$
Office premises	29,784,622	35,842,461

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 HK$	2024 HK$
Depreciation charge of right-of-use assets by class of underlying asset:		
Ownership interests in land and buildings held for own use	6,057,839	6,059,199
Interest on lease liabilities	1,384,332	281,303
Expense relating to short-term leases and other leases	993,764	922,293
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	80,160	88,480

For both years, the Company leases office premises for its operations. Lease contract is entered into for fixed term of 5 years (2024: 6 years) without extension and termination options.

On 1 August 2024, the Company modified the contract with the landlord and extended the lease period from 30 November 2024 to 30 November 2030 for the same office and same leasing area, resulting in an addition of HK$35,648,933 in right-of-assets and lease liabilities amounted to HK$36,347,033. There is no addition to the right-of-use assets during the year ended 31 December 2025.

The Company made a provision of HK$3,000,000 (2024: HK$3,000,000) which relates to the estimated cost of work to be carried out to reinstate the office premises to its original state at the end of the lease term as stipulated in the lease agreement. As the lease is renewed and will be terminated in 2030, provision for reinstatement cost is classified as a non-current liability.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 24(b) and 5 respectively.

7. INTANGIBLE ASSETS

	Computer Software HK$
Year ended 31 December 2025	
Opening net book amount	26,366,680
Additions	2,894,104
Amortisation charge	(4,014,522)
Closing net book amount	25,246,262
At 31 December 2025	
Cost	44,398,089
Accumulated amortisation	(19,151,827)
Net book amount	25,246,262
Year ended 31 December 2024	
Opening net book amount	25,769,662
Additions	5,471,982
Amortisation charge	(4,874,964)
Closing net book amount	26,366,680
At 31 December 2024	
Cost	41,503,985
Accumulated amortisation	(15,137,305)
Net book amount	26,366,680

8. FINANCIAL ASSETS

Financial assets at FVTPL

	2025 HK$	2024 HK$
Mutual funds - unlisted	8,761,833,875	7,189,578,074
Listed debt securities	290,509,802	360,924,362
Listed equity shares	24,690,653	22,090,086
	9,077,034,330	7,572,592,522

Changes in fair value of financial assets at FVTPL are recorded in net investment income (note 18) and net investment income attributable to policyholders. These financial assets are regarded as current assets.

The fair value of all financial assets at FVTPL is based on their current value prices in active market, except for the investments in unlisted mutual funds classified as level 3 fair value hierarchy. Details are set out in note 5.3.

The financial assets at FVTPL under insurance contract, investment contract and company's own investment is as follows:

	Policyholder		Company	
	Unit-linked Fund under insurance contract HK$	Non-unit-linked Fund under investment contract HK$	Shareholder Fund HK$	Total HK$
Year ended 31 December 2025				
Mutual funds - unlisted	7,979,064,495	664,823,937	117,945,443	8,761,833,875
Listed debt securities	-	-	290,509,802	290,509,802
Listed equity shares	-	-	24,690,653	24,690,653
	7,979,064,495	664,823,937	433,145,898	9,077,034,330

	Policyholder		Company	
	Unit-linked Fund under insurance contract	Non-unit-linked Fund under investment contract	Shareholder Fund	Total
Year ended 31 December 2024	HK$	HK$	HK$	HK$
Mutual funds - unlisted	6,406,642,757	738,177,114	44,758,203	7,189,578,074
Listed debt securities	-	-	360,924,362	360,924,362
Listed equity shares	-	-	22,090,086	22,090,086
	6,406,642,757	738,177,114	427,772,651	7,572,592,522

9. OTHER RECEIVABLES

	2025 HK$	2024 HK$
Investment redemption receivables from third parties	23,031,946	11,416,333
Investment rebate receivables from third parties	8,918,377	9,335,412
Utility and capital expenditure deposits	3,141,368	4,366,242
Receivables from related parties	2,810,306	1,445,514
Others	78,890	92,258
	37,980,887	26,655,759
Less: Impairment allowance	(251,734)	(160,685)
	37,729,153	26,495,074
Current	35,566,644	24,004,617
Non-current	2,162,509	2,490,457
	37,729,153	26,495,074

The carrying values of the above receivables approximate their estimated fair values. There is no significant concentration of credit risk with respect to receivables.

There are no receivables that are past due.

The maximum exposure to credit risk at the reporting date is the carrying value of each receivable mentioned above. The Company does not hold any collateral as security.

10. DEFERRED INCREMENTAL COSTS

	2025 HK$	2024 HK$ (restated)
Balance at the beginning of the year	45,110,536	56,572,934
Addition during the year	-	-
Amortisation during the year	(12,183,721)	(11,462,398)
Balance at the end of the year	32,926,815	45,110,536

11. CASH AND BANK BALANCES

	2025 HK$	2024 HK$
Cash and cash equivalents	28,772,418	34,995,587
Less: Impairment allowance	(13,555)	(9,247)
	28,758,863	34,986,340
Restricted cash (Note)	30,000,000	-
Total cash and bank balances	58,758,863	34,986,340

Cash at banks savings accounts earns interest at floating rates based on daily bank deposit rates.

Note:

The balance represents the receipts from policyholders under the New Capital Investment Entrant Scheme ("CIES"). Pursuant to the scheme requirements, these funds are designated solely for investment into the CIES Investment Portfolio ("CIES IP") to be overseen by the Hong Kong Investment Corporation Limited. As at 31 December 2025, the Company is awaiting instruction regarding the setup of the CIES IP, and consequently, this amount is restricted and not available for the Company's general working capital or other investment purposes.

12.1 INSURANCE CONTRACT LIABILITIES

Analysis by remaining coverage and incurred claims of insurance contracts issued not measured under the premium allocation approach

	Year ended 31 December 2025			
	Liabilities for remaining coverage			
	Excluding loss component HK$	Loss component HK$	Liabilities for incurred claims HK$	Total HK$
Opening assets	-	-	-	-
Opening liabilities	6,314,563,930	61,989,656	5,124,149	6,381,677,735
Net opening balance	6,314,563,930	61,989,656	5,124,149	6,381,677,735
Insurance revenue	(124,229,478)	-	-	(124,229,478)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	(9,970,556)	55,737,899	45,767,343
Amortisation of insurance acquisition cash flows	25,729,550	-	-	25,729,550
Losses and reversal of losses on onerous contracts	-	7,665,463	-	7,665,463
Adjustments for liabilities for incurred claims	-	-	34,217	34,217
Total insurance service expenses	25,729,550	(2,305,093)	55,772,116	79,196,573
Investment components	(618,545,393)	-	618,545,393	-
Insurance service result before reinsurance contract held	(717,045,321)	(2,305,093)	674,317,509	(45,032,905)
Net finance expenses from insurance contracts	1,284,184,758	22,810	-	1,284,207,568
Total changes in the statement of profit or loss and other comprehensive income	567,139,437	(2,282,283)	674,317,509	1,239,174,663
Cash flows				
Premiums received	1,010,794,952	-	-	1,010,794,952
Claims and other insurance service expenses paid, including investment components	-	-	(673,320,633)	(673,320,633)
Insurance acquisition cash flows paid	(80,281,964)	-	-	(80,281,964)
Total cash flows	930,512,988	-	(673,320,633)	257,192,355
Net closing balance	7,812,216,355	59,707,373	6,121,025	7,878,044,753
Closing assets	-	-	-	-
Closing liabilities	7,812,216,355	59,707,373	6,121,025	7,878,044,753
Net closing balance	7,812,216,355	59,707,373	6,121,025	7,878,044,753

12.1 INSURANCE CONTRACT LIABILITIES - continued

Analysis by remaining coverage and incurred claims of insurance contracts issued not measured under the premium allocation approach - continued

	Year ended 31 December 2024 (restated)			
	Liabilities for remaining coverage			
	Excluding loss component HK$	Loss component HK$	Liabilities for incurred claims HK$	Total HK$
Opening Assets	-	-	-	-
Opening liabilities	6,010,255,489	30,066,969	4,877,233	6,045,199,691
Net opening balance	6,010,255,489	30,066,969	4,877,233	6,045,199,691
Insurance revenue	(111,836,200)	-	-	(111,836,200)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	(7,494,812)	39,830,445	32,335,633
Amortisation of insurance acquisition cash flows	14,099,131	-	-	14,099,131
Losses and reversal of losses on onerous contracts	-	39,407,270	-	39,407,270
Adjustments for liabilities for incurred claims	-	-	426,053	426,053
Total insurance service expenses	14,099,131	31,912,458	40,256,498	86,268,087
Investment components	(765,736,653)	-	765,736,653	-
Insurance service result before reinsurance contract held	(863,473,722)	31,912,458	805,993,151	(25,568,113)
Net finance expenses from insurance contracts	457,476,331	10,229	-	457,486,560
Total changes in the statement of profit or loss and other comprehensive income	(405,997,391)	31,922,687	805,993,151	431,918,447
Cash flows				
Premiums received	800,820,873	-	-	800,820,873
Claims and other insurance service expenses paid, including investment components	-	-	(805,746,235)	(805,746,235)
Insurance acquisition cash flows paid	(90,515,041)	-	-	(90,515,041)
Total cash flows	710,305,832	-	(805,746,235)	(95,440,403)
Net closing balance	6,314,563,930	61,989,656	5,124,149	6,381,677,735
Closing assets	-	-	-	-
Closing liabilities	6,314,563,930	61,989,656	5,124,149	6,381,677,735
Net closing balance	6,314,563,930	61,989,656	5,124,149	6,381,677,735

12.1 INSURANCE CONTRACT LIABILITIES - continued

Analysis by measurement component of insurance contracts not measured under the premium allocation approach

	Year ended 31 December 2025						
					CSM		
	Estimates of present value of future cash flows HK$	Risk adjustment for non-financial risk HK$	CSM HK$	Total HK$	Contracts under full retrospective approach HK$	Contracts under fair value approach HK$	Total HK$
Opening assets	-	-	-	-	-	-	-
Opening liabilities	5,947,861,368	49,600,945	384,215,422	6,381,677,735	3,960,448	380,254,974	384,215,422
Net opening balance	5,947,861,368	49,600,945	384,215,422	6,381,677,735	3,960,448	380,254,974	384,215,422
Insurance service result							
Changes that related to current services							
CSM recognised for services provided	-	-	(51,260,952)	(51,260,952)	(991,420)	(50,269,532)	(51,260,952)
Change in risk adjustment for non-financial risk	-	(3,480,863)	-	(3,480,863)	-	-	-
Experience adjustments	2,009,230	-	-	2,009,230	-	-	-
Changes that related to future services							
Contracts initially recognised in the year	(19,868,751)	4,730,066	15,138,685	-	15,138,685	-	15,138,685
Changes in estimates that adjust the CSM	(85,812,261)	6,746,308	79,065,953	-	(10,084,195)	89,150,148	79,065,953
Change in estimates that result in losses and reversal of losses on onerous contracts	7,638,515	26,948	-	7,665,463	-	-	-
Changes that related to past services	34,217	-	-	34,217	-	-	-
Total insurance service result	(95,999,050)	8,022,459	42,943,686	(45,032,905)	4,063,070	38,880,616	42,943,686
Net finance expenses from insurance contracts	1,284,043,895	-	163,673	1,284,207,568	156,628	7,045	163,673
Total changes in the statement of profit or loss and other comprehensive income	1,188,044,845	8,022,459	43,107,359	1,239,174,663	4,219,698	38,887,661	43,107,359
Cash flow	257,192,355	-	-	257,192,355	-	-	-
Net closing balance	7,393,098,568	57,623,404	427,322,781	7,878,044,753	8,180,146	419,142,635	427,322,781
Closing assets	-	-	-	-	-	-	-
Closing liabilities	7,393,098,568	57,623,404	427,322,781	7,878,044,753	8,180,146	419,142,635	427,322,781
Net closing balance	7,393,098,568	57,623,404	427,322,781	7,878,044,753	8,180,146	419,142,635	427,322,781

12.1 INSURANCE CONTRACT LIABILITIES - continued

Analysis by measurement component of insurance contracts not measured under the premium allocation approach - continued

	Year ended 31 December 2024 (restated)						
					CSM		
	Estimates of present value of future cash flows HK$	Risk adjustment for non-financial risk HK$	CSM HK$	Total HK$	Contracts under full retrospective approach HK$	Contracts under fair value approach HK$	Total HK$
Opening assets	-	-	-	-	-	-	-
Opening liabilities	5,594,035,072	50,066,011	401,098,608	6,045,199,691	2,181,157	398,917,451	401,098,608
Net opening balance	5,594,035,072	50,066,011	401,098,608	6,045,199,691	2,181,157	398,917,451	401,098,608
Insurance service result							
Changes that related to current services							
CSM recognised for services provided	-	-	(49,340,679)	(49,340,679)	(383,611)	(48,957,068)	(49,340,679)
Change in risk adjustment for non-financial risk	-	(2,601,247)	-	(2,601,247)	-	-	-
Experience adjustments	(13,459,510)	-	-	(13,459,510)	-	-	-
Changes that related to future services							
Contracts initially recognised in the year	(8,396,849)	3,204,315	5,192,534	-	5,192,534	-	5,192,534
Changes in estimates that adjust the CSM	(26,138,545)	(887,223)	27,025,768	-	(3,140,610)	30,166,378	27,025,768
Change in estimates that result in losses and reversal of losses on onerous contracts	39,588,181	(180,911)	-	39,407,270	-	-	-
Changes that related to past services	426,053	-	-	426,053	-	-	-
Total insurance service result	(7,980,670)	(465,066)	(17,122,377)	(25,568,113)	1,668,313	(18,790,690)	(17,122,377)
Net finance expenses from insurance contracts	457,247,369	-	239,191	457,486,560	110,978	128,213	239,191
Total changes in the statement of profit or loss and other comprehensive income	449,266,699	(465,066)	(16,883,186)	431,918,447	1,779,291	(18,662,477)	(16,883,186)
Cash flow	(95,440,403)	-	-	(95,440,403)	-	-	-
Net closing balance	5,947,861,368	49,600,945	384,215,422	6,381,677,735	3,960,448	380,254,974	384,215,422
Closing assets	-	-	-	-	-	-	-
Closing liabilities	5,947,861,368	49,600,945	384,215,422	6,381,677,735	3,960,448	380,254,974	384,215,422
Net closing balance	5,947,861,368	49,600,945	384,215,422	6,381,677,735	3,960,448	380,254,974	384,215,422

12.2 REINSURANCE CONTRACTS (LIABILITIES)/ASSETS

Analysis by remaining coverage and incurred claims of reinsurance contracts held not measured under the premium allocation approach

	Year ended 31 December 2025			
	Asset for remaining coverage			
	Excluding loss-recovery component HK$	Loss-recovery component HK$	Asset for incurred claims HK$	Total HK$
Opening assets	-	-	-	-
Opening liabilities	(5,960,602)	-	4,124,800	(1,835,802)
Net opening balance	(5,960,602)	-	4,124,800	(1,835,802)
Changes in the statement of profit or loss and other comprehensive income				
Net (expenses)/income from reinsurance contracts held (excluding effect of changes) in non-performance risk of reinsurers	(7,720,729)	-	8,899,242	1,178,513
Net (expenses)/income from reinsurance contracts held	(7,720,729)	-	8,899,242	1,178,513
Investment components	-	-	-	-
Effect of changes in non-performance risk of reinsurers	(54,094)	-	-	(54,094)
Net finance income from reinsurance contracts held	(1,043,337)	-	-	(1,043,337)
Total changes in the statement of profit or loss and other comprehensive income	(8,818,160)	-	8,899,242	81,082
Cash flows				
Premiums paid	9,370,953	-	-	9,370,953
Amounts received	-	-	(8,922,195)	(8,922,195)
Total cash flows	9,370,953	-	(8,922,195)	448,758
Net closing balance	(5,407,809)	-	4,101,847	(1,305,962)
Closing assets	-	-	-	-
Closing liabilities	(5,407,809)	-	4,101,847	(1,305,962)
Net closing balance	(5,407,809)	-	4,101,847	(1,305,962)

12.2 REINSURANCE CONTRACTS (LIABILITIES)/ASSETS - continued

Analysis by remaining coverage and incurred claims of reinsurance contracts held not measured under the premium allocation approach - continued

	Year ended 31 December 2024 (restated)			
	Asset for remaining coverage			
	Excluding loss-recovery component HK$	Loss-recovery component HK$	Asset for incurred claims HK$	Total HK$
Opening assets	(4,642,245)	-	5,395,184	752,939
Opening liabilities	-	-	-	-
Net opening balance	(4,642,245)	-	5,395,184	752,939
Changes in the statement of profit or loss and other comprehensive income				
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers	(9,440,846)	-	2,364,584	(7,076,262)
Net (expenses)/income from reinsurance contracts held	(9,440,846)	-	2,364,584	(7,076,262)
Investment components	-	-	-	-
Effect of changes in non-performance risk of reinsurers	82,096	-	-	82,096
Net finance income from reinsurance contracts held	562,322	-	-	562,322
Total changes in the statement of profit or loss and other comprehensive income	(8,796,428)	-	2,364,584	(6,431,844)
Cash flows				
Premiums paid	7,478,071	-	-	7,478,071
Amounts received	-	-	(3,634,968)	(3,634,968)
Total cash flows	7,478,071	-	(3,634,968)	3,843,103
Net closing balance	(5,960,602)	-	4,124,800	(1,835,802)
Closing assets	-	-	-	-
Closing liabilities	(5,960,602)	-	4,124,800	(1,835,802)
Net closing balance	(5,960,602)	-	4,124,800	(1,835,802)

12.2 REINSURANCE CONTRACTS (LIABILITIES)/ASSETS - continued

Analysis by measurement component of reinsurance contracts not measured under the premium allocation approach

	Year ended 31 December 2025						
					CSM		
	Estimates of present value of future cash flows HK$	Risk adjustment for non-financial risk HK$	CSM HK$	Total HK$	Contracts under full retrospective approach HK$	Contracts under fair value approach HK$	Total HK$
Opening assets	-	-	-	-	-	-	-
Opening liabilities	(20,599,672)	1,127,383	17,636,487	(1,835,802)	17,635,958	529	17,636,487
Net opening balance	(20,599,672)	1,127,383	17,636,487	(1,835,802)	17,635,958	529	17,636,487
Net (expenses)/income from reinsurance contracts held							
Changes that related to current services							
CSM recognised for services provided	-	-	(1,460,598)	(1,460,598)	(1,460,061)	(537)	(1,460,598)
Change in risk adjustment for non-financial risk	-	(27,657)	-	(27,657)	-	-	-
Experience adjustments	2,666,768	-	-	2,666,768	-	-	-
Changes that related to future services							
Contracts initially recognised in the year	(79,287)	38,829	40,458	-	40,458	-	40,458
Changes in estimates that adjust the CSM	1,430,488	(8,607)	(1,421,881)	-	(1,421,881)	-	(1,421,881)
Change in estimates that result to losses and reversal of losses on onerous contracts	-	-	-	-	-	-	-
Changes that related to past services	-	-	-	-	-	-	-
Total net income/(expenses) from reinsurance contracts held	4,017,969	2,565	(2,842,021)	1,178,513	(2,841,484)	(537)	(2,842,021)
Effect of changes in non-performance risk of reinsurers	(54,094)	-	-	(54,094)	-	-	-
Net finance expenses from reinsurance contracts held	(1,482,717)	-	439,380	(1,043,337)	439,372	8	439,380
Effects of movements in exchange rates	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and other comprehensive income	2,481,158	2,565	(2,402,641)	81,082	(2,402,112)	(529)	(2,402,641)
Cash flow	448,758	-	-	448,758	-	-	-
Non-cash operating expenses	-	-	-	-	-	-	-
Other non-cash items	-	-	-	-	-	-	-
Net closing balance	(17,669,756)	1,129,948	15,233,846	(1,305,962)	15,233,846	-	15,233,846
Closing assets	-	-	-	-	-	-	-
Closing liabilities	(17,669,756)	1,129,948	15,233,846	(1,305,962)	15,233,846	-	15,233,846
Net closing balance	(17,669,756)	1,129,948	15,233,846	(1,305,962)	15,233,846	-	15,233,846

12.2 REINSURANCE CONTRACTS (LIABILITIES)/ASSETS - continued

Analysis by measurement component of reinsurance contracts not measured under the premium allocation approach - continued

	Year ended 31 December 2024 (restated)						
					CSM		
	Estimates of present value of future cash flows HK$	Risk adjustment for non-financial risk HK$	CSM HK$	Total HK$	Contracts under full retrospective approach HK$	Contracts under fair value approach HK$	Total HK$
Opening assets	(18,126,240)	535,994	18,343,185	752,939	18,342,498	687	18,343,185
Opening liabilities	-	-	-	-	-	-	-
Net opening balance	(18,126,240)	535,994	18,343,185	752,939	18,342,498	687	18,343,185
Net (expenses)/income from reinsurance contracts held							
Changes that related to current services							
CSM recognised for services provided	-	-	(1,403,615)	(1,403,615)	(1,402,826)	(789)	(1,403,615)
Change in risk adjustment for non-financial risk	-	(10,584)	-	(10,584)	-	-	-
Experience adjustments	(5,662,063)	-	-	(5,662,063)	-	-	-
Others	-	-	-	-	-	-	-
Changes that related to future services							
Change in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-	-	-	-
Contracts initially recognised in the year	(230,767)	9,241	221,526	-	221,526	-	221,526
Changes in estimates that adjust the CSM	(573,378)	592,732	(19,354)	-	(19,975)	621	(19,354)
Change in estimates that result to losses and reversal of losses on onerous contracts	-	-	-	-	-	-	-
Changes that related to past services	-	-	-	-	-	-	-
Total net (expenses)/ income from reinsurance contracts held	(6,466,208)	591,389	(1,201,443)	(7,076,262)	(1,201,275)	(168)	(1,201,443)
Effect of changes in non-performance risk of reinsurers	82,096	-	-	82,096	-	-	-
Net finance expenses from reinsurance contracts held	67,577	-	494,745	562,322	494,735	10	494,745
Effects of movements in exchange rates	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and other comprehensive income	(6,316,535)	591,389	(706,698)	(6,431,844)	(706,540)	(158)	(706,698)
Cash flow	3,843,103	-	-	3,843,103	-	-	-
Non-cash operating expenses	-	-	-	-	-	-	-
Other non-cash items	-	-	-	-	-	-	-
Net closing balance	(20,599,672)	1,127,383	17,636,487	(1,835,802)	17,635,958	529	17,636,487
Closing assets	-	-	-	-	-	-	-
Closing liabilities	(20,599,672)	1,127,383	17,636,487	(1,835,802)	17,635,958	529	17,636,487
Net closing balance	(20,599,672)	1,127,383	17,636,487	(1,835,802)	17,635,958	529	17,636,487

12.3 INSURANCE CONTRACT ISSUED AND REINSURANCE CONTRACTS HELD

Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components of insurance contracts and reinsurance contracts held arising from the initial recognition of contracts not measured under the premium allocation approach that were initially recognised in the year.

Insurance Contract

	Profitable contracts issued HK$	Onerous contracts issued HK$	Profitable contracts acquired HK$	Total HK$
Year ended 31 December 2025				
Estimates of present value of future cash outflows				
Insurance acquisition cash flows	54,542,847	-	-	54,542,847
Claims payable and other expenses	683,492,066	-	-	683,492,066
Total estimates of present value of future cash outflows	738,034,913	-	-	738,034,913
Estimates of present value of future cash inflows	(757,903,664)	-	-	(757,903,664)
Risk adjustment for non-financial risk	4,730,066	-	-	4,730,066
Contractual service margin	15,138,685	-	-	15,138,685
Losses recognised on initial recognition	-	-	-	-

	Profitable contracts issued HK$	Onerous contracts issued HK$	Profitable contracts acquired HK$	Total HK$
Year ended 31 December 2024				
Estimates of present value of future cash outflows				
Insurance acquisition cash flows	37,336,916	-	-	37,336,916
Claims payable and other expenses	463,493,800	-	-	463,493,800
Total estimates of present value of future cash outflows	500,830,716	-	-	500,830,716
Estimates of present value of future cash inflows	(509,227,565)	-	-	(509,227,565)
Risk adjustment for non-financial risk	3,204,315	-	-	3,204,315
Contractual service margin	5,192,534	-	-	5,192,534
Losses recognised on initial recognition	-	-	-	-

12.3 INSURANCE CONTRACT ISSUED AND REINSURANCE CONTRACTS HELD - continued

Effect of contracts initially recognised in the year - continued

Reinsurance Contracts Held

	Year ended 31 December 2025		
	Contracts originated HK$	Contracts acquired HK$	Total HK$
Estimates of present value of future inflows	3,629,941	-	3,629,941
Estimates of present value of future outflows	(3,709,228)	-	(3,709,228)
Risk adjustment for non-financial risk	38,829	-	38,829
Income recognised on initial recognition	-	-	-
Contractual service margin	(40,458)	-	(40,458)

	Year ended 31 December 2024		
	Contracts originated HK$	Contracts acquired HK$	Total HK$
Estimates of present value of future inflows	1,863,786	-	1,863,786
Estimates of present value of future outflows	(2,094,553)	-	(2,094,553)
Risk adjustment for non-financial risk	9,241	-	9,241
Income recognised on initial recognition	-	-	-
Contractual service margin	(221,526)	-	(221,526)

12.4 ANALYSIS OF CSM

	Year ended 31 December 2025					
	5 years or less HK$	After 5 years through 10 years HK$	After 10 years through 15 years HK$	After 15 years through 20 years HK$	After 20 years HK$	Total HK$
Unit- linked	215,758,365	117,832,345	49,877,750	19,420,245	19,533,939	422,422,644
Other	2,590,626	1,512,561	627,137	100,448	69,365	4,900,137
Total	218,348,991	119,344,906	50,504,887	19,520,693	19,603,304	427,322,781
Reinsurance contract held	(5,877,574)	(4,102,879)	(2,430,439)	(1,385,853)	(1,437,101)	(15,233,846)

12.4 ANALYSIS OF CSM - continued

	Year ended 31 December 2024 (Restated)					
	5 years or less HK$	After 5 years through 10 years HK$	After 10 years through 15 years HK$	After 15 years through 20 years HK$	After 20 years HK$	Total HK$
Unit - linked	187,378,364	106,053,129	49,375,154	18,468,857	18,522,838	379,798,342
Other	2,469,023	1,326,105	558,552	47,131	16,269	4,417,080
Total	189,847,387	107,379,234	49,933,706	18,515,988	18,539,107	384,215,422
Reinsurance contract held	(6,943,409)	(4,745,245)	(2,785,630)	(1,535,610)	(1,626,593)	(17,636,487)

12.5 INSURANCE REVENUE

	Year ended 31 December 2025 HK$	Year ended 31 December 2024 HK$ (Restated)
Contracts not measured under the PAA		
Amounts related to changes in liabilities for remaining coverage		
- Contractual service margin recognised for services provided	51,260,952	49,340,679
- Change in risk adjustment for non-financial risk for risk expired	3,482,017	2,611,437
-Expected incurred claims and other insurance service expenses	43,756,959	45,784,953
Recovery of insurance acquisition cash flows	25,729,550	14,099,131
Total insurance revenue	124,229,478	111,836,200

12.6 NET INSURANCE FINANCE INCOME/(EXPENSES)

	Year ended 31 December 2025 HK$	Year ended 31 December 2024 HK$ (Restated)
Net finance (expenses)/income from insurance contracts		
Changes in fair value of underlying items of contracts with direct participation features	(1,275,253,120)	(457,553,885)
Interest accreted	(2,713,992)	(2,829,191)
Effect of changes in interest rates and other financial assumptions	(6,081,403)	1,190,116
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	(159,053)	1,706,400
Total net finance expenses from insurance contracts	(1,284,207,568)	(457,486,560)
Net finance (expenses)/income from reinsurance contracts held		
Interest accreted	(220,288)	(220,524)
Effect of changes in interest rates and other financial assumptions	(836,608)	749,852
Effect of changes in non-performance risk of reinsurers	(54,094)	82,096
Effect of measuring changes in estimates at current rates and adjusting the CSM at the rates on initial recognition	13,559	32,994
Total net finance (expenses)/income from reinsurance contracts held	(1,097,431)	644,418

12.7 NET INSURANCE SERVICE EXPENSES

	Year ended 31 December 2025 HK$	Year ended 31 December 2024 HK$ (Restated)
Insurance service expenses		
Incurred claims and other insurance service expenses	55,737,899	39,830,445
Amortisation of insurance acquisition cash flows	25,729,550	14,099,131
(Reversal of losses)/losses on onerous contracts	(2,305,093)	31,912,458
Adjustments to liabilities for incurred claims	34,217	426,053
Total	79,196,573	86,268,087

12.8 INVESTMENT CONTRACT LIABILITIES

	Net 2025 HK$	2024 HK$ (Restated)	2023 HK$ (Restated)
Unit reserves on investment contracts	664,823,937	738,177,114	792,784,980
Non-unit reserves on investment contracts	124,879	83,409	418,992
Withdrawals and claims payable to policyholders	9,155,048	8,019,428	9,625,336
Total investment contract liabilities	674,103,864	746,279,951	802,829,308
Current	673,978,985	746,196,542	802,410,316
Non-current	124,879	83,409	418,992
	674,103,864	746,279,951	802,829,308

	2025 HK$	2024 HK$ (Restated)
Movement of unit reserves on investment contracts		
Balance at the beginning of the year	738,177,114	792,784,980
New contributions received	3,482,097	3,645,057
Fee deducted from account balance	(9,025,534)	(12,150,252)
Withdrawals including benefit payment	(142,819,527)	(69,390,490)
Asset appreciation	75,009,787	23,287,819
Balance at the end of the year	664,823,937	738,177,114

	2025 HK$	2024 HK$ (Restated)
Movement of non-unit reserves on investment contracts		
Balance at the beginning of the year	83,409	418,992
Release for terminations	113,680	(28,197)
Increase/(decrease) for assumption change	67,868	(221,698)
Decrease in the year	(140,078)	(85,688)
Balance at the end of the year	124,879	83,409

13. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Company's lease liabilities at the end of the current and previous reporting periods:

	31 December 2025		31 December 2024	
	Present value of the lease payments HK$	Total lease payments HK$	Present value of the lease payments HK$	Total lease payments HK$
Within 1 year	5,887,792	7,036,920	5,066,178	6,450,510
After 1 year but within 2 years	6,132,783	7,036,920	5,887,792	7,036,920
After 2 years but within 5 years	19,383,971	20,524,350	25,516,755	27,561,270
	25,516,754	27,561,270	31,404,547	34,598,190
	31,404,546	34,598,190	36,470,725	41,048,700
Less: total future interest expenses		(3,193,644)		(4,577,975)
Present value of lease liabilities		31,404,546		36,470,725

Note: The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The weighted average incremental borrowing rate applied to the lease liabilities recognised at 31 December 2025 was 4.161% (2024: 4.161%). The carrying amount of the non-current lease liabilities approximates to its fair value.

14. CONTRACT LIABILITIES

	2025 HK$	2024 HK$ (restated)	2023 HK$ (restated)
Balance at the beginning of the year	26,831,033	33,820,657	35,223,976
Addition during the year	77,823	146,065	6,914,271
Revenue recognised that was included in the contract liability balance at the beginning of the year	(6,870,955)	(7,135,689)	(8,317,590)
Balance at the end of the year	20,037,901	26,831,033	33,820,657

15. ACCOUNTS AND OTHER PAYABLES

	2025 HK$	2024 HK$ (restated)	2023 HK$ (restated)
Amounts due to policyholders and premium received in advance for contracts yet issued	39,838,435	18,520,010	25,793,419
Commission payable	1,257,796	760,120	15,636
Accounts payable (Note)	52,205,250	18,266,793	6,332,263
Accrued bonus	12,929,273	10,120,838	11,484,922
Provision for reinstatement cost	3,000,000	3,000,000	3,000,000
Other payables	26,000,086	16,501,690	20,122,489
CIES payables	30,000,000	-	-
Amount due to parent company	2,522,019	2,032,345	8,984,410
	167,752,859	69,201,796	75,733,139
Current	164,752,859	66,201,796	72,733,139
Non-current	3,000,000	3,000,000	3,000,000
	167,752,859	69,201,796	75,733,139

Note: Account payable consists primarily of amounts due to fund houses for the settlement of investment purchases.

The carrying values of the above accounts other payables approximate their estimated fair values.

16. SHARE CAPITAL

Ordinary shares, issued and fully paid:

	2025		2024	
	Number of shares	HK$	Number of shares	HK$
At 1 January and 31 December	1,269,100,000	1,269,100,000	1,269,100,000	1,269,100,000

They entitle the holder to one vote per share at meetings of the Company, to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

17. FEE INCOME FOR SERVICE RELATING TO INVESTMENT CONTRACTS

	2025 HK$	2024 HK$ (restated)
Investment contracts		
Policy charges	6,892,706	7,183,979
Fund management charges	7,527,553	8,550,310
Surrender charges	240,444	902,878
	14,660,703	16,637,167
Timing of revenue recognition:		
At a point in time	240,444	902,878
Over-time	14,420,259	15,734,289
	14,660,703	16,637,167

18a. NET INVESTMENT INCOME

	2025 HK$	2024 HK$
Bank interest income	21,557	2,439,979
Interest income from debt securities	14,969,317	13,256,509
Dividend income	1,143,993	803,927
Fair value gains on financial assets at FVTPL	13,678,200	9,120,492
	29,813,067	25,620,907

18b. NET INVESTMENT INCOME ATTRIBUTABLE TO POLICYHOLDERS

The amount represents the investment returns that are credited to policyholder accounts in accordance with the terms of the underlying insurance and investment contracts. This amount reflects the investment performance of the assets backing these specific liabilities, which includes dividend income and net changes in the fair value of mutual fund investments

19. OTHER OPERATING INCOME AND OTHER GAINS AND LOSSES

	2025 HK$	2024 HK$
Investment rebate from fund houses	4,729,024	4,200,080
Net realised exchange losses	(1,432,230)	(354,606)
Net unrealised exchange gains	200,556	1,422,162
Other losses	(348,850)	(1,695,633)
	3,148,500	3,572,003

20. NET INVESTMENT CONTRACT BENEFITS AND CLAIMS

	2025 HK$	2024 HK$ (restated)
Long term investment contracts		
- death benefits and supplementary	(13,327)	(270,759)
- (increase)/decrease in non-unit reserves	(41,470)	335,583
	(54,797)	64,824

21. PROFIT BEFORE TAX

	2025 HK$	2024 HK$
Employee benefit expenses	83,300,987	81,460,507
Personnel related costs	2,352,212	2,943,331
Premises costs	1,968,186	1,936,229
Public relations and sponsorship expenses	5,037,726	3,969,398
Legal and professional fees	11,632,501	12,384,684
Auditor's fees	1,800,000	2,000,000
Depreciation (Note 6)	6,739,843	8,616,133
Amortisation (Note 7)	4,014,522	4,874,964

22. EMPLOYEE BENEFIT EXPENSES

	2025 HK$	2024 HK$
Salaries allowances	78,162,336	76,805,371
Pension costs - mandatory provident fund scheme	2,422,898	2,667,392
Medical benefits	2,715,753	1,987,744
	83,300,987	81,460,507

The amounts include directors' remuneration (note 25) and represent the employee benefit expenses for attributable and non-attributable to insurance services.

23. INCOME TAX EXPENSES

(a) Current tax

No provision for Hong Kong Profits Tax is made as the Company's tax losses brought forward exceeds its assessable profits in the current year and the Company did not generate any assessable profits in the prior year.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 HK$	2024 HK$ (restated)
Profit before tax	9,514,296	3,390,702
Notional tax on profit before taxation calculated at 16.5% (2024: 16.5%)	1,569,859	559,466
Tax effect of non-taxable income	(2,188,955)	(2,957,225)
Utilisation of tax losses previously not recognised	(23,319,867)	(18,045,700)
One-fifth of the one-off adjustment arising from adoption of HKRBC regime in 2024 (Note)	16,580,734	16,580,734
Impact arising from adjustment surplus method (Note)	7,420,401	3,726,581
Others	(62,172)	126,144
Actual tax expense	-	-

23. INCOME TAX - continued

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: - continued

This is for tax reconciliation purpose only. This may be subject to change at the time of tax computation, as a more detailed tax computation will be submitted to the tax authority.

Note:

Effective 1 July 2024, in alignment with the transition to the Hong Kong Risk-Based Capital ("HKRBC") framework, the Company is required under the Inland Revenue Ordinance to adopt the adjusted surplus method for calculating its assessable profits. This transition generated a one-off adjustment surplus subject to tax, which the Company has elected to spread evenly over a five-year period. In addition, starting from 1 July 2024, such adjusted surplus method resulted in increase in assessable profit for the Company. Both the one-fifth of the one-off adjustment and the net assessable profits under adjusted surplus method for the year were fully offset by the utilization of the Company's brought-forward tax losses.

As of 31 December 2025, the Company has accumulated unutilized tax losses of approximately HK$427 million (2024: HK$568 million) available for offset against future taxable profits.

Included in the gross brought-forward tax losses prior to current year utilization is an amount of HK$95.7 million relating to a Section 70A revision claim submitted to the Inland Revenue Department ("IRD") during the year. This claim seeks to revise the years of assessment 2020/21 to 2023/24 for previously omitted reserve transfer adjustments. The IRD is currently reviewing this Section 70A claim concurrently.

(c) Deferred tax assets not recognised:

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The Company has not recognised deferred tax assets of HK$70 million (2024: HK$94 million) in respect of cumulative tax losses of HK$427 million (2024: HK$569 million) as it is not probable that future taxable profit will be available in the near future against which the losses can be utilised. The tax losses do not expire under current tax legislation.

23. INCOME TAX - continued

(d) Pillar Two income taxes

The Company is part of multinational enterprise group which is subject to Global Anti-Base Erosion Model Rule ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development.

In December 2025, the Hong Kong SAR Government amended the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 ("the 2025 Amendment Ordinance") to introduce a domestic minimum top-up tax which is effective from the year ended 31 December 2025.

The Company falls into scope of Pillar Two model rules and its earnings in Hong Kong are subject to the 2025 Amendment Ordinance from 1 January 2025 but the Company is exempted from top-up tax for the current year by meeting the jurisdictional safe harbour criteria specified in 2025 Amendment Ordinance.

24. OTHER CASH FLOW INFORMATION

(a) Reconciliation of profit before tax to net cash used in operating activities:

	2025 HK$	2024 HK$ (restated)
Profit before tax	9,514,296	3,390,702
Adjustments for non-cash items:		
Depreciation	6,739,843	8,616,133
Amortisation of computer software	4,014,522	4,874,964
Dividend income	(1,143,993)	(803,927)
Interest income	(14,990,874)	(15,696,488)
Lease interest expenses	1,384,332	281,303
Repurchase arrangement interest expenses	56,371	-
Loss on disposal of property and equipment	-	200
Fair value gains on financial assets at FVTPL	(1,364,618,861)	(479,502,311)
Recognition of/(reversal of) impairment loss under expected credit loss model	95,357	(82,833)
Changes in working capital:		
(Increase)/decrease in other receivables	(11,325,128)	19,073,754
Decrease in deferred incremental costs	12,183,721	11,462,398
(Increase)/decrease in financial assets at FVTPL	(148,127,902)	110,448,305
Decrease in prepayment	454,469	114,721
Increase in restricted cash	(30,000,000)	-
Change in reinsurance contracts assets/liabilities	(529,840)	2,588,741
Increase in long term business liabilities	1,424,190,931	279,928,687
Decrease in contract liabilities	(6,793,132)	(6,989,624)
Increase/(decrease) in accounts and other payables	98,551,063	(6,531,343)
Cash used in operations	(20,344,825)	(68,826,618)
Interest income received	21,557	2,439,979
Net cash used in operating activities	**(20,323,268)**	**(66,386,639)**

24. OTHER CASH FLOW INFORMATION - continued

(b) Reconciliation of liabilities arising from financial activities

The table below details changes in the Company's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	Lease liabilities HK$	Liabilities arising from repurchase agreements HK$
At 1 January 2024	7,521,489	-
Additions from lease modification	35,648,933	-
Capital element of lease rentals paid	(6,699,697)	-
Interest element of lease rentals paid	(281,303)	-
Interest expense	281,303	-
At 31 December 2024	36,470,725	-
Capital element of lease rentals paid	(5,066,179)	-
Interest element of lease rentals paid	(1,384,332)	-
Interest expense	1,384,332	56,371
Proceeds from repurchase agreements	-	26,830,357
Repayment of repurchase agreements	-	(26,886,728)
At 31 December 2025	31,404,546	-

25. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and section 26(p) of Part 5 of Schedule 3 to the Ordinance are as follows:

	2025 HK$	2024 HK$
Directors' fees	468,000	663,000
Other emoluments	3,569,074	3,509,560
Retirement scheme contributions	52,478	50,683
	4,089,552	4,223,243

25. DIRECTORS' EMOLUMENTS - continued

Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Company, including amounts paid to the Company's directors as disclosed in note 25, is as follows:

	2025 HK$	2024 HK$
Short-term employee benefits	12,983,318	16,350,461
Post-employment benefits	563,602	697,538
	13,546,920	17,047,999

Total remuneration is included in "employee benefit expenses" (see note 22).

(b) Transactions with other related parties

The following transactions were carried out with related parties:

(i) Related-party transactions

	2025 HK$	2024 HK$
Purchase of mutual funds managed by related parties	536,614,406	321,856,114
Sale of mutual funds managed by related parties	406,888,341	302,100,791
Investment rebate received from related parties	3,636,435	3,147,853
Reimbursement paid to a related party	2,115,930	2,740,154
Service fee paid to a related party	759,535	688,464

26. MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES - continued

(b) Transactions with other related parties - continued

(ii) Year-end balances

	2025 HK$	2024 HK$
Investment rebate receivable from related parties	1,761,750	1,098,997
Amount due from related parties	1,048,556	328,046
Amount due to related parties	(303,658)	(916,980)
Amount due to Heng An Standard Life Insurance Company Limited	(2,522,019)	(2,032,345)

All balances are unsecured, interest free and are repayable on demand.

None of the balances due from related parties are past due or impaired.

At 31 December 2025, amount of HK$609,826,302 (2024: HK$429,517,238) investments in mutual funds are managed by related parties of the Company.

27. IMMEDIATE AND JOINT CONTROL PARTY

At 31 December 2025 and 2024, the directors consider the immediate parent is Heng An Standard Life Insurance Company Limited, which is incorporated in PRC, and is a joint venture held by Tianjin TEDA International Holdings (Group) Company Limited, which is incorporated in PRC, and Aberdeen Group plc, which is incorporated in United Kingdom. Each of Tianjin TEDA International Holdings (Group) Company Limited and Aberdeen Group plc, each owning 50% of the shares in Heng An Standard Life Insurance Company Limited.

28. SUBSEQUENT EVENTS

On 23 February 2026, the Company detected a cybersecurity incident that resulted in the temporary disruption of certain IT systems and online platforms. The Company immediately activated its incident response protocols, engaged external cybersecurity specialists to contain and investigate the event, and notified the appropriate regulatory authorities.

Management is continuing to assess the full scope and potential financial impact of the incident in conjunction with external legal counsel and forensic experts. As at the date of this report, Management has concluded that the incident does not have a material impact on the Company's financial position or performance for the year ended 31 December 2025.