

Disclosure Statement at 31 December 2024

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025.

1 Company profile

- (a) Authorized insurer's name

Avo Insurance Company Limited

2 Financial position

- (a) Balance sheet determined under the Insurance (Valuation and Capital) Rules

(Unit: in HKD thousands)	As at 31 December 2024
	Total
Total assets	371,366
Cash and deposits	189,120
Debt securities	95,779
Equities (including portfolio investments)	36,338
Derivative financial instruments	0
Properties	0
Loans and advances	0
Reverse repurchase agreement	0
Other financial assets	29,401
Policyholder's account assets in respect of unit linked products or retirement scheme	0
Reinsurance assets	589
Tax assets	0
Other assets	20,139
Total liabilities	110,706
Insurance liabilities	99,721
Reinsurance liabilities	0
Repurchase agreement	0
Derivative financial instruments	0
Other financial liabilities	472
Tax liabilities	0
Other liabilities	10,514
Net assets	260,660

3 Insurance liabilities

(a) Total insurance liabilities determined under the Insurance (Valuation and Capital) Rules

Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at 31 December 2024									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
Total general insurance liabilities (<u>gross</u> of reinsurance)										<i>99,721</i>
Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)	<i>2,878</i>	<i>0</i>	<i>0</i>	<i>1,056</i>	<i>110</i>	<i>75</i>	<i>12</i>	<i>95,589</i>	<i>0</i>	<i>99,721</i>
Outstanding claims liabilities	<i>1,240</i>	<i>0</i>	<i>0</i>	<i>186</i>	<i>9</i>	<i>4</i>	<i>8</i>	<i>54,467</i>	<i>0</i>	<i>55,913</i>
Premium liabilities	<i>1,404</i>	<i>0</i>	<i>0</i>	<i>797</i>	<i>94</i>	<i>67</i>	<i>2</i>	<i>27,829</i>	<i>0</i>	<i>30,193</i>
Margin over current estimate for outstanding claims liabilities	<i>119</i>	<i>0</i>	<i>0</i>	<i>27</i>	<i>1</i>	<i>0</i>	<i>1</i>	<i>8,170</i>	<i>0</i>	<i>8,319</i>
Margin over current estimate for premium liabilities	<i>115</i>	<i>0</i>	<i>0</i>	<i>46</i>	<i>6</i>	<i>4</i>	<i>0</i>	<i>5,124</i>	<i>0</i>	<i>5,295</i>
Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)	<i>2,315</i>	<i>0</i>	<i>0</i>	<i>1,040</i>	<i>105</i>	<i>71</i>	<i>12</i>	<i>95,589</i>	<i>0</i>	<i>99,132</i>

4 Capital adequacy

- (a) Prescribed capital amount at total level and risk capital amount (“RCA”) by sub-risk, determined in accordance with the Insurance (Valuation and Capital) Rules (without applying the transitional arrangement under Part 7 of the Insurance (Valuation and Capital) Rules)

Prescribed Capital Amount

(Unit: in HKD thousands)	As at 31 December 2024
Market risk (diversified RCA)	22,260
Interest rate risk RCA	303
Credit spread risk RCA	758
Equity risk RCA	19,800
Property risk RCA	0
Currency risk RCA	4,848
Diversification benefits within market risk	-3,449
Life Insurance Risk (diversified RCA)	0
Mortality risk RCA	0
Longevity risk RCA	0
Life catastrophe risk RCA	0
Morbidity risk RCA	0
Expense risk RCA	0
Lapse risk RCA	0
Diversification benefits within life insurance risk	0
General Insurance Risk (diversified RCA)	35,389
Reserve and premium risk RCA	34,192
Natural catastrophe risk RCA	1,348
Man-made non-systemic catastrophe risk RCA	3,720
Man-made systemic catastrophe risk RCA	0
Mortgage insurance risk RCA	0
Diversification benefits within general insurance risk	-3,871
Counterparty default and other risk RCA	3,284
Diversification benefits among risk modules	-13,529
Operational risk RCA	9,963
Adjustment for loss absorbing capacity cap	0
Adjustment for tax effect	0
Any other items which the IA may specify to adjust	0
Prescribed capital amount	57,368

- (b) Composition of capital base determined in accordance with the Insurance (Valuation and Capital) Rules

Capital Base

(Unit: in HKD thousands)	As at 31 December 2024
Unlimited Tier 1 capital	260,660
Limited Tier 1 capital	0
Tier 2 capital	0
Capital base	260,660

(c) Ratio of capital base to prescribed capital amount

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	454.366 %

5 Statement of Compliance

- (i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of **Avo Insurance Company Limited**;
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025 (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the audited specified annual forms of **Avo Insurance Company Limited's** annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4 of the Insurance (Submission of Statements, Reports and Information) Rules; and
- (iv) I am satisfied that **Avo Insurance Company Limited** has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name:	Wong Chi Shun
Position:	Chief Executive Officer
Company Name:	Avo Insurance Company Limited