Avo Insurance Company Limited

Report of the Directors and Financial Statements
for the year ended 31 December 2025

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Report of the directors

The directors herein present their report and the audited financial statements of Avo Insurance Company Limited (the "Company") for the year ended 31 December 2025.

Principal activity

The principal activity of the Company is underwriting general insurance business in Hong Kong and accepting general reinsurance business from overseas. There were no significant changes in the nature of the Company's principal activities during the year. The Company is exempted from preparing business review of its activities under section 388(3)(c) of the Hong Kong Companies Ordinance.

Results and dividends

The Company's result for the year ended 31 December 2025 and the Company's financial position as at 31 December 2025 are set out in the financial statements on pages 6 to 62.

The directors do not recommend the payment of any dividend in respect of the year.

Share capital

Details of movements in the share capital of the Company during the year, together with the reasons therefor, are set out in note 10 to the financial statements.

Directors

The directors of the Company during the year and up to the date of this report were:

CHAN Bernard Charnwut
WONG Chi Shun
TAN Stephanie Joyce
LI Haixiang
YUNG Wai Kee Michael
LI Liang
KWOK Ying Kit
YANG Gerard Tak Ho

In accordance with Article 11 of the Company's Articles of Association, directors are not subject to rotation or retirement. All the present directors shall remain in office for the ensuing year.

Arrangements to purchase shares or debentures

At no time during the year was the Company a party to any arrangements to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share-based payment expense

The Company has adopted a Share Award Scheme and a Share Option Scheme. Details of movements in the share-based expense during the year are set out in note 12 to the financial statements.

Directors' interests in transactions, arrangements or contracts

No director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Company to which the Company was a party during the year.

Permitted indemnity provision

As at the date hereof and during the financial year, there is a permitted indemnity provision in force for the benefit of one or more directors of the Company.

Auditor

KPMG retire and a resolution for the reappointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the board

CHAN Bernard Charnwut

Chairman

Hong Kong

24 March 2026

KPMG

Independent auditor's report to the members of Avo Insurance Company Limited

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of Avo Insurance Company Limited (the "Company") set out on pages 6 to 62, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes, comprising 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 ("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") 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.

Information other than the financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the report of the directors.

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

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.

KPMG

Independent auditor's report to the members of Avo Insurance Company Limited (continued)

(Incorporated in Hong Kong with limited liability)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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.

The directors are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made 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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

KPMG

Independent auditor's report to the members of Avo Insurance Company Limited (continued)

(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 the Audit Committee 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 TAM, Karen Chikiu (practising certificate number: P07077).

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 March 2026

Statement of profit or loss and other comprehensive income for the year ended 31 December 2025

	Note	*2025*	*2024 (Restated)*
		HK$	HK$
Insurance revenue	3	170,912,927	242,458,604
Insurance service expenses	3	(192,627,320)	(267,630,340)
Net expenses from reinsurance contracts held	3	(1,237,355)	(550,171)
Insurance service result		(22,951,748)	(25,721,907)
Net investment income	4	17,280,355	14,045,894
Finance expenses from insurance contracts issued		(567,094)	(1,805,631)
Finance income from reinsurance contracts held		17,615	27,417
Net insurance finance expenses	5	(549,479)	(1,778,214)
Net financial result		16,730,876	12,267,680
Net insurance and financial result		(6,220,872)	(13,454,227)
Operating and administrative expenses		(34,421,562)	(33,652,332)
Other income		2,685,858	1,801,112
Share of losses of joint ventures	13	(1,932,294)	(449,601)
Impairment loss on investment in a joint venture	13	(117,750)	(2,805,375)
Loss before tax	6	(40,006,620)	(48,560,423)
Income tax expense	7	-	-
Loss for the year		(40,006,620)	(48,560,423)
Loss and total comprehensive income for the year		(40,006,620)	(48,560,423)

The notes on pages 11 to 62 form part of these financial statements.

Statement of financial position at 31 December 2025

	Note	*2025*	*2024 (Restated)*
		HK$	HK$
Assets			
Property, plant and equipment	8	2,831,320	3,325,142
Right-of-use assets	8	2,285,964	6,204,756
Interests in joint ventures	13	6,106,332	8,156,376
Due from joint ventures	13	488,522	355,369
Loans to related companies	19	9,276,750	5,407,000
Intercompany balance		718,344	750,194
Reinsurance contract assets	11	991,962	1,290,496
Prepayments, sundry deposits and other receivables		5,170,825	8,875,687
Financial assets at fair value through profit or loss	14	32,389,423	36,337,744
Certificate of deposits		214,996,657	92,544,050
Non-pledged time deposits with original maturity more than three months		-	72,155,500
Cash and cash equivalents	9	30,636,253	116,964,027
Total assets		305,892,352	352,366,341
Equity			
Share capital	10	517,809,344	517,809,344
Accumulated losses		(317,003,123)	(276,996,503)
Share-based payment reserve	12	21,751,292	21,401,907
Total equity		222,557,513	262,214,748
Liabilities			
Insurance contract liabilities	11	74,581,110	79,637,668
Other payables		6,249,495	3,910,969
Lease liabilities	8	2,504,234	6,602,956
Total liabilities		83,334,839	90,151,593
Total equity and liabilities		305,892,352	352,366,341

Approved and authorised for issue by the board of directors on 24 March 2026.

WONG Chi Shun	TAN Stephanie Joyce
Director	*Director*

The notes on pages 11 to 62 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2025

	Share capital HK$	*Accumulated losses* HK$	*Share-based payment reserve* HK$	*Total* HK$
At 1 January 2024	517,809,344	(228,436,080)	20,863,292	310,236,556
Loss for the year and total comprehensive income for the year	-	(48,560,423)	-	(48,560,423)
Recognition of equity-settled share-based payment expense	-	-	538,615	538,615
At 31 December 2024 and 1 January 2025	517,809,344	(276,996,503)	21,401,907	262,214,748
Loss for the year and total comprehensive income for the year	-	(40,006,620)	-	(40,006,620)
Recognition of equity-settled share-based payment expense	-	-	349,385	349,385
At 31 December 2025	517,809,344	(317,003,123)	21,751,292	222,557,513

The notes on pages 11 to 62 form part of these financial statements.

Statement of cash flows for the year ended 31 December 2025

	Note	2025	2024 (Restated)
		HK$	HK$
Cash flows from operating activities			
Loss before tax		(40,006,620)	(48,560,423)
Adjustments for:			
Depreciation charge on property, plant and equipment	6	1,320,122	2,019,546
Depreciation charge on right-of-use assets	6	3,918,792	3,289,744
Gain on right-of-use assets		-	(22,573)
Interest income	4	(10,182,978)	(13,037,166)
Net realized and unrealized gains on financial assets at fair value through profit or loss	4	(7,097,377)	(1,008,728)
Interest expense charged on lease liabilities	6	278,728	281,651
Share-based payment expense	12	349,385	538,615
Net foreign exchange differences		43,907	(1,193,533)
Share of losses of joint ventures	13	1,932,294	449,601
Impairment loss on investment in a joint venture	13	117,750	2,805,375
		(49,325,997)	(54,437,891)
Decrease/(increase) in reinsurance contract assets		298,534	(98,258)
Increase in prepayments, sundry deposits and other receivables		(68,080)	(612,189)
(Decrease)/increase in insurance contract liabilities		(4,647,299)	25,159,879
Increase/(decrease) in other payables		2,338,526	(191,580)
(Increase)/decrease in due from joint ventures		(133,153)	153,029
Decrease/(increase) in intercompany balance		31,850	(261,306)
Cash used in operating activities		(51,505,619)	(30,288,316)
Interest element on lease liabilities		(278,728)	(281,651)
Net cash flows used in operating activities		(51,784,347)	(30,569,967)

Statement of cash flows for the year ended 31 December 2025 (continued)

	Note	*2025* HK$	*2024 (Restated)* HK$
Cash flows from investing activities			
Interest received		13,955,920	13,033,727
Purchase of items of property, plant and equipment	8	(826,300)	(1,691,499)
Proceeds from sale of property, plant and equipment		-	15,896
Proceeds from redemption of financial assets at fair value through profit or loss		12,498,448	-
Increase in certificate of deposits		(121,553,444)	(92,477,506)
Decrease in non-pledged time deposits with original maturity more than three months		72,155,500	217,539,600
Purchase of convertible promissory notes		(1,452,750)	-
Advances of loans to related companies	19	(3,869,750)	(5,407,000)
Acquisition of a joint venture	13	-	(2,923,125)
Net cash (used in)/generated from investing activities		(29,092,376)	128,090,093
Cash flows from financing activity			
Capital element of lease payment and net cash flows used in financing activity	8	(4,098,722)	(3,004,352)
Net (decrease)/increase in cash and cash equivalents		(84,975,445)	94,515,774
Cash and cash equivalents at beginning of year		116,964,027	21,224,915
Effect of foreign exchange rate changes, net		(1,352,329)	1,223,338
Cash and cash equivalents at end of year		30,636,253	116,964,027
Analysis of balance of cash and cash equivalents			
Non-pledged time deposits with original maturity less than three months	9	11,000,452	104,673,842
Cash at bank	9	19,635,801	12,290,185
		30,636,253	116,964,027

The notes on pages 11 to 62 form part of these financial statements.

Notes to financial statements

1. Corporate information

Avo Insurance Company Limited is a limited liability company incorporated in Hong Kong. Its registered office is located at 16th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong.

The principal activity of the Company is underwriting general insurance business in Hong Kong and accepting general reinsurance business from overseas.

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments which have been measured at fair value and insurance contracts which are measured at the related fulfilment cash flows. These financial statements are presented in Hong Kong dollars ("HK$") which is also the Company's functional currency.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Company. Note 2.2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Company for the current accounting period reflected in these financial statements.

2.2 Changes in accounting policies

The Company has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Company has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2.3 Issued but not yet effective amendments, new standards and interpretations

The Company has not early applied any of the new or amended standards that have been issued but are not yet effective for the accounting year ended 31 December 2025 in these financial statements. The following are expected to be relevant the Company's financial statements upon becoming effective:

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Annual Improvements to HKFRS Accounting Standards - Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Company is described below.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Company is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Company's financial statements.

HKFRS 19 Subsidiaries without Public Accountability: Disclosures

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. Earlier application is permitted. The Company is currently considering the application of HKFRS 19 in the financial statements.

2.3 Issued but not yet effective Hong Kong financial reporting standards (continued)

Amendments to HKFRS 9 and HKFRS 7 for the classification and measurement of financial instruments

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Company's financial statements.

Annual Improvements to HKFRS Accounting Standards - Volume 11

Annual Improvements to HKFRS Accounting Standards - Volume 11 set out amendments to HKFRS 1, HKFRS 7 (*and the accompanying Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Company are as follows:

- HKFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Company's financial statements.

- HKFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Company's financial statements.

2.4 Material accounting policies

Insurance contracts and reinsurance contracts held

(a) Initial and subsequent measurement

The Company uses the Premium Allocation Approach ("PAA") for measuring contract with coverage period of one year or less. The Company also uses PAA for measuring group of contracts with coverage period of greater than one year as there will be no material difference in the measurement of the liability for remaining coverage between PAA and the General Measurement Model ("GMM").

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

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

b. both of the following criteria are satisfied:

   (i) the Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

   (ii) the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods beyond the reassessment date.

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

The reinsurance contracts held provide coverage on the insurance contracts originated for claims incurred during an accident year and are accounted for under the PAA.

For insurance contracts issued, on initial recognition, the Company measures the Liability for Remaining Coverage ("LRC") at the amount of premiums received and less any acquisition cash flows paid.

2.4 Material accounting policies (continued)

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid net of ceding commissions received from the reinsurer.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group. For reinsurance contracts held, broker fees are recognised over the coverage period of contracts in a group.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and

b. the Liability for Incurred Claims ("LIC"), comprising the Fulfilment Cash Flows ("FCF") related to past service allocated to the Company at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and

b. the incurred claims, comprising the FCF related to past service allocated to the Company at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

a. increased for premiums received in the period;

b. decreased for insurance acquisition cash flows paid in the period;

c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and

d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a. increased for ceding premiums paid in the period;

b. decreased for ceding commissions received in the period; and

c. decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

2.4 Material accounting policies (continued)

Unless when measuring a loss component, the Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because financing component is not considered to be significant.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM, where future cash flows are adjusted for the time value of money.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF related to remaining coverage of the group with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Where applicable, changes in the loss recovery component are presented in the net expense from reinsurance contracts held.

The Company does not have any reinsurance contracts held measured under the PAA with underlying contracts measured under the GMM.

2.4 Material accounting policies (continued)

(b) Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the PAA, the Company generally recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

(c) Insurance service expenses

Insurance service expenses include the following:

a. incurred claims and benefits, excluding investment components;

b. other incurred directly attributable expenses;

c. insurance acquisition cash flows amortisation;

d. changes that relate to past service - changes in the FCF relating to the LIC; and

e. changes that relate to future service - changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is generally based on the passage of time.

(d) Net income/(expense) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income/(expenses) from reinsurance contracts held, comprising the following amounts:

a. reinsurance expenses;

b. incurred claims recovery, excluding investment components;

c. other incurred directly attributable expenses recovery;

d. changes that relate to past service - changes in the FCF relating to incurred claims recovery and incurred directly attributable expenses; and

e. income on initial recognition and reversal of loss recovery component of onerous underlying contracts.

Expenses that are not directly attributable are included in other operating and administrative expenses in the Statement of profit or loss and other comprehensive income.

2.4 Material accounting policies (continued)

(e) Investment component

The Company identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Reinsurance contracts held have explicit profit commission. The investment component excluded from allocation of reinsurance premium paid and insurance service expenses recoverable is determined as the amount that is receivable by the Company from the counterparty under all circumstances having considered the profit commission feature of the contracts.

(f) Risk adjustments for non-financial risk

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.

The Value-at-Risk approach is used to determine the risk adjustment for non-financial risk, where the standard errors estimated by the Bootstrap method will be used to calculate the stand-alone risk adjustment for each portfolio.

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

The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2025 and 2024.

Interests in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The results of joint ventures are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in joint ventures are treated as non-current assets and are stated at cost less any impairment losses. When an investment in a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

2.4 Material accounting policies (continued)

Fair value measurement

The Company measures its financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 - based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 Material accounting policies (continued)

Land and buildings, classified as right-of-use assets and owned assets, are measured at cost less any subsequent accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Owned assets

Leasehold improvement	Over the lease terms
Computer software	14%
Computer equipment	20%
Furniture and fixtures	20%
Office equipment	20%

Right-of-use assets

Office premises	Over the lease terms

The gain or loss on disposal of items of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognized in the statement of profit or loss.

The assets' residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Company makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its 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).

An impairment loss is recognized in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to the profit or loss in the year in which it arises.

2.4 Material accounting policies (continued)

Leases

Lessee

A contract is, or contains, a lease if the contract conveys a 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 obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. All leases with a term of more than 12 months are recognized as assets representing the right of use of the underlying asset and liabilities representing the obligation to make lease payments, unless the underlying asset is of low value. Both the assets and the liabilities are initially measured on a present value basis. Right-of-use assets are recognized under property, plant and equipment and are measured at cost or valuation less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful lives of the assets and the lease terms. Lease liabilities are initially measured at the present value of lease payments to be made under the lease terms and subsequently adjusted by the effect of the interest on and the settlement of the lease liabilities, and the re-measurement arising from any reassessment of the lease liabilities or lease modifications.

The Company applies the short-term lease recognition exemption to its short-term leases of office room with lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases is recognized as an expense on a straight-line basis over the lease term.

Financial assets

Trade receivables that do not contain a significant financial component or for which the Company has applied the practical expedient of not adjusting the effect of a significant financial component are measured at the transaction price determined under HKFRS 15. All the other financial assets are initially recognized at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss. Regular way purchases and sales of financial assets are recognised on the trade date, that is, the date when the Company commits to purchase or sell the assets.

(a) Classification and measurement

Debt instruments are measured at amortised cost using the effective interest method, subject to impairment, if the assets are held for the collection of contractual cash flows where those contractual cash flows represent solely payments of principal and interest.

2.4 Material accounting policies (continued)

Debt instruments are measured at fair value through other comprehensive income if the assets' contractual cash flows represent solely payments of principal and interest and the assets are held for collection of contractual cash flows and for selling the financial assets. Such financial assets are subsequently measured at fair value with any gains or losses from changes in fair value recognized in other comprehensive income, except for impairment losses and reversal, foreign exchange gains and losses and interest calculated using the effective interest method which are recognized in profit or loss. The cumulative gains or losses previously recognized in other comprehensive income are reclassified from other comprehensive income to the profit or loss when the financial asset is derecognized.

Debt instruments that do not meet the criteria for amortized cost or as financial assets at fair value though other comprehensive income are measured at fair value through profit or loss. Interest income for these financial assets is included in net investment income.

Equity investments are measured at fair value through profit or loss unless, on initial recognition, the Company has irrevocably elected to designate such investments that are not held for trading as equity investments at fair value through other comprehensive income. Dividends of such investments are recognized in the profit or loss when the Company's right to receive payment is established unless they clearly present a recovery of part of the cost of the investment. Changes in the fair value of such investments are recognized in other comprehensive income and are never recycled to profit or loss even when the assets are sold.

(b) Impairment

The Company applies the expected credit loss model on all the financial assets that are subject to impairment. For trade receivables and contract assets without a significant financing component, the Company applies the simplified approach which requires impairment allowances to be measured at lifetime expected credit losses.

For other financial assets, impairment allowances are recognized under the general approach where expected credit losses are recognized in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, the Company is required to provide for credit losses that result from possible default events within the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The Company considers a 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 appropriate default criterion should be applied.

(c) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired; or where the Company has transferred its contractual rights to receive the cash flows of the financial assets and has transferred substantially all the risks and rewards of ownership.

2.4 Material accounting policies (continued)

Financial liabilities

Financial liabilities include other payables. They are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they are extinguished, i.e., when the obligation is discharged or cancelled, or expires.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the profit or loss.

Revenue recognition

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument, to the gross carrying amount of the financial asset.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturity of three months or less when acquired, less bank overdrafts.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including short-term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 Material accounting policies (continued)

Related parties

A party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and 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 of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Company are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Company 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 Company or an entity related to the Company;
- (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); and
- (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 parent of the Company.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

2.4 Material accounting policies (continued)

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax liabilities are provided in full while deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Employees' benefits

(a) Retirement benefit costs

The Company operates a mandatory provident fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as and when the contributions fall due.

(b) Share-based compensation

The Company operates an equity-settled, share-based compensation plan for the purpose of providing incentives and rewards to eligible participants including certain employees (including directors) of the Company and certain other persons (the "Selected Employees") pursuant to the terms of the Share Award Scheme and the Share Option Scheme. Selected Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The cost of equity-settled transactions is recognized, together with a corresponding increase in the "share-based payment reserve" under equity, over the period in which the performance and/or service conditions are fulfilled in share-based compensation expense. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards and options that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 Material accounting policies (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award or option is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award or option is recognized immediately. This includes any award or option where non-vesting conditions within the control of either the Company or the employee are not met. However, if a new award or option is substituted for the cancelled award or option, and is designated as a replacement award or option on the date that it is granted, the cancelled and new awards or options are treated as if they were a modification of the original award or option, as described in the previous paragraph.

(c) Defined benefit plan obligations

The Company's net obligation in respect of long service payments ("LSP") under the Hong Kong Employment Ordinance, which is the Company's only defined benefit plan, is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Company's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees. The calculation of defined benefit obligation is performed using the projected unit credit method.

Net interest expense for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the reporting period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plan are recognized in profit or loss.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is net off against the expense item on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

2.5 Critical accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements.

(a) Income taxes

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Company carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

(b) Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under HKFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

(c) Eligibility considerations of the PAA

The Company applies the PAA to simplify the measurement of insurance and reinsurance contracts. In addition to the contracts with coverage of less than one year, the PAA can be used for measurement of groups of contracts where the entity reasonably expects that such a simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced by applying the GMM.

The Company exercises significant judgement to determine whether there the LRC measured under GMM is materially different with the LRC measured under PAA. In the event for a group of insurance contracts, the LRC results between the measurement model differs larger than the thresholds determined by the Company, the PAA will not be eligible and the Company shall apply the GMM to recognise and measure that group of insurance contracts.

The judgements exercised in setting the thresholds to determine 'material difference' in the above assessment fundamentally affect the approach the group of insurance contracts is recognised and presented in the financial statements. The accounting policy on PPA's recognition and measurement is described in note 2.4.

2.5 Critical accounting judgements and estimates (continued)

Critical accounting estimates

It can take a significant period of time before the ultimate claims cost can be established with certainty. The primary technique adopted by management in estimating the cost of ultimate claims is using the past claim settlement trends to predict the future claim settlement trends. At each reporting date, prior year estimates of claims are reassessed for adequacy and any changes from the previous assessment are made to the profit or loss. The Group also applies discounting to the insurance claims estimates and the determination of discount rates involves significant judgement as described below.

(a) Discount rates

The bottom-up approach, where a liquid risk-free yield curve is adjusted to reflect the differences between the liquidity characteristics of the financial instruments that underlie the rates observed in the market and the liquidity characteristics of the insurance contracts, was applied in the determination of the discounts rates for different products.

The Company adopts the Hong Kong government bond yields as the source of liquid risk-free yield curve. The yield curve will be constructed through interpolation between market observable maturities which will be performed using the Smith-Wilson method.

The yield curve represents nominal risk-free rates that include future inflation. Hence, the yield curve shall be applied in discounting nominal cash flows (i.e. include the effect of inflation).

(b) Onerous contracts

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

The Company assess the profitability to identify portfolios of contracts and determine groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently.

The readily available information from internal reporting and actuarial valuation that captures information about estimates is used to indicate when a group of contracts may be onerous. The Company estimates the loss component in LRC for onerous groups of contracts at each future reporting period.

(c) Estimation of expected premiums

Premium from reinsurance contracts are based upon reports received from reinsurance brokers and ceding companies, supplemented by the Company's own estimates of premium for which ceding companies' reports have not yet received.

2.5 Critical accounting judgements and estimates (continued)

(d) Risk adjustment for non-financial risk

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.

The Value-at-Risk approach is used to determine the risk adjustment for non-financial risk, where the standard errors estimated by the Bootstrap method will be used to calculate the stand-alone risk adjustment for each portfolio.

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

The methods and assumptions used to determine the risk adjustment for non-financial risk were not changed in 2025 and 2024.

(e) Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

(f) Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available (such as for entities that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the entity's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the entity's stand-alone credit rating).

(g) Share Award Scheme and Share Option Scheme

The Company estimates the fair value of share award and share option using market-based valuation techniques based on assumptions that are not supported by observable market prices or rates, taking into account the terms and conditions upon which the awards or options were granted. The judgments exercised in the determination of share award and share option fair value affect the amounts recognized in the financial statements as share-based payment expense and share-based payment reserve. Further details of the related accounting policies and movements in outstanding awards and options are provided in notes 2.4 and 12.

2.5 Significant accounting judgements and estimates (continued)

(h) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised in the foreseeable future. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. No deferred tax asset relating to tax losses was recognised at 31 December 2025 (2024: Nil). The amount of unrecognised tax losses at 31 December 2025 was HK$327,730,982 (2024: HK$281,747,677 (restated)). Further details are contained in note 7.

3. Insurance revenue and insurance service result

An analysis of insurance revenue, insurance service expenses and net income/(expenses) from reinsurance contracts held by product line for 2025 and 2024 is included in the following tables. Additional information on amounts recognised in statement of profit or loss and other comprehensive income is included in the insurance contract balances reconciliations in note 11.

	2025 HK$	*2024 (Restated)* HK$
Insurance revenue		
Insurance revenue from contracts measured under the PAA	170,912,927	242,458,604
Insurance service expenses		
Incurred claims and other directly attributable expenses	(42,632,077)	(18,247,567)
Changes that relate to past service - changes in the FCF relating to the LIC	(56,739,847)	(108,622,802)
Losses on onerous contracts	(8,992,988)	(3,837,177)
Insurance acquisition cash flows amortization	(84,262,408)	(136,922,794)
Total insurance service expenses	(192,627,320)	(267,630,340)
Net (expenses)/income from reinsurance contracts held		
Allocation of reinsurance premiums paid from contracts measured under the PAA	(781,188)	(699,378)
Incurred claims recovery	384,459	355,338
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(367,897)	(615,121)
(Losses)/reversal of losses on onerous underlying contracts	(472,729)	408,990
Total net expenses from reinsurance contracts held	(1,237,355)	(550,171)
Insurance service result	(22,951,748)	(25,721,907)

During the year ended 31 December 2025, the Company recognized investment component, which was recognized within allocation of reinsurance premiums paid from contracts measured under the PAA and incurred claims recovery in prior year.

The comparative figures of 2024 have been reclassified to conform with current year's presentation. It resulted in a decrease of allocation of reinsurance premiums paid from contracts measured under the PAA of HK$155,016 and decrease of incurred claims recovery of HK$155,016.

3. Insurance revenue and insurance service result (continued)

	Inward	*Direct*				
	*Accident & Health** HK$	*Accident & Health* HK$	*Property damage* HK$	*Pecuniary loss* HK$	*General liability* HK$	*Total* HK$
For the year ended 31 December 2025						
Insurance revenue						
Insurance revenue from contracts measured under the PAA	163,275,056	5,432,948	1,572,020	54,443	578,460	170,912,927
Insurance service expenses						
Incurred claims and other directly attributable expenses	(35,053,909)	(6,084,039)	(688,160)	(65,249)	(740,720)	(42,632,077)
Changes that relate to past service - changes in the FCF relating to the LIC	(58,108,300)	1,150,299	195,337	9,680	13,137	(56,739,847)
(Losses)/reversal of losses on onerous contracts	(5,194,909)	(3,192,367)	488,287	(150,127)	(943,872)	(8,992,988)
Insurance acquisition cash flows amortisation	(79,073,512)	(3,844,285)	(773,306)	(49,618)	(521,687)	(84,262,408)
Total insurance service expenses	(177,430,630)	(11,970,392)	(777,842)	(255,314)	(2,193,142)	(192,627,320)

* Insurance service result includes insurance revenue adjustments related to past service.

3. Insurance revenue and insurance service result (continued)

	Inward	*Direct*				
	*Accident & Health**	*Accident & Health*	*Property damage*	*Pecuniary loss*	*General liability*	*Total*
	HK$	HK$	HK$	HK$	HK$	HK$
For the year ended 31 December 2024						
Insurance revenue						
Insurance revenue from contracts measured under the PAA	237,629,216	3,405,265	1,290,505	4,437	129,181	242,458,604
Insurance service expenses						
Incurred claims and other directly attributable expenses	(11,426,714)	(5,057,859)	(1,617,398)	(7,743)	(137,853)	(18,247,567)
Changes that relate to past service - changes in the FCF relating to the LIC	(110,134,397)	1,321,368	165,192	24,941	94	(108,622,802)
(Losses)/reversal of losses on onerous contracts	(3,288,029)	(352,084)	(89,073)	1,912	(109,903)	(3,837,177)
Insurance acquisition cash flows amortisation	(133,358,401)	(2,761,382)	(763,969)	(4,007)	(35,035)	(136,922,794)
Total insurance service (expenses)/income	(258,207,541)	(6,849,957)	(2,305,248)	15,103	(282,697)	(267,630,340)

* Insurance service result includes insurance revenue adjustments related to past service.

4. Net investment income

	2025 HK$	2024 (Restated) HK$
Interest income from bank deposits	5,036,410	8,724,886
Interest income from certificate of deposits	5,146,568	4,312,280
Realized and unrealized gains on financial assets at fair value through profit or loss	7,097,377	1,008,728
	17,280,355	14,045,894

During the year ended 31 December 2025, the Company presented interest income from certificate of deposits separately from interest income from bank deposits. The presentation of the comparative figures of 2024 have been updated to conform with current year's presentation.

5. Net insurance finance expenses

	2025 HK$	2024 HK$
Finance expenses from insurance contracts issued		
Interest accreted	(640,650)	(813,924)
Effect of changes in interest rates and other financial assumptions	73,556	(991,707)
Finance expenses from insurance contracts issued	(567,094)	(1,805,631)
Finance income from reinsurance contracts held		
Interest accreted	17,249	28,241
Effect of changes in interest rates and other financial assumptions	366	(824)
Finance income from reinsurance contracts held	17,615	27,417
Net insurance finance expenses	(549,479)	(1,778,214)
Summary of the amounts recognised in profit or loss		
Insurance service result	(22,951,748)	(25,721,907)
Net insurance finance expenses	(549,479)	(1,778,214)

6. Loss before tax

The Company's loss before tax is arrived at after charging:

	Note	*2025* HK$	*2024* HK$
Auditor's remuneration			
- Audit service		950,000	912,000
- Non-audit service		301,360	-
Depreciation charge on property, plant and equipment	8	1,320,122	2,019,546
Depreciation charge on right-of-use assets	8	3,918,792	3,289,744
Interest expense charged on lease liabilities	8	278,728	281,651
Loss on exchange in foreign currencies, net		6,609	1,204,890
Directors' remuneration			
Fee		200,001	200,001
Other emoluments:			
Share-based compensation expense		-	100,219
Others		507,000	456,000
		707,001	756,220
Employee benefit expense (excluding directors' remuneration):			
Wages and salaries		31,857,553	28,898,994
Pension scheme contributions		790,862	755,487
Expense recognized in respect of defined benefit retirement plan (Note 1)		438,000	-
Share-based compensation expense		349,385	438,396
		33,435,800	30,092,877

During the year ended 31 December 2025, the Company recognized rental income, which was recognized within operating and administrative expenses in prior year.

The comparative figures of 2024 have been reclassified to conform with current year's presentation. It resulted in a reclassification of HK$1,796,470 from operating and administrative expenses to other income.

Note 1:

The Company operates a MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the Hong Kong Employment Ordinance. Employees that have been employed under the Hong Kong Employment Ordinance continuously for at least five years are also entitled to LSP under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal.

6. Loss before tax (continued)

The amount of LSP payable is determined with reference to the employee's final salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the company's contributions to MPF scheme, with an overall cap of HK$390,000 per employee. Currently, the Company does not have any separate funding arrangement in place to meet its LSP obligation.

Starting from 1 May 2025, the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "2022 Amendment Ordinance") came into effect. Separately, a 25-year scheme to provide a subsidy ("Subsidy") for employers' costs in relation to the post-transition portion of the LSP has been implemented with effect on 1 May 2025.

Among other things, upon the abolition of the offsetting mechanism taking effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The present value of unfunded obligations were included in "Other payables" on the Company's statement of financial position. A portion of the LSP liabilities is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

7. Income tax

No provision has been made as the Company did not generate any assessable profits arising in Hong Kong during the year (2024: nil).

A reconciliation of the tax position applicable to loss before tax at the statutory rate to the tax at the effective tax rate is as follows:

		2025		*2024 (Restated)*
	%	HK$	%	HK$
Loss before tax		(40,006,620)		(48,560,423)
Tax at the statutory tax rate of 16.5%		(6,601,092)		(8,012,470)
Non-deductible expenses	(1.6)	635,611	(1.3)	625,942
Income not subject to tax	4.2	(1,680,191)	4.4	(2,151,132)
Tax loss not recognized	(19.0)	7,587,245	(18.3)	8,904,478
Others	(0.1)	58,427	(1.3)	633,182
Tax at the effective rate		-		-

7. Income tax (continued)

The Company has not recognized deferred tax asset in respect of its tax loss of HK$327,730,982 (2024: HK$281,747,677 (restated)) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. The unused tax losses do not expire under the current legislation.

During the year, the Company has recalculated the assessable profits for the year ended 31 December 2024 in accordance with the reporting basis under the Hong Kong Risk Based Capital Regime. It resulted in a decrease in unrecognized tax losses of HK$28,537,345 for the year then ended.

8. Property, plant and equipment, right-of-use assets and lease liabilities

Owned assets

	Leasehold improvement HK$	*Computer equipment and software* HK$	*Furniture and fixtures* HK$	*Office equipment* HK$	*Total* HK$
2025					
Cost:					
At 1 January	2,086,744	6,882,021	301,239	154,271	9,424,275
Additions	-	826,300	-	-	826,300
Disposal	-	-	-	-	-
At 31 December	2,086,744	7,708,321	301,239	154,271	10,250,575
Accumulated depreciation:					
At 1 January	1,711,270	4,089,663	187,482	110,718	6,099,133
Charge for the year	334,575	925,224	46,944	13,379	1,320,122
Disposal	-	-	-	-	-
At 31 December	2,045,845	5,014,887	234,426	124,097	7,419,255
Net book value:					
At 31 December 2025	40,899	2,693,434	66,813	30,174	2,831,320
2024					
Cost:					
At 1 January	1,969,447	5,323,234	309,007	154,271	7,755,959
Additions	117,297	1,558,787	15,415	-	1,691,499
Disposal	-	-	(23,183)	-	(23,183)
At 31 December	2,086,744	6,882,021	301,239	154,271	9,424,275
Accumulated depreciation:					
At 1 January	631,045	3,215,206	145,646	94,977	4,086,874
Charge for the year	1,080,225	874,457	49,123	15,741	2,019,546
Disposal	-	-	(7,287)	-	(7,287)
At 31 December	1,711,270	4,089,663	187,482	110,718	6,099,133
Net book value:					
At 31 December 2024	375,474	2,792,358	113,757	43,553	3,325,142

8. Property, plant and equipment, right-of-use assets and lease liabilities (continued)

Right-of-use assets

	Office premises HK$
Cost:	
At 1 January 2024	9,336,355
Additions	7,837,586
Disposals	(1,893,618)
At 31 December 2024 and 1 January 2025	15,280,323
Additions	-
Disposals	-
At 31 December 2025	15,280,323
Accumulated depreciation:	
At 1 January 2024	5,785,823
Charge for the year	3,289,744
At 31 December 2024 and 1 January 2025	9,075,567
Charge for the year	3,918,792
At 31 December 2025	12,994,359
Net book value:	
At 31 December 2025	2,285,964
At 31 December 2024	6,204,756
At 1 January 2024	3,550,532

Note: The Company's right of use assets represented lease for office premises.

8. Property, plant and equipment, right-of-use assets and lease liabilities (continued)

Lease liabilities

(a) Maturity profile

	2025 HK$	*2024* HK$
Within one year	2,553,513	4,377,450
After one year but within five years	-	2,553,513
Lease liabilities (undiscounted)	2,553,513	6,930,963
Impact of discounting	(49,279)	(328,007)
Lease liabilities (discounted)	2,504,234	6,602,956
Current	2,504,234	4,098,722
Non-current	-	2,504,234

The weighted average incremental borrowing rate applied to the lease liabilities recognized at 31 December 2025 was 5.75% (2024: 5.75%).

(b) Movements of carrying amounts of lease liabilities and reconciliation of liabilities arising from financing activities

	HK$
At 1 January 2024	3,685,913
Additions	7,837,586
Disposals	(1,916,191)
Interest expense charged on lease liabilities	281,651
Payments in the changes from financing cash flows	(3,286,003)
As at 31 December 2024 and 1 January 2025	6,602,956
Interest expense charged on lease liabilities	278,728
Payments in the changes from financing cash flows	(4,377,450)
As at 31 December 2025	2,504,234

8. Property, plant and equipment, right-of-use assets and lease liabilities (continued)

Reconciliation of lease liabilities arising from financing activities

	HK$
At 1 January 2024	3,685,913
New leases	7,837,586
Stop leases	(1,916,191)
Changes from financing cash flow	
Capital element of lease payment	(3,004,352)
Other changes	
Interest expense charged on lease liabilities	281,651
Interest element on lease liabilities	(281,651)
As at 31 December 2024 and 1 January 2025	6,602,956
Changes from financing cash flow	
Capital element of lease payment	(4,098,722)
Other changes	
Interest expense charged on lease liabilities	278,728
Interest element on lease liabilities	(278,728)
As at 31 December 2025	2,504,234

Amounts recognized in the statement of profit or loss and other comprehensive income

	2025 HK$	*2024* HK$
Depreciation expense of right-of-use assets	3,918,792	3,289,744
Interest expense charged on lease liabilities	278,728	281,651
	4,197,520	3,571,395

The Company had total cash outflows for leases of HK$4,377,450 in 2025 (2024: HK$3,286,003).

9. Cash and cash equivalents

	2025	*2024*
		(Restated)
	HK$	HK$
Non-pledged time deposits with original maturity of less than three months when acquired	11,000,452	104,673,842
Cash at bank	19,635,801	12,290,185
	30,636,253	116,964,027

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective time deposit rates. The bank balances and deposits are deposited with banks with no recent history of default. The carrying amounts of the cash and cash equivalents and deposits approximate to their fair values.

During the year, the Company has presented certificate of deposits and non-pledged time deposits with original maturity of more than three months as separate line items in the statement of financial position, and have presented non-pledged time deposits with original maturity of less than three months as cash and cash equivalents.

The comparative figures of 2024 have been reclassified to conform with current year's presentation. It resulted in reclassification of certificate of deposits and non-pledged time deposits with original maturity more than three months of HK$92,544,050 and HK$72,155,500 respectively, and an increase in cash and cash equivalents of HK$104,673,842. The related movements in the statement of cash flows and disclosures of financial risk management have also been restated accordingly.

10. Share capital

	2025	*2024*
	HK$	HK$
Issued and fully paid:		
362,809,874 ordinary shares (2024: 362,809,874 ordinary shares)	517,809,344	517,809,344

There are no movements in the share capital during the year.

11. Insurance contract liabilities and reinsurance contract assets

	Inward	Direct				
	Accident & Health HK$	Accident & Health HK$	Property damage HK$	Pecuniary loss HK$	General liability HK$	Total HK$
At 31 December 2025						
Insurance contract liabilities excluding insurance acquisition cash flows assets	69,872,451	3,151,858	99,993	77,521	1,379,287	74,581,110
Insurance acquisition cash flows assets	-	-	-	-	-	-
Insurance contract liabilities	69,872,451	3,151,858	99,993	77,521	1,379,287	74,581,110

	Inward	Direct				
	Accident & Health HK$	Accident & Health HK$	Property damage HK$	Pecuniary loss HK$	General liability HK$	Total HK$
At 31 December 2024						
Insurance contract liabilities excluding insurance acquisition cash flows assets	75,731,715	2,849,254	866,309	11,623	178,767	79,637,668
Insurance acquisition cash flows assets	-	-	-	-	-	-
Insurance contract liabilities	75,731,715	2,849,254	866,309	11,623	178,767	79,637,668

11. Insurance contract liabilities and reinsurance contract assets (continued)

	2025
	HK$
Reinsurance contract assets	991,962

	2024
	HK$
Reinsurance contract assets	1,290,496

11. Insurance contract liabilities and reinsurance contract assets (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims - Insurance contracts (under PAA measurement)

	2025					2024				
	LRC		LIC			LRC		LIC		
Insurance contracts issued (in HK$'000)	*Excluding loss component*	*Loss component*	*Present value of future cash flows*	*Risk adjustment for non-financial risk*	*Total*	*Excluding loss component*	*Loss component*	*Present value of future cash flows*	*Risk adjustment for non-financial risk*	*Total*
Opening insurance contract assets	-	-	-	-	-	-	-	-	-	-
Opening insurance contract liabilities	5,627	10,119	55,557	8,334	79,637	5,178	6,282	37,323	5,598	54,381
Net opening balance	5,627	10,119	55,557	8,334	79,637	5,178	6,282	37,323	5,598	54,381
Insurance revenue	(170,913)	-	-	-	(170,913)	(242,459)	-	-	-	(242,459)
Incurred claims and other directly attributable expenses	-	-	38,147	4,485	42,632	-	-	16,916	1,332	18,248
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	58,164	(1,424)	56,740	-	-	107,219	1,404	108,623
Losses on onerous contracts and reversal of those losses	-	8,993	-	-	8,993	-	3,837	-	-	3,837
Insurance acquisition cash flows amortization	84,262	-	-	-	84,262	136,923	-	-	-	136,923
Insurance service expenses	84,262	8,993	96,311	3,061	192,627	136,923	3,837	124,135	2,736	267,631
Insurance service result	(86,651)	8,993	96,311	3,061	21,714	(105,536)	3,837	124,135	2,736	25,172
Finance income from insurance contracts recognised in profit or loss	-	-	567	-	567	-	-	1,806	-	1,806
Total amounts recognised in comprehensive income	(86,651)	8,993	96,878	3,061	22,281	(105,536)	3,837	125,941	2,736	26,978
Premiums received	195,869	-	-	-	195,869	249,091	-	-	-	249,091
Claims and other directly attributable expenses paid	-	-	(76,436)	-	(76,436)	-	-	(107,707)	-	(107,707)
Insurance acquisition cash flows	(146,770)	-	-	-	(146,770)	(143,106)	-	-	-	(143,106)
Total cash flows	49,099	-	(76,436)	-	(27,337)	105,985	-	(107,707)	-	(1,722)
Closing insurance contract assets	-	-	-	-	-	-	-	-	-	-
Closing insurance contract liabilities	(31,925)	19,112	75,999	11,395	74,581	5,627	10,119	55,557	8,334	79,637
Net closing balance	(31,925)	19,112	75,999	11,395	74,581	5,627	10,119	55,557	8,334	79,637

11. Insurance contract liabilities and reinsurance contract assets (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims - Reinsurance (under PAA measurement)

Reinsurance contracts held (in HK$'000)	*2025*					*2024 (Restated)*				
	Assets for remaining coverage		*Assets for incurred claims*			*Assets for remaining coverage*		*Assets for incurred claims*		
	Excluding loss recovery component	*Loss recovery component*	*Present value of future cash flows*	*Risk adjustment for non-financial risk*	*Total*	*Excluding loss component*	*Loss component*	*Present value of future cash flows*	*Risk adjustment for non-financial risk*	*Total*
Opening reinsurance contract assets	(67)	800	490	67	1,290	(43)	391	745	99	1,192
Opening reinsurance contract liabilities	-	-	-	-	-	-	-	-	-	-
Net opening balance	(67)	800	490	67	1,290	(43)	391	745	99	1,192
Allocation of reinsurance premiums paid	(781)	-	-	-	(781)	(699)	-	-	-	(699)
Incurred claims recovery (current service)	-	-	333	51	384	-	-	305	50	355
Changes that relate to past service - changes in the FCF relating to incurred claims recovery and incurred directly attributable expenses	-	-	(305)	(63)	(368)	-	-	(533)	(82)	(615)
Income on initial recognition and reversal of loss recovery component of onerous underlying contracts	-	(473)	-	-	(473)	-	409	-	-	409
Total insurance service expenses recoverable	-	(473)	28	(12)	(457)	-	409	(228)	(32)	149
Investment components and premium refunds	(242)	-	242	-	-	(155)	-	155	-	-
Net (expenses)/income from reinsurance contracts	(1,023)	(473)	270	(12)	(1,238)	(854)	409	(73)	(32)	(550)
Net finance income from reinsurance contracts held	-	-	18	-	18	-	-	27	-	27
Total amounts recognised in comprehensive income	(1,023)	(473)	288	(12)	(1,220)	(854)	409	(46)	(32)	(523)
Premiums paid net of ceding commissions	1,281	-	-	-	1,281	830	-	-	-	830
Recoveries from reinsurance	-	-	(359)	-	(359)	-	-	(209)	-	(209)
Total cash flows	1,281	-	(359)	-	922	830	-	(209)	-	621
Closing reinsurance contract assets	191	327	419	55	992	(67)	800	490	67	1,290
Closing reinsurance contract liabilities	-	-	-	-	-	-	-	-	-	-
Net closing balance	191	327	419	55	992	(67)	800	490	67	1,290

12. Share-based payment expense

Share Award Scheme

The Company had adopted a share award scheme (the "Share Award Scheme") in which shares of the Company (the "Awarded Shares") may be awarded to selected employees (including directors) and certain other persons (the "Selected Employee(s)") pursuant to the terms of the Share Award Scheme and trust deed of the Share Award Scheme (the "Trust Deed"). The share award scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from that date.

The Share Award Scheme is subject to the administration of the board of directors of the Company and the trustee of the Share Award Scheme (the "Trustee") in accordance with the Share Award Scheme and the Trust Deed.

The Trustee shall not exercise the voting rights in respect of any shares, including but not limited to the Awarded Shares, held by it under the Trust.

Subject to the terms and conditions of the Share Award Scheme and the fulfilment of all relevant vesting conditions, the respective Awarded Shares held by the Trustee on behalf of a Selected Employee pursuant to the provision of the Share Award Scheme shall vest in such Selected Employee in accordance with the vesting schedule (if any).

During the year ended 31 December 2025, the trustee held 1,850,000 Awarded Shares for the Share Award Scheme (2024: 14,420,000) and 22,150,000 Awarded Shares were held by the respective selected employees (including directors) (2024: 9,580,000).

Details of the Awarded Shares granted and unvested as at 31 December 2025 are set out below:

				Number of Awarded Shares			
Date of Awarded shares granted	*Vesting Period*	*Fair Value per shares*	*Outstanding as at 31 Dec 2024*	*Granted during the year*	*Vested during the year*	*Lapsed during the year*	*Outstanding as at 31 Dec 2025*
17 January 2020	17 January 2021 to 17 January 2024 *	HK$0.9145	-	-	-	-	-
31 January 2024	31 January 2025 to 30 January 2028 *	HK$0.8582	-	-	-	-	-

* 25% vested over 4 anniversary date of the grant date

The Company has recognised a share-based compensation expense of HK$Nil for the Awarded Shares under the Share Award Scheme in profit or loss (2024: HK$206,953). No Awarded Shares lapsed prior to their vesting date for the year ended 31 December 2025 (2024: 350,000).

Share Option Scheme

The Company had adopted a share option scheme (the "Share Option Scheme") in which the number of options of the Company (the "Options") may be granted to eligible employees (the "Eligible Employee(s)") pursuant to the terms of the Share Option Scheme. The share option scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from that date.

12. Share-based payment expense (continued)

The Share Option Scheme is subject to the administration of the board of directors of the Company in accordance with the Share Option Scheme.

Subject to the terms and conditions of the Share Option Scheme and the fulfilment of all relevant vesting conditions, the respective Options held by the Eligible Employee pursuant to the provision of the Share Option Scheme shall vest in such Eligible Employee in accordance with the vesting schedule (if any).

During the year ended 31 December 2025, no options are granted for the Share Option Scheme (2024: 250,000).

Details of the Options granted and unvested as at 31 December 2025 are set out below:

				Number of Awarded Options			
Date of Awarded options granted	*Vesting Period*	*Fair Value per option*	*Outstanding as at 31 Dec 2024*	*Granted during the year*	*Vested during the year*	*Lapsed during the year*	*Outstanding as at 31 Dec 2025*
22 March 2021	22 March 2022 to 22 March 2025 *	HK$0.9016	325,000	-	325,000	-	-
30 April 2024	30 April 2024 to 30 April 2028*	HK$0.9016	250,000	-	62,500	-	187,500

* 25% vested over 4 anniversary date of the grant date

The Company has recognised a share-based compensation expense of HK$349,385 for the Options under the Share Option Scheme in profit or loss (2024: HK$331,662). Nil Options lapsed prior to their vesting date for the year ended 31 December 2025 (2024: Nil).

13. Interests in joint ventures and due from joint ventures

	2025 HK$	*2024* HK$
Share of net assets		
Avo Tech Limited	6,106,332	8,038,626
Mobius Holdings Limited	-	117,750
	6,106,332	8,156,376

During 2025, the Company has impaired interests in Mobius Holdings Limited of HK$117,750 (2024: HK$2,805,375). As at 31 December 2025, accumulated impairment loss on interests in joint ventures amounted to HK$2,923,125 (2024: HK$2,805,375).

	2025 HK$	*2024* HK$
Due from joint ventures		
Avo Tech Limited	488,522	355,369

13. Interests in joint ventures (continued)

Particulars of the joint ventures as at the end of the reporting period are as follows:

Name	*Business structure*	*Place of incorporation*	*Issued ordinary share capital*	*Percentage of equity held by the Company*	*Principal activities*
Avo Tech Limited	Corporate	Hong Kong	12,500,000	50%	Technology Consulting Service
Mobius Holdings Limited	Corporate	Cayman Islands	150,000	16.67%	Holding Company (Securities)

The above investments are directly held by the Company.

The following table illustrates the aggregate financial information of the Company's joint ventures that are not individually material:

	2025 HK$	*2024 (Restated)* HK$
Share of joint ventures' loss for the year	(1,932,294)	(449,601)
Aggregate carrying amount of the Company's interests in joint ventures	6,594,854	8,511,745

During the year, the Company has separately disclosed the impairment loss on interests in joint ventures in the statement of profit or loss and other comprehensive income.

The comparative figures of 2024 has been reclassified to conform with current year's presentation. It resulted in a reduction of share of losses of joint ventures for the year ended 31 December 2024 by HK$2,805,375. Related disclosures in the statement of cash flows have also been reclassified.

14. Financial assets at fair value through profit and loss

	2025 HK$	*2024* HK$
Unlisted investment funds, at fair value	32,389,423	36,337,744
	32,389,423	36,337,744

As at 31 December 2025, the above unlisted investment funds were classified as at fair value through profit or loss as they were held for trading.

15. Material related party transactions

In addition to the transactions disclosed elsewhere in these financial statements, the Company had the following transactions with related parties during the year:

Income and expenses for the year

	2025 HK$	*2024* HK$
Insurance expense (note a)	363,434	341,858
Insurance expense (note b)	25,030	25,030
Gross premiums written involving a shareholder (note c)	95,206,655	220,839,534
Commission expenses involving a shareholder (note c)	46,248,329	122,559,007
Service fees to a shareholder (note d)	1,161,816	609,000
Service fees from shareholder (note e)	529,500	567,000
Service fees from a related party (note f)	161,000	350,000

Notes:

(a) Insurance expense was paid to a shareholder of the Company based on mutually-agreed terms.

(b) Insurance expense was paid to a related company of the Company based on mutually-agreed terms.

(c) The directors of the Company considered that the premium income from and commission expenses paid to policies written involving the shareholder was determined according to prices and terms similar to those offered to unrelated customers of the Company. The amounts represent actual premium income and commission expenses as presented in the statement of accounts.

(d) Service fees were paid to a shareholder of the Company based on mutually-agreed terms.

(e) Service fees were received from a shareholder of the Company based on mutually-agreed terms.

(f) Service fees were received from a related party of the Company based on mutually-agreed terms.

15. Material related party transactions (continued)

Balance at 31 December

Included below are balances with related parties:

	2025 HK$	*2024* HK$
Amount due from/(to) related parties		
- Insurance receivables (note a)	-	71
- Insurance payable (note b)	(8,431,246)	(5,010,305)
- Expense paid on behalf of a shareholder (note c)	718,344	750,194
- Expenses paid on behalf of a joint venture (note c)	488,522	355,369
- Loans to related companies (note d)	9,276,500	5,407,000

Notes:

(a) The insurance receivables are unsecured, non-interest bearing which are settled on credit term.

(b) The insurance payable is unsecured, non-interest bearing which is settled on credit term.

(c) The balance receivable are unsecured, non-interest bearing and no fixed term of payment.

(d) Further details of the loans are disclosed in note 19.

16. Financial instruments by categories

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	2025	*2024* *(Restated)*
	HK$	HK$
Due from joint ventures	488,522	355,369
Loans to related companies	9,276,750	5,407,000
Intercompany balance	718,344	750,194
Sundry deposits and other receivables	3,951,737	7,829,679
Financial assets at fair value through profit or loss	32,389,423	36,337,744
Certificate of deposits	214,996,657	92,544,050
Non-pledged time deposits with original maturity more than three months	-	72,155,500
Cash and cash equivalents	30,636,253	116,964,027
	292,457,686	332,343,563

Financial liabilities

	2025	*2024*
	HK$	HK$
Other payables	6,249,495	3,910,969

17. Fair value hierarchy of financial instruments

Management has assessed that the fair values of cash and cash equivalents, deposits and other receivables, due from a joint venture, loan to a related company and other payables approximate to their carrying amounts.

Management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major input applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

17. Fair value hierarchy of financial instruments (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Company's financial instruments:

Assets measured at fair value:

At 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	*Significant observable inputs (Level 2)* HK$'000	*Significant unobservable inputs (Level 3)* HK$'000	*Total* HK$'000
Financial assets at fair value through profit or loss	-	-	32,389	32,389
	-	-	32,389	32,389

At 31 December 2024 (Restated)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	*Significant observable inputs (Level 2)* HK$'000	*Significant unobservable inputs (Level 3)* HK$'000	*Total* HK$'000
Financial assets at fair value through profit or loss	-	-	36,337	36,337
	-	-	36,337	36,337

The Company did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2025 and 2024.

During the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 for both financial assets and financial liabilities.

During the year ended 31 December 2025, the Company categorized the classification of financial assets at fair value through profit or loss as Level 3. The comparative figures of 2024 have been reclassified to conform with current year's presentation.

17. Fair value hierarchy of financial instruments (continued)

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of financial assets at fair value through profit or loss is determined with reference to net asset value, which is considered a significant unobservable input, of the instruments as at the end of the reporting period.

As at 31 December 2025, for the fair value sensitivity analysis of financial assets at fair value through profit or loss classified as Level 3, it is estimated that with all other variables held constant, a decrease/increase in net asset value by 10% would have decreased/increased the Company's profit or loss by HK$3,238,900 (2024: HK$3,633,700).

The movement during the period in the balance of these Level 3 fair value measurements are as follows:

	2025 HK$	*2024* HK$
At 1 January	36,337,744	35,329,016
Payment for purchases	1,452,750	-
Redemption	(12,498,448)	-
Change in fair value recognised in profit or loss during the year	7,097,377	1,008,728
	32,389,423	36,337,744

18. Insurance risk and financial risk management objectives and policies

Regulatory framework

The operation of the Company is subject to local regulatory requirements in Hong Kong. The regulators are interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and subsequent development of claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The Company principally issues the following types of general insurance contracts: accident and health, property damage, general liability and pecuniary loss. Risks usually cover a twelve-month duration.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to mitigate exposure to catastrophic events.

18. Insurance risk and financial risk management objectives and policies (continued)

The majority of insurance business ceded is placed on a treaty basis with retention limits varying by product line. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are 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 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.

(a) Process used to determine the assumptions

The Company uses assumptions based on a mixture of internal and market data to measure its expected claims loss. Internal data is derived mostly from the Company's claims reports and screening of the actual insurance experience from prior years.

(b) Sensitivities

The general insurance claims provision is sensitive to the above key assumptions. The sensitivity of certain assumptions, such as legislative change and uncertainty in the estimation process, etc, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claims provisions are not known with certainty at the end of the reporting period.

Consequently, the ultimate liabilities will vary as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognized in subsequent financial statements.

The analysis below is performed for reasonably possible movements in average claim cost with all other assumptions held constant, showing the impact on gross and net liabilities, profit after tax and equity, if average claim costs were changed in a single calendar year.

	2025				2024			
HK$'000	*LIC as at 31 December*	*Impact on LIC*	*Impact on profit after tax*	*Impact on equity*	*LIC as at 31 December*	*Impact on LIC*	*Impact on profit after tax*	*Impact on equity*
Insurance contract liabilities	87,394				63,891			
Reinsurance contract assets	(474)				(557)			
Net insurance contract liabilities	86,920				63,334			
Unpaid claims and expenses - 5% increase								
Insurance contract liabilities		4,368	(4,368)	(4,368)		3,195	(3,195)	(3,195)
Reinsurance contract assets		(21)	21	21		(26)	26	26
Net insurance contract liabilities		4,347	(4,347)	(4,347)		3,169	(3,169)	(3,169)
Expenses - 5% increase								
Insurance contract liabilities		167	(167)	(167)		122	(122)	(122)
Reinsurance contract assets		-	-	-		-	-	-
Net insurance contract liabilities		167	(167)	(167)		122	(122)	(122)

18. Insurance risk and financial risk management objectives and policies (continued)

(c) Claim development table

The following tables reflect the cumulative incurred claims, including both claims notified and IBNR for each successive accident year at the end of each reporting period, together with cumulative payments to date.

Insurance claims - gross

For the year ended 31 December 2025 HK$'000	*2021*	*2022*	*2023*	*2024*	*2025*	*Total*
Estimate of ultimate claim costs (gross of reinsurance, undiscounted)						
At end of accident year	561	13,047	18,653	10,592	31,730	31,730
1 year later	2,070	53,336	67,534	29,954	-	29,954
2 year later	13,194	109,671	102,167	-	-	102,167
3 year later	15,635	112,912	-	-	-	112,912
4 year later	16,384	-	-	-	-	16,384
Cumulative gross claims paid	(14,870)	(101,605)	(82,488)	(15,585)	(983)	(215,531)
Gross cumulative claims liabilities - accident years from 2021 to 2025	1,514	11,307	19,679	14,369	30,747	77,616
Gross cumulative claims liabilities - prior accident years						33
Effect of discounting						(1,650)
Effect of the risk adjustment for non-financial risk						11,395
Gross LIC for the contracts originated (refer to note LIC)						87,394

Insurance claims - net

For the year ended 31 December 2025 (HK$'000)	*2021*	*2022*	*2023*	*2024*	*2025*	*Total*
Estimate of ultimate claim costs (net of reinsurance, undiscounted)						
At end of accident year	479	12,828	17,747	10,116	31,146	31,146
1 year later	2,068	53,230	67,099	29,670	-	29,670
2 year later	13,196	109,632	101,825	-	-	101,825
3 year later	15,634	112,895	-	-	-	112,895
4 year later	16,383	-	-	-	-	16,383
Cumulative net claims paid	(14,869)	(101,588)	(82,232)	(15,242)	(801)	(214,732)
Net cumulative claims liabilities - accident years from 2021 to 2025	1,514	11,307	19,593	14,428	30,345	77,187
Net cumulative claims liabilities - prior accident years						33
Effect of discounting						(1,640)
Effect of the risk adjustment for non-financial risk						11,340
Net LIC for the contracts originated (refer to note LIC)						86,920

18. Insurance risk and financial risk management objectives and policies (continued)

Market risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (foreign currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The management considers the Company's transactional currency exposures is minimal as the Company's principal transactions are carried out in Hong Kong dollar ("HKD") and the Company sells policies primarily denominated in HKD. The Company's exposure to foreign currency risk that arise from financial assets at fair value through profit or loss, certificate of deposits and time deposits denominated in USD amounted to USD25,281,224 (2024: USD23,776,855), in aggregate, at year end. If the Hong Kong dollar weakens/strengthens by 5% against the USD, with all other variables held constant, the Company's profit after tax increases/decreases by USD1,264,061 (2024: USD1,188,843).

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest rate risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk. The Company's interest rate policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets.

Interest rate risk on financial instruments primarily from the Company's investment in fixed rate time deposits and certificate of deposits. The Company's reinsurance contract assets and insurance contract liabilities are sensitive to interest rate risk.

The following table sets out the carrying amount of the Company's assets and liabilities that are exposed to interest rate risk:

	31 December 2025			31 December 2024		
	Fixed-rate HK$'000	*Floating-rate* HK$'000	*Total* HK$'000	*Fixed-rate* HK$'000	*Floating-rate* HK$'000	*Total* HK$'000
Financial instruments						
Cash and cash equivalents, time deposits and certificate of deposits	214,997	30,636	245,633	164,700	116,964	281,664
Loans to related companies	9,277	-	9,277	5,407	-	5,407
Insurance and reinsurance contracts						
Liabilities			(74,581)			(79,635)
Assets			992			1,290

18. Insurance risk and financial risk management objectives and policies (continued)

Sensitivity analysis

An analysis of the Company's sensitivity to a 1% parallel increase or decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

	Balance subject to interest rate risk	1% increase in interest rate impact on:		1% decrease in interest rates impact on:	
		Profit or loss	Equity	Profit or loss	Equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 December 2025					
Insurance contract liabilities	(74,581)	3,594	3,594	(3,734)	(3,734)
Reinsurance assets	992	(10)	(10)	10	10
Financial assets	254,910	2,549	2,549	(2,549)	(2,549)
31 December 2024					
Insurance contract liabilities	(79,635)	2,113	2,113	(2,197)	(2,197)
Reinsurance assets	1,290	(16)	(16)	16	16
Financial assets	287,071	2,871	2,871	(2,871)	(2,871)

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates primarily to its unlisted investment funds measured at fair value through profit or loss. A sensitivity analysis to price changes arising thereof is set out in note 17.

Financial risk

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Company manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Company; setting up of exposure limits by each counterparty of the Company; right of offset where counterparties are both debtors and creditors and review of credit risk policy for pertinence and changing environment.

Reinsurance

Reinsurance is placed with counterparties that are creditworthy in the opinion of management and concentration of risk is avoided by following guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

18. Insurance risk and financial risk management objectives and policies (continued)

Other financial assets

All the Company's cash and cash equivalents, time deposits and certificate of deposits are held in major financial institutions located in Hong Kong, which management believes are of high credit quality. The Company has policies in place to evaluate credit risk when accepting new business and to limit its credit exposure to individual customers.

The table below provides information regarding the credit risk exposure of the Company at 31 December 2025 and 2024 by classifying assets according to Standard & Poor's and Moody's credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade.

31 December 2025

	AAA HK$'000	*AA* HK$'000	*A* HK$'000	*BBB* HK$'000	*Not rated* HK$'000	*Total* HK$'000
Reinsurance contract assets	-	992	-	-	-	992
Intercompany balance	-	-	-	-	718	718
Due from joint ventures	-	-	-	-	489	489
Sundry deposits and other receivables	-	52	2,617	-	1,282	3,951
Loans to related companies	-	-	-	-	9,277	9,277
Certificate of deposits	-	-	214,997	-	-	214,997
Non-pledged time deposits with original maturity more than three months	-	-	-	-	-	-
Cash and cash equivalents	-	30,094	-	542	-	30,636
	-	31,138	217,614	542	11,766	261,060

31 December 2024 (Restated)

	AAA HK$'000	*AA* HK$'000	*A* HK$'000	*BBB* HK$'000	*Not rated* HK$'000	*Total* HK$'000
Reinsurance contract assets	-	1,290	-	-	-	1,290
Intercompany balance	-	-	-	-	750	750
Due from joint ventures	-	-	-	-	355	355
Sundry deposits and other receivables	-	1,329	5,112	-	1,388	7,829
Loans to related companies	-	-	-	-	5,407	5,407
Certificate of deposits	-	-	92,544	-	-	92,544
Non-pledged time deposits with original maturity more than three months	-	31,210	40,946	-	-	72,156
Cash and cash equivalents	-	23,608	93,356	-	-	116,964
	-	57,437	231,958	-	7,900	297,295

18. Insurance risk and financial risk management objectives and policies (continued)

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Company's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts for financial assets.

31 December 2025

	12-month expected credit losses	*Lifetime expected credit losses*			
	Stage 1	*Stage 2*	*Stage 3*	*Simplified approach*	*Total*
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Intercompany balance	718	-	-	-	718
Due from joint ventures	489	-	-	-	489
Sundry deposits and other receivables	3,951	-	-	-	3,951
Loans to related companies	9,277	-	-	-	9,277
Certificate of deposits	214,997	-	-	-	214,997
Non-pledged time deposits with original maturity more than three months	-				-
Cash and cash equivalents	30,636	-	-	-	30,636
Gross carrying amount	260,068	-	-	-	260,068

31 December 2024 (Restated)

	12-month expected credit losses	*Lifetime expected credit losses*			
	Stage 1	*Stage 2*	*Stage 3*	*Simplified approach*	*Total*
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Intercompany balance	750	-	-	-	750
Due from joint ventures	355	-	-	-	355
Sundry deposits and other receivables	7,829	-	-	-	7,829
Loans to related companies	5,407	-	-	-	5,407
Certificate of deposits	92,544	-	-	-	92,544
Non-pledged time deposits with original maturity more than three months	72,156	-	-	-	72,156
Cash and cash equivalents	116,964	-	-	-	116,964
Gross carrying amount	296,005	-	-	-	296,005

Loss allowance account in respect of financial assets as at 31 December 2025 amount to HK$Nil (2024: HK$Nil).

(b) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of initial share capital to meet its working capital and capital expenditure requirements.

18. Insurance risk and financial risk management objectives and policies (continued)

Maturity profile

The following tables present the estimated amount and timing of the remaining contractual discounted cash flows arising from insurance liabilities (the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held measured under the PAA are not included in the tables).

31 December 2025				*Years to maturity*				
	1	*2*	*3*	*4*	*5*	*6 - 10*	*>10*	*Total*
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Insurance contract balances								
Reinsurance contract assets	402	15	2	-	-	-	-	419
Insurance contract liabilities	(42,242)	(26,705)	(4,388)	(2,664)	-	-	-	(75,999)
Total insurance contract balances	(41,840)	(26,690)	(4,386)	(2,664)	-	-	-	(75,580)

31 December 2024 (Restated)				*Years to maturity*				
	1	*2*	*3*	*4*	*5*	*6 - 10*	*>10*	*Total*
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Insurance contract balances								
Reinsurance contract assets	402	85	3	-	-	-	-	490
Insurance contract liabilities	(30,025)	(13,689)	(5,621)	(3,956)	(1,964)	(302)	-	(55,557)
Total insurance contract balances	(29,623)	(13,604)	(5,618)	(3,956)	(1,964)	(302)	-	(55,067)

During the year, the Company has presented the disclosure in maturity profile of insurance contract balances by excluding the risk adjustment for non-financial risks. The comparative information has been restated to conform with current year's presentation.

Financial instruments

The following table sets out the remaining contractual maturities of the Company's financial liabilities.

2025	*Contractual undiscounted cash outflow*					
	Within 1 year or on demand	*More than 1 year but less than 2 years*	*More than 2 years but less than 5 years*	*More than 5 years*	*Total*	*Carrying amount at 31 Dec*
	$'000	$'000	$'000	$'000	$'000	$'000
Other payables	5,811	-	-	-	5,811	5,811

2024	*Contractual undiscounted cash outflow*					
	Within 1 year or on demand	*More than 1 year but less than 2 years*	*More than 2 years but less than 5 years*	*More than 5 years*	*Total*	*Carrying amount at 31 Dec*
	$'000	$'000	$'000	$'000	$'000	$'000
Other payables	3,911	-	-	-	3,911	3,911

The maturity profile for lease liabilities is set out in note 8.

18. Insurance risk and financial risk management objectives and policies (continued)

Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain healthy ratios in order to support its business.

In addition, externally imposed capital requirements are set and regulated by the Hong Kong Insurance Ordinance, covering both the overall solvency of the Company and its maintenance of assets in Hong Kong in respect of its Hong Kong general insurance liabilities. These requirements are put in place to ensure sufficient solvency margins. Further objectives have been agreed with the Insurance Authority to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business objectives and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares.

The Company fully complied with the externally imposed capital requirements during the reported financial periods and no changes were made to its capital objectives, policies and processes from the previous year. During the year, the Company has not issued any shares (2024: nil) to its new shareholder, resulting no increase in the share capital (2024: nil).

19. Loans to related companies

	2025	*2024*
	HK$	HK$
Loan to related companies	9,276,750	5,407,000

(1) In 2024, the Company granted a loan to a related party of the Company, the loan was unsecured, non-interest bearing and repayable on demand. The amount outstanding as at 31 December 2025 was HK$5,407,000 (2024: HK$5,407,000).

(2) In 2025, the Company granted a loan to a related party of the Company, the loan was unsecured, interest bearing at 13% per annum and repayable by 4 consecutive equal instalments. The last instalment shall fall due on 31 October 2027. The amount outstanding as at 31 December 2025 was HK$3,869,750 (2024: HK$Nil).

20. Commitments

At 31 December 2025, the Company had commitments of HK$2,553,513 (2024: HK$4,377,450) within one year and HK$Nil (2024: HK$2,553,513) later than one year but within five years relating to the future lease payment for the non-cancellable lease contract that has not yet commenced.

21. Non-adjusting events after the reporting period

There are no material subsequent events undertaken by the Company after 31 December 2025 and up to the date of this financial statements.

22. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation. Refer to the respective notes for more information.

23. Approval of the financial statements

The financial statements were approved and authorized for issue by the board of directors on 24 March 2026.