BOWTIE LIFE INSURANCE COMPANY LIMITED

Report of the Directors and
Audited Consolidated Financial Statements

For the year ended 31 December 2025

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

Reports and Consolidated Financial Statements
For the year ended 31 December 2025

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

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BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

REPORT OF THE DIRECTORS

The directors present their report, the audited consolidated financial statements prepared in accordance with the HKFRS Accounting Standards for the year ended 31 December 2025.

Principal activities

Bowtie Life Insurance Company Limited (the "Company" or "Bowtie") is incorporated and domiciled in Hong Kong. The principal activity of the Company is to underwrite life and health insurance business in Hong Kong. Details of the principal activities of the Company's subsidiaries are set out in Note 22 to the consolidated financial statements.

Since obtaining its long-term business insurance license in 2018 to underwrite Class A and D businesses, the Company has evolved from a virtual insurer into one of the mainstream life and health insurers in Hong Kong. The Company has significantly expanded its ecosystem through a strategic joint venture to deliver an integrated health model, and a network of subsidiaries providing third-party administration, engineering and consultancy services. Furthermore, the Company has initiated an international expansion strategy to drive growth across Southeast Asia.

Results

The results of Bowtie, together with its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 8.

Donations

No charitable and other donations were made by the Group during the year (2024: Nil).

Share capital

Details of the Company's share capital during the year are set out in Note 12 to the consolidated financial statements.

On 15 July 2025, the Company issued 186,459 additional preference shares resulting in an increase in paid-up share capital of US$40 million (equivalent to HK$314 million).

Share option scheme

Details of the share options granted in prior years are set out in Note 13 to the consolidated financial statements.

Plant and equipment

Details of the movements in plant and equipment of the Group during the year are set out in Note 10 to the consolidated financial statements.

Business review

Bowtie has achieved significant operational milestones in 2025, successfully completing a Series C funding round on 15 July 2025, raising US$70 million in growth capital, as a result of which the Company became a subsidiary undertaking of Sun life Hong Kong Limited. This significant fundraising achievement reflects strong investor confidence in the Company and its business model, market opportunity, and management team. The capital injection provides substantial resources to accelerate product development, expand technology infrastructure, enhance operational capabilities, and support continued market penetration.

Bowtie's near-term strategic priorities are focused on sustained customer acquisition and market penetration, underpinned by continued investment in product innovation and operational excellence.

Business review (continued)

The Company intends to maintain its current trajectory of organic growth by:

- Building a progressively larger customer base through targeted direct distribution and digital marketing initiatives;
- Expanding product offerings to address emerging customer segments and life stage requirements;
- Enhancing digital infrastructure and customer experience capabilities to maintain competitive advantage; and
- Leveraging scale to optimize cost structure and reinvest savings into enhanced service delivery and product innovation.

Bowtie is committed to democratizing insurance through technology-enabled innovation and customer-first principles. Our mission is to provide accessible, affordable, and transparent life and health insurance solutions that empower Hong Kong residents to protect themselves and their families with confidence.

Reinsurance arrangements

The Group has entered material reinsurance arrangements with reputable reinsurers as of 31 December 2025. They are summarised by line of business as follows:

Line of business	Product	Retention	Reinsurer	Type of treaty
Individual business - medical	VHIS Standard VHIS Flexi Regular VHIS Flexi Plus VHIS Pink	50% of medical benefits payable	SCOR Re	Quota share
Individual business - life	Simplified Underwriting Term Life	For policies before 1st Oct 2023: 50% share of benefits payable up to a limit of HKD1,000,000 for issue age 18-60, and 100% share for issue age 61-65 For policies on/after 1st Oct 2023: 50% share of benefits payable up to a limit of HKD1,000,000 for issue age 18-65	SCOR Re	Quota share + excess of loss
	Fully Underwriting Term Life	50% share of benefits payable up to a limit of HKD1,000,000 for issue age 18-65	SCOR Re Munich Re	Quota share + excess of loss
Individual business - critical illness	Term Critical Illness Term CI Plus Term CI Max Juvenile CI	50% share of benefits for all CI products. For issue age 15 days to 65 (excluding Juvenile CI), HKD 500,000 retention limit applies with all benefits in excess of the limit ceded.	SCOR Re	Quota share + excess of loss
Group business - medical	Group Medical - Basic Bronze Level Group Medical - Basic Silver Level Group Medical - Basic Gold Level	100% share for Basic Bronze Level. For Basic Silver and Basic Gold Level, retain 100% share for companies established less than 1 year, and 50% for companies established greater or equal to 1 year	SCOR Re	Quota share

Reinsurance arrangements (continued)

Line of business	Product	Retention	Reinsurer	Type of treaty
Group business - medical (continued)	Group Medical - Pro Bronze Level Group Medical - Pro Silver Level Group Medical - Pro Gold Level Group Medical – Pro Platinum	100% share of outpatient benefit. Retain 100% share for companies established less than 1 year, and 50% of inpatient and life benefits for companies established greater or equal to 1 year	SCOR Re	Quota share

Directors

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

Chan, Michael Kwan Yu
Lam, Ka Yin (appointed on 22 September 2025)
Lau, James Henry Jr*
Money, Laura Ann
Ngan, Yiu Fai Frederick
Revell, David John* (appointed on 13 January 2026)
Shishido, Tomoya (resigned on 15 July 2025)
Walper, Dustin* (resigned on 28 September 2025)

* Independent Non-Executive Director

There being no provision in the Company's articles of association for retirement by rotation, all directors continue in office. They have confirmed that they have no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

Pursuant to Sections 390(4) to (7) of the Companies Ordinance, a list of the names of the directors of the Company's subsidiary undertakings during the year ended 31 December 2025 and up to the date of this report is kept at the Company's registered office and is available for inspection by shareholders free of charge during normal business hours.

Controllers

The controllers of the Company, within the meaning of Section 9(1) of the Insurance Ordinance, during the year and up to the date of this report were:

Chan, Michael Kwan Yu
Lam, Ka Yin
Ngan, Yiu Fai Frederick
Strain, Kevin David
Sun Life Assurance Company of Canada
Sun Life Financial Inc.
Sun Life Hong Kong Limited

REPORT OF THE DIRECTORS (continued)

Directors' and controllers' material interests in transactions, arrangements and contracts that are significant in relations to the Company's business

Except for those transactions disclosed in Note 19, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its holding companies was a party and in which a director or controller of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' and controllers' interest in property, payments, loan advanced or obligation assumed

Except for those transactions disclosed in Note 19, no properties were transferred, loans advanced to or obligations assumed by or for a director or a controller of the Company, his nominees or associates (within the meaning of section 9 of the Insurance Ordinance) during the year. Amount paid or payable to the directors or controllers of the Company are shown in Note 19 to the consolidated financial statements.

Directors' and controllers' interest in the shares, underlying shares and debentures of the Company or any specified undertaking of the Company

During and as at 31 December 2025, the interests of each director in the shares of the Company were listed as follows:

Chan, Michael Kwan Yu	282,900 ordinary shares
Ngan, Yiu Fai Frederick	268,965 ordinary shares

Except for the above, at no time during the year was the Company a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Permitted indemnity provision

Pursuant to the Company's articles of association, subject to the relevant statutes, every director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or which may attach thereto. The Company has taken out insurance against the liabilities and costs associated with proceedings which may be brought against directors of the Company.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Auditors

On 27 December 2025, Deloitte Touche Tohmatsu ("Deloitte") was appointed to fill the casual vacancy following the resignation of PricewaterhouseCoopers ("PwC") on 28 November 2025. Both PwC and Deloitte confirmed there are no matters or disagreements regarding the transition that need to be brought to shareholders' attention. Following its appointment, Deloitte conducted the audit of the consolidated financial statements of the Company and its subsidiaries for the year. Deloitte will retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer itself for re-appointment.

On behalf of the Board

Money, Laura Ann Director	Chan, Michael Kwan Yu Director	Ngan, Yiu Fai Frederick Director

Deloitte. 德勤

INDEPENDENT AUDITOR'S REPORT

To the Members of Bowtie Life Insurance Company Limited
(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Bowtie Life Insurance Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 8 to 57, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated 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") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 30 July 2025.

Other Information

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

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

Report on the Audit of the Financial Statements - continued

Other Information – continued

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

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

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT - Continued

To the Members of Bowtie Life Insurance Company Limited - Continued
(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements – continued

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in this independent auditor's report is Benjamin Peter Hucklebridge (practising certificate number: P08621).

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
29 April 2026

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK$	2024 HK$
Insurance revenue	14	511,768,596	226,973,182
Insurance service expenses	14	(532,355,726)	(287,671,774)
Net (expenses)/income from reinsurance contracts held	15	(32,337,727)	16,489
Insurance service result		**(52,924,857)**	**(60,682,103)**
Finance income	8	8,490,517	5,500,450
Finance expenses		(368,265)	(274,902)
Net investment result		**8,122,252**	**5,225,548**
Other income	8	48,306,268	20,548,771
Operating expenses	6	(151,050,117)	(115,879,391)
Other losses	6	(2,584,753)	(757,666)
Share of losses from joint venture	9	(309,223)	(640,237)
Loss before tax		**(150,440,430)**	**(152,185,078)**
Income tax expense	7	-	-
Loss attributable to the shareholders of the Company		**(150,440,430)**	**(152,185,078)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustment arising from foreign operation		(91,498)	(21,818)
Total comprehensive loss attributable to the shareholders of the Company		**(150,531,928)**	**(152,206,896)**

The notes on pages 14 to 57 are an integral part of these financial statements.

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31 December 2025 HK$	31 December 2024 HK$
Assets			
Right-of-use assets	11	34,970,950	3,064,748
Plant and equipment	10	2,397,516	3,002,246
Interests in a joint venture	9	1,276,914	513,637
Insurance contract assets	14	2,859,077	-
Reinsurance contract assets	15	38,969,588	42,971,365
Deferred tax assets		1,783,464	1,783,464
Prepayments and other receivables	16	14,529,630	16,890,320
Cash and cash equivalents	17	407,866,648	188,919,775
Total assets		504,653,787	257,145,555
Liabilities			
Insurance contract liabilities	14	136,128,720	111,915,172
Reinsurance contract liabilities	15	5,604,731	14,229,127
Lease liabilities	11	33,455,670	3,152,284
Unearned fee income		467,746	484,832
Accruals and other payables	18	66,363,133	30,314,850
Provision for reinstatement costs	18	2,147,865	19,440
Total liabilities		244,167,865	160,115,705
Equity			
Share capital	12	997,814,376	683,826,376
Accumulated losses		(747,100,014)	(596,659,584)
Share-based compensation reserve		10,054,896	10,054,896
Foreign currency translation reserve		(283,336)	(191,838)
Total equity attributable to shareholders of the Company		260,485,922	97,029,850
Total equity and liabilities		504,653,787	257,145,555

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2025

The consolidated financial statements on pages 8 to 57 were authorised for issue by the Board of Directors for issue on 29 APR 2026 and were signed on its behalf by:

Money, Laura Ann Director	Chan, Michael Kwan Yu Chief Executive Officer	Ngan, Yiu Fai Frederick Director

The notes on pages 14 to 57 are an integral part of these financial statements.

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Notes	Share capital HK$	Accumulated losses HK$	Share-based compensation reserve HK$	Foreign currency translation reserve HK$	Total HK$
Balance at 1 January 2024		683,826,376	(444,474,506)	9,959,663	(170,020)	249,141,513
Loss for the year		-	(152,185,078)	-	-	(152,185,078)
Other comprehensive loss for the year:						
Foreign currency translation adjustment arising from foreign operation		-	-	-	(21,818)	(21,818)
Total comprehensive loss for the year		-	(152,185,078)	-	(21,818)	(152,206,896)
Equity-settled share-based compensation	13	-	-	95,233	-	95,233
Balance at 31 December 2024		683,826,376	(596,659,584)	10,054,896	(191,838)	97,029,850
Balance at 1 January 2025		683,826,376	(596,659,584)	10,054,896	(191,838)	97,029,850
Loss for the year		-	(150,440,430)	-	-	(150,440,430)
Other comprehensive loss for the year:						
Foreign currency translation adjustment arising from foreign operation		-	-	-	(91,498)	(91,498)
Total comprehensive loss for the year		-	(150,440,430)	-	(91,498)	(150,531,928)
Issuance of preference shares		313,988,000	-	-	-	313,988,000
Balance at 31 December 2025		997,814,376	(747,100,014)	10,054,896	(283,336)	260,485,922

The notes on pages 14 to 57 are an integral part of these financial statements.

BOWTIE LIFE INSURANCE COMPANY LIMITED
保泰人壽保險有限公司

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK$	2024 HK$
Cash flows from operating activities			
Loss before tax		(150,440,430)	(152,185,078)
Adjustments for:			
Share of losses of joint venture	9	309,223	640,237
Interest income on bank deposits	8	(8,490,517)	(5,500,450)
Depreciation	6	6,709,036	5,365,967
Increase in provision for reinstatement costs		2,128,425	-
Other non-cash operating items, including the effect of exchange rate changes on certain operating items		499	195
Interest expenses on lease liabilities		368,265	274,902
Share-based compensation expenses	13	-	95,233
Cash flows from operations before working capital changes		(149,415,499)	(151,308,994)
Increase in insurance contract assets		(2,859,077)	-
Decrease/(increase) in reinsurance contract assets		4,001,777	(20,000,353)
Increase/(decrease) in prepayments and other receivables		2,360,690	(4,315,455)
Increase in accrual and other payables		36,048,283	5,300,267
Increase in insurance contract liabilities		24,213,548	48,846,936
(Decrease)/increase in reinsurance contract liabilities		(8,624,396)	10,183,680
(Decrease)/increase in unearned fee income		(17,086)	210,867
Net cash used in operating activities		(94,291,760)	(111,083,052)
Cash flows from investing activities			
Interest received on bank deposits	8	8,490,517	5,500,450
Purchases of plant and equipment	10	(1,834,161)	(3,104,942)
Increase in interests in a joint venture		(1,072,500)	-
Net cash generated from investing activities		5,583,856	2,395,508

The notes on pages 14 to 57 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2025

	Notes	2025 HK$	2024 HK$
Cash flows from financing activities			
Payments of lease liabilities	11	(6,241,725)	(3,297,600)
Proceeds from issuance of preference shares	12	313,988,000	-
Net cash generated/(used in) from financing activities		307,746,275	(3,297,600)
Net increase/(decrease) in cash and cash equivalents		219,038,371	(111,985,144)
Cash and cash equivalents at the beginning of year	17	188,919,775	300,926,737
Effects of exchange rate changes on cash and cash equivalents		(91,498)	(21,818)
Cash and cash equivalents at end of year	17	407,866,648	188,919,775

The notes on pages 14 to 57 are an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a limited liability company incorporated under the laws of the Hong Kong having its registered office at 4/F, Bowtie Life Insurance Tower, 68 Johnston Road, Wan Chai, Hong Kong. The Company is licensed by the Insurance Authority to underwrite life and health insurance business in Hong Kong.

Since 15 July 2025, the Company has been a subsidiary of Sun Life Hong Kong Limited, a company in incorporated in Bermuda, and which is considered the Company's immediate holding company. Its ultimate holding company is Sun Life Financial Inc. ("SLF Inc."), a company incorporated in Canada and listed on the Toronto, New York and Philippines stock exchanges.

These financial statements are presented in Hong Kong Dollars (HK$) unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual periods beginning on or after 1 January 2025 for the preparation of the financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards - Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis unless otherwise specified. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services when they were purchased.

Material accounting policies adopted by the Group are disclosed below.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Subsidiaries

The Group

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company

Investments in subsidiaries are in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received or receivable.

3.3 Joint Arrangement

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has a joint venture.

The interest in a joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests, such as long-term receivables or loans, that in substance form part of the entity's net investment in the joint venture. Long-term interests in joint ventures are accounted for as financial assets in accordance with HKFRS 9 *Financial Instruments.*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated statement of profit or loss and other comprehensive income, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Joint Arrangement (continued)

Where the Group's share of losses in a joint venture equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Losses recognised using the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the entity's interest.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 3.9.

3.4 Revenue recognition

(a) Interest income

Interest income for interest-bearing financial instrument including measured at fair value through profit or loss is recognised as finance income in consolidated statement of profit or loss and other comprehensive income using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(b) Subscription service income

Subscription service income of non-insurance operations relates to healthcare and medical services provided, is recognised as other income in consolidated statement of profit or loss and other comprehensive income. The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods and services underlying the particular performance obligation is transferred to the customers. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

A performance obligation represents a good or service (or a bundle of goods and services) that is distinct or a series of distinct goods or services that are substantially the same.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Revenue recognition (continued)

(c) Cafe income

Cafe income is recognised as other income in the consolidated statement of profit or loss and other comprehensive income. The Group recognise revenue from the sale of food and beverage at the point of sale to the customer, generally on delivery of the food and beverage.

(d) TPA income

TPA income is recognised as other income in the consolidated statement of profit or loss and other comprehensive income. The Group recognise revenue from the provision of third-party administration and policy maintenance services over time, with monthly payments recorded on a straight-line basis over the service period to reflect the continuous nature of the services rendered.

3.5 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss ("FVPL"); and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

For assets measured at fair value, gains and losses will be recorded in consolidated statement of profit or loss and other comprehensive income.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. From this date, we record in our books any gains and losses arising from changes in fair value of the financial assets held at fair value through profit or loss.

Financial assets are derecognised when the rights to received cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial assets (continued)

(b) Recognition and derecognition (continued)

(i) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated statement of profit or loss and other comprehensive income.

The fair value of the financial instrument on initial recognition is generally the transaction price (that is the fair value of the consideration given or received). However, the fair value will be based on other observable current market transactions in the same instruments, or on valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognise a trading gain or loss on day 1, being the difference between the transactions price and the fair value. These investments are subsequently accounted for as follows, depending on their classification.

(ii) Amortised cost

Investments in debt securities that are held for the collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising from derecognition is recognised directly in the consolidated statement of profit or loss and other comprehensive income. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

(iii) FVPL

Changes in fair value of investments in debt securities and equity instruments that are subsequently measured at FVPL are recognised in the consolidated statement of profit or loss and other comprehensive income and presented net within other gains/(losses) in the period in which they arise. We determine the fair value of financial instruments based on their quoted market prices on a recognised stock exchange or price from a broker/dealer for non-exchange-traded financial instruments at the end of the reporting period without any deduction for estimated future selling costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial assets (continued)

(c) Impairment

We establish an allowance for expected credit losses ("ECL") for financial assets measured at amortised costs. An amount equal to the allowance for ECL that would arise if the assets were measured at amortised cost is recognised in OCI, with changes in the allowance for ECL recognised in provision for credit losses in the Group's statement of profit or loss.

At the end of each reporting period, we apply a three-stage impairment approach to measure the ECL on financial assets measured at amortised cost:

Stage 1: For financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, a loss allowance equal to the credit losses expected to result from default events occurring over the 12 months following the reporting date is recognised.

Stage 2: For financial assets that have experienced a significant increase in credit risk since the date of initial recognition, a loss allowance equal to the credit losses expected to result from default events occurring over the remaining lifetime of the financial asset is recognised.

Stage 3: When a financial asset is considered to be credit-impaired, a loss allowance equal to the ECL over the remaining lifetime of the financial asset is recognised. Interest income is calculated based on the carrying amount of the asset, net of the loss allowance.

We monitor all financial assets that are subject to impairment for significant increase in credit risk. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3.6 Financial liabilities and equity instruments

Other financial liabilities

Other financial liabilities, including other payables are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Financial liabilities and equity instruments (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

De-recognition

The Group derecognises a financial liability when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss and other comprehensive income.

3.7 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less and lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by accumulated depreciation and any accumulated impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise net present value of the fixed payments, including in-substance fixed payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 Leases (continued)

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated statement of profit or loss and other comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

3.8 Plant and equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is provided to write off the cost of items of plant and equipment after taking into account of their estimated residual value, using the straight-line method over their estimated useful lives:

Leasehold improvements	Shorter of 3 years or lease term
Furniture, fixtures and equipment	3 years

During the current reporting period, the Group entered into a new rental agreement for its office premises, effective 1 November 2025. In conjunction with this new long-term commitment, the Group conducted a review of the estimated useful lives of its related assets.

As a result, management determined that the expected utility of these assets has been extended. Consequently, the estimated useful lives were revised as follows:

Leasehold improvements	Shorter of 5 years or lease term
Furniture, fixtures and equipment	5 years

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.8 Plant and equipment (continued)

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

3.9 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.10 Insurance and reinsurance contracts classification

The Group issues insurance contracts which accept significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. As a general guideline, the Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the classification requirements for insurance contracts as mentioned above are classified as reinsurance contracts held.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Insurance and reinsurance contracts accounting treatment

3.11.1 Recognition

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

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

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

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Insurance and reinsurance contracts accounting treatment (continued)

3.11.2 Contract boundary

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

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

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

For life contracts with renewal periods, the Group assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by the Group by considering all the risks covered for the policyholder by the Group, that the Group would consider when underwriting equivalent contracts on the renewal dates for the remaining service. The Group reassesses the contract boundary of each group at the end of each reporting period.

3.11.3 Unit of account

For insurance contracts measured using the Premium Allocation Approach ("PAA"), the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a group level.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Insurance and reinsurance contracts accounting treatment (continued)

3.11.4 Onerous groups of contracts

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

- pricing information,
- results of similar contracts it has recognised,
- environmental factors, e.g., a change in market experience or regulations.

When the expected cash outflow exceeds the carrying amount of the liability for remaining coverage ("LRC"), the group of insurance contracts becomes onerous. The Group recognises the excess in insurance service expenses as loss component (see Note 3.11.6).

3.11.5 Measurement

Insurance contracts
The Group applies the PAA to simplify the measurement of all the insurance contracts that it issues and reinsurance contracts that it holds when the following criteria are meet:
- the coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums with the contract boundary; or
- for contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group uses the PAA for measuring all the insurance contracts as the coverage period of each contract is one year or less. The Group uses PAA for measuring the reinsurance contracts as Group has modelled possible future scenarios and reasonably expects that the measurement of the asset for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Insurance and reinsurance contracts accounting treatment (continued)

3.11.5 Measurement (continued)

Insurance contracts (continued)
The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

The carrying amount of the LRC under the PAA is measured as:

- the premiums received, if any, at initial recognition
- minus any insurance acquisition cash flows at that date, with exception of contracts which are one year or less where this is expenses,
- plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

The carrying amount of the Liability for incurred claims ("LIC") represents the best estimate of the expected future cash flows. Refer to Note 4 for details of the critical assumptions applied in the measurement of LIC.

There is no allowance for time value of money as it is expected that the premiums are received and claims are settled within one year of the coverage period.

Unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liabilities of incurred claims.

Reinsurance contracts held
The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

3.11.6 Loss component

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances, stated in Note 3.11.4, indicate otherwise. Where, at any time during the coverage period, the facts and circumstances mentioned in Note 3.11.4 indicate that a group of insurance contracts becomes onerous, the Group recognises a loss component in consolidated statement of profit or loss and other comprehensive income, being the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for the remaining coverage of the group.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Insurance and reinsurance contracts accounting treatment (continued)

3.11.6 Loss component (continued)

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Group uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Where the Group enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in consolidated statement of profit or loss and other comprehensive income on initial recognition.

3.11.7 Insurance acquisition cash flows

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

The Group chooses to expense insurance acquisition cash flows as they incur, provided that the coverage period of each contract in the group at initial recognition is no more than one year.

3.11.8 Insurance contracts - modification and derecognition

The Group derecognises insurance contracts when:

- the rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired), or
- the contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Insurance and reinsurance contracts accounting treatment (continued)

3.11.9 Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

3.11.10 Net income or expenses from reinsurance contracts held

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

3.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.13 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income within taxation, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority to the entity where there is an intention to settle the balances on a net basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.14 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions that the transactions are denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. If several exchange rates are available, the forward rate is used at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Translation differences on financial assets and liabilities held at fair value are reported as part of the fair value gain or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(b) Bonus plans

The Group recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the directors and employees services received in exchange for the grant of the equity instruments is recognised as an expense being absorbed by the Group. The total amount to be recognised as an expense in the Group's consolidated statement of profit or loss and other comprehensive income is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

(d) Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong.

Contributions are made based on a percentage of the employees' relevant income and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Accordingly, there are no forfeited contributions available to reduce the Group's existing level of contributions.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value.

3.17 Share capital

Ordinary and preference shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses within the next financial year. Estimates and judgments are periodically evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

<u>Estimate of future cash flows related to insurance contracts</u>

Measurement of insurance contracts – liability for incurred claims

The determination of the liabilities is dependent on estimates made by the Group. The Group has exposure to both mortality and morbidity risk. Estimates are made as to the expected level of claims and the expected expenses to be incurred. The Group bases mortality estimates on standard industry mortality tables that reflect recent historical mortality experience, adjusted where appropriate to reflect the Group's own experience. The Group bases morbidity estimates on reinsurance premiums and relevant industry experience, adjusted where appropriate to reflect the Group's own experience. The main source of uncertainty lies in the uncertainty of insured pool's mortality and morbidity incidence, in particular the uncertainty of the costs of medical care.

The Group selects its key assumptions and performed sensitivity analysis through a prudent approach and to reflect the actual experience development. These assumptions are reviewed on an annual basis to ensure the assumptions reflect the Group's latest estimation. For the liability for incurred claims as of 31 December 2025, the best estimated loss ratio of the Group adopted is 70% and the expected time lag of reported claims is 1 month.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING ACCOUNTING POLICIES (continued)

Estimate of future cash flows related to insurance contracts (continued)

Measurement of insurance contracts – liability for incurred claims (continued)

Sensitivities

Mortality/morbidity risks are the key drivers that change results of the liabilities for incurred claims. The following table reflects sensitive analysis of key assumption relevant to liabilities for incurred but not reported claims. Under the condition when other variables remain constant, changes in loss before income tax and total equity before income tax due to expected loss ratio change are as follows:

Changes in loss ratio	2025	
	Impact on loss before tax HK$'000	Impact on total equity (before the effects of taxation) HK$'000
+10%	(3,246)	(3,246)
-10%	3,246	3,246

Changes in loss ratio	2024	
	Impact on loss before tax HK$'000	Impact on total equity (before the effects of taxation) HK$'000
+10%	(1,658)	(1,658)
-10%	1,658	1,658

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

Insurance and financial risk management objectives and policies

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarises these risks, including other market risks, that the Group identifies and the way it manages them.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the amount of the resulting claim is uncertain. By the very nature of an insurance contract, this risk is random and therefore unpredictable at an individual level.

(a) Frequency and severity of claims

The Group manages risks through its product design and pricing strategy, underwriting strategy and reinsurance arrangements.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of type of risk and the level of insured benefits. For example, medical selection is included in the Group's underwriting procedures with premiums varied to reflect the health condition and family medical history of the applicants. Refer to Note 4 for the sensitivity analysis over the changes in risk variable arising from insurance contract liabilities.

(b) Sources of uncertainty in the estimation of future claim payments

Claims are payable on a claims-occurrence basis. The Group is liable for all insured events that occur during the term of the contract, assuming said claims are reported to the Group in a timely manner. All of the Group's insurance contracts could be repriced and therefore the Group is capable in reacting to the uncertainty of future claim payments by pricing adjustments.

5.2 Financial risk

The Group is exposed to financial risk through its financial assets, financial liabilities reinsurance contract assets/liabilities and insurance contract liabilities. In particular the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its contracts. The most important components of financial risk are liquidity risk and market risks, which include interest rate risk, credit risk and currency risk. These risks arise from open positions in interest rate and currency are exposed to general and specific market movements.

5.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities due to shortage of liquid funds.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.3 Liquidity risk (continued)

The Group's objective is to ensure there are adequate funds to meet its liquidity requirements in the short and longer terms. In the management of liquidity risk, the Group considers the maturity of both its financial liabilities and financial assets and projected cashflows from operations. As most of the financial liabilities are with maturity profiles less than one year, the Group manages the liquidity risk by holding sufficient liquid assets such as cash and short-term deposits.

The following tables indicate the contractual timing of cash flow arising from financial assets and liabilities based on the remaining undiscounted contractual obligations, as well as the expected repayment dates of insurance contracts liabilities and reinsurance contracts assets.

		Expected net cashflow - Undiscounted				
HK$'000	Notes	Total	Due in one year or less	Due after one year through five years	Due after five years	No fixed maturity/on demand
2025						
Insurance contract liabilities	14	136,129	136,129	-	-	-
Reinsurance contract liabilities	15	5,605	5,605	-	-	-
2024						
Insurance contract liabilities	14	111,915	111,915	-	-	-
Reinsurance contract liabilities	15	14,229	14,229	-	-	-

In setting claims provisions for incurred claims, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain. For all of the Group's insurance business, uncertainty about the amount and timing of all claims payments is typically resolved within one year, and as such the Group has not disclosed development information.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.3 Liquidity risk (continued)

		Gross undiscounted cashflow					
HK$'000	Notes	Total	Due in one year or less	Due after one year through five years	Due after five years	No fixed maturity/ on demand	Adjustments
2025							
Financial Assets							
At amortised costs							
Long-term interests in joint venture	9	1,277	-	-	-	1,277	-
Other receivables		4,954	-	-	-	4,954	-
Cash and cash equivalents	17	407,867	-	-	-	407,867	-
		414,098	-	-	-	414,098	-
Financial Liabilities							
At amortised costs							
Accruals and other payables		41,672	41,672	-	-	-	-
2024							
Financial Assets							
At amortised costs							
Long-term interests in joint venture	9	514	-	-	-	514	-
Other receivables		11,433	-	-	-	11,433	-
Cash and cash equivalents	17	188,920	-	-	-	188,920	-
		200,867	-	-	-	200,867	-
Financial Liabilities							
At amortised costs							
Accruals and other payables		17,242	17,242	-	-	-	-

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.3 Liquidity risk (continued)

The following table sets out the contractual timing of cash flows relating to the Group's lease liabilities based on the remaining undiscounted contractual obligations:

HK$'000	Weighted average effective interest rate	Total undiscounted cash flows	Within 1 month	Due after 1 month until one year	Due after one year through five years	Due after five years	Carrying Amount Total
2025							
Lease Liabilities	5.0%	37,745	-	7,097	30,648	-	33,456
2024							
Lease Liabilities	5.7%	3,250	275	2,975	-	-	3,152

Fair values

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cashflow analysis using prices or rates from observable current market transactions as input. The directors consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the consolidated financial statements approximate their fair values.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.4 Interest rate risk

The interest rate risk arises primarily from its bank deposits. As at 31 December 2025, the Group's exposure to interest rate risk is considered relatively low as its finance income is primarily derived from short-term bank fixed deposits. Management monitors the interest rate environment and maintains a conservative portfolio of deposits with reputable financial institutions to maximize returns while ensuring liquidity.

No material interest rate risk exists for short-term insurance liabilities, as they are not directly sensitive to the level of market interest rates since they are undiscounted and contractually non-interest-bearing.

5.5 Credit risk

The Group has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Group is exposed to credit risk are:

- reinsurance contract assets
- other receivables, and
- cash and cash equivalents

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as a primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract and to ensure ongoing creditworthiness of the reinsurer. The Group's policy is to accept only reinsurers with investment grade external credit ratings (i.e. BBB- or higher). As at 31 December 2025 and 2024, the reinsurers associated with the reinsurance contract assets were investment grade.

The Group also has a concentration of credit risk pertaining to amounts due from Sun life Hong Kong Limited, the immediate holding company, of HK$934,340 (2024: HK$4,593,319). Sun Life Hong Kong has a credit rating of AA- by Standard and Poor's at the end of the year and does not have any history of default.

At 31 December 2025 and 2024, the Group had concentration of credit risk arising from its cash and cash equivalents and the related interest receivable, the majority is with the financial institution rated A+ by Standard and Poor's at the end of the year and does not have any history of default. The Group reviews the recoverable amount of each individual balance receivable at the end of the reporting period to ensure that adequate impairment losses are made for unrecoverable amounts. The creditworthiness of these counterparties is considered by reviewing their financial strength prior to finalisation of any agreement and transaction.

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.5 Credit risk (continued)

The maximum credit risk exposure arising from the Group's financial assets and reinsurance contract assets is the carrying amount recognised on the consolidated statement of financial position less, where applicable, any Expected Credit Loss provision ("ECL"). The Group has assessed that all financial assets and reinsurance contract assets are currently categorised as performing, and then have has applied the 12-month ECL to measure the loss allowance. As at 31 December 2025, the management have determined that the estimated 12-month ECL is immaterial and therefore have recognised an ECL of HK$nil (2024: HK$nil).

5.6 Currency risk

The Group operates in Hong Kong and issues Hong Kong dollar denominated insurance policies.

The Group's policy is to generally invest in assets denominated in the same currencies and/or assets in foreign currencies hedged back to the currencies of the insurance liabilities, which mitigate the Group's foreign currency exchange rate risk. As at 31 December 2025, the Group's assets are mainly denominated in Hong Kong dollars and United States dollars. Since the Hong Kong dollars are currently pegged to the United States dollars, the impact of exchange rate fluctuation is considered to be insignificant to the results of the Group.

5.7 Sensitivity analysis

Sensitivity analysis to the key variables affecting financial assets is set out in the table below. In calculating the sensitivity of debt instruments to changes in interest rates, the Group assumes no corresponding impact to liabilities to policyholders.

Information is presented to illustrate the estimated impact on loss and total equity arising from a change in a single variable before taking into account the effects of taxation.

	2025		2024	
HK$'000	Impact on loss before tax	Impact on total equity (before the effects of taxation)	Impact on loss before tax	Impact on total equity (before the effects of taxation)
Interest rate risk				
+50 basis points shift in yield curves	76	76	34	34
-50 basis points shift in yield curves	(76)	(76)	(34)	(34)

5. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

5.8 Capital management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern and to comply with capital requirements specified in the HKIO, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or return capital to shareholders.

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

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

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

6. OTHER LOSSES AND OPERATING EXPENSES

	2025 HK$	2024 HK$
Other losses		
Exchange differences, net	2,584,753	757,666
	2,584,753	757,666
Operating expenses		
Auditors' remuneration	1,218,479	1,289,074
Depreciation of right-of-use assets	4,270,644	3,064,752
Depreciation of plant and equipment	2,438,392	2,301,215
Staff costs		
Salaries (note i)	137,852,206	105,831,518
Share-based compensation expenses (note 13)	-	95,233
Other post-employment benefits (note i)	4,671,710	3,994,728
Directors' remuneration (note 19)	3,746,251	2,916,000
Others (note ii)	105,849,703	87,310,381
Amounts attributed to insurance acquisition cash flows	(85,902,560)	(74,009,679)
Amount attributed to incurred claims and maintenance expenses	(23,094,708)	(16,913,831)
Operating expenses	151,050,117	115,879,391

Notes:

(i) Included in the staff costs is HK$8,805,731 (2024: HK$3,143,430) paid to Mitsui & Company Hong Kong Limited and Sun Life Hong Kong Limited for staff secondment arrangements.

(ii) Included marketing and branding, policyholder related expenses, IT software & hardware expenses, legal & professional fee and other general operating expenses

7. INCOME TAX

Under the Hong Kong Inland Revenue Ordinance, assessable profit from the business of individual life insurance in Hong Kong is deemed to be 5% of the net premium income for the year. Hong Kong Profits Tax on other businesses is calculated at 16.5% during 2025 and 2024 of the estimated assessable profit for the year.

Hong Kong Profits Tax on other businesses is calculated at 16.5% during 2025 and 2024 of the estimated assessable profit for the year. The Company is operating in Hong Kong, where the Pillar Two Rules are effective. However, as the Company's estimated effective tax rates in the jurisdiction is higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management's best estimate, the management of the Company considered the Company is not liable to top-up tax under the Pillar Two Rules and has not made relevant disclosures of qualitative and quantitative information about the Company's exposure to the Pillar Two income taxes.

For subsidiary incorporated in Vietnam, corporate income tax has been provided at the rate of 20% on the estimated assessable profits during the year.

For subsidiary incorporated in Singapore, corporate income tax has been provided at the rate of 17% on the estimated assessable profits during the year.

A reconciliation of the tax credit applicable to loss before tax at the statutory tax rate for the countries/jurisdictions in which the Group's operations are domiciled to the tax credit at the Group's effective tax rate is as follows:

	2025 HK$	2024 HK$
Loss before tax	(150,440,430)	(152,185,078)
Tax at the domestic rates applicable to losses in the countries/jurisdictions where the Group operates	(24,847,302)	(25,116,550)
Impact of individual life insurance tax regime	(51,597,628)	(14,279,408)
Expenses not deductible for tax	65,762,044	28,962,235
Tax losses not recognised	10,682,886	10,433,723
Tax credit at the Group's effective tax rate	-	-

At the end of the reporting period, the Group has estimated unused tax losses arising in Hong Kong of approximately HK$442,584,484 (2024: HK$380,791,189) available for offset against future profits, having considered the Group's latest financial results and the latest available profit tax return submitted. The unused tax losses do not expire under the current tax legislation and can be carried forward indefinitely. Deferred tax assets are recognised to the extent that sufficient future taxable profits will be available for realisation

The Group also has estimated unused tax losses arising in Vietnam of approximately HK$590,167 (2024:HK$337,470) as at 31 December 2025, that will expire in four to five years for offsetting against future taxable profits.

The Group also has estimated unused tax losses arising in Singapore of approximately HK$2,642,594 (2024: HK$75,224) as at 31 December 2025, that will expire in four to five years for offsetting against future taxable profits.

8. FINANCE AND OTHER INCOME

	2025 HK$	2024 HK$
Finance income		
Interest income on bank deposits	8,490,517	5,500,450
Other income		
Subscription service income (Note i)	11,467,484	13,583,642
TPA income (Note i)	34,937,377	4,593,319
Cafe income (Note ii)	1,518,511	1,785,616
Other (Note ii)	382,896	586,194
	48,306,268	20,548,771
	56,796,785	26,049,221

Notes:

(i) TPA income and subscription service income are recognised on a straight-line basis over the service period.

(ii) Cafe income and other income are recognised at point in time.

9. INTERESTS IN A JOINT VENTURE

	2025 HK$	2024 HK$
Cost of investment in a joint venture	65	65
Accumulated long-term interests	5,342,935	4,270,435
Accumulated share of losses	(3,756,863)	(3,116,626)
Share of loss for the year	(309,223)	(640,237)
Balance at the end of year	1,276,914	513,637

Joint ventures are accounted for using the equity method in the consolidated financial statements, other than long-term interests which are accounted for as financial instruments measured under amortised cost.

Particulars of the Group's joint ventures as at 31 December 2025 and 2024 are as follows:

Name of entity	Place of incorporation and principal place of business	% of ownership interest	Nature of relationship
Bowtie x JP Partners Medical Centre Limited	Hong Kong	65	Joint Venture (i)

(i) Bowtie x JP Partners Medical Centre Limited provides medical services in Hong Kong. It is a strategic investment which better aligns the interests of the Group and the joint venturer.

9. INTERESTS IN A JOINT VENTURE (continued)

On 26 February 2021, the Group invested in a Joint Venture with JP Partners Medical Centre Limited to provide clinical outpatient services in Hong Kong. The Group's interest in the joint venture is comprised of an investment in share capital consisting solely of ordinary shares and long-term interests which are comprised of loans made by the Group to the joint venture which have no fixed repayment date and repayable only upon mutual agreement between the joint venture and the Group. The proportion of ownership interest is the same as the proportion of voting rights held, yet, due to its nature of joint venture, it requires unanimous consent of the parties over decisions about the relevant activities.

In addition to the current interests, the Group also has a contractual commitment to provide additional long-term interests to the Joint Venture in the future when required.

10. PLANT AND EQUIPMENT

	Leasehold improvements	Furniture, and computer equipment	Total
	HK$	HK$	HK$
Cost			
At 1 January 2024	3,807,126	5,232,051	9,039,177
Additions	1,603,567	1,501,375	3,104,942
Foreign exchange movement	-	(251)	(251)
At 31 December 2024	5,410,693	6,733,175	12,143,868
Additions	-	1,834,161	1,834,161
Foreign exchange movement	-	(1,122)	(1,122)
At 31 December 2025	5,410,693	8,566,214	13,976,907
Accumulated depreciation			
At 1 January 2024	3,742,808	3,097,655	6,840,463
Depreciation charge for the year	791,387	1,509,828	2,301,215
Foreign exchange movement	-	(56)	(56)
At 31 December 2024	4,534,195	4,607,427	9,141,622
Depreciation charge for the year	876,498	1,561,894	2,438,392
Foreign exchange movement	-	(623)	(623)
At 31 December 2025	5,410,693	6,168,698	11,579,391
Net book value			
At 31 December 2024	876,498	2,125,748	3,002,246
At 31 December 2025	-	2,397,516	2,397,516

11. LEASES

The note provides information for leases where the Group is a lessee:

(i) Amounts recognised in the consolidated statement of financial position

	2025 HK$	2024 HK$
Right-of-use assets		
As at January 1	3,064,748	6,129,500
Additions	36,176,849	-
Depreciation charge for the year	(4,270,647)	(3,064,752)
As at December 31	34,970,950	3,064,748
Lease liabilities		
Current	5,570,942	3,152,284
Non-current	27,884,728	-
	33,455,670	3,152,284

During the 2025 financial year, the Group entered into a new lease agreement for office premises. Accordingly, the Group recognized additions to right-of-use assets of HK$36,176,849 (2024: HK$nil).

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2025 HK$	2024 HK$
Depreciation charge of right-of-use assets		
Office premises	4,270,647	3,064,752
Interest expense on lease liabilities*	368,265	274,902
Expense relating to short-term leases**	14,833	15,134

* Included in finance expenses
** Included in operating expenses

The total cash outflow for lease in 2025 was HK$6,256,558 (2024: HK$3,312,734).

(iii) The Group's leasing activities and how these are accounted for

The Group has lease contracts for office premises. Leases for office premises have a fixed term of 5 years.

12. SHARE CAPITAL

	Number of shares	HK$
Ordinary shares issued and fully paid		
At 1 January 2024, 31 December 2024 and 31 December 2025	600,000	109
Preference shares issued and fully paid		
At 1 January 2024 and 31 December 2024	812,609	683,826,267
Share issuance on 15 July 2025	186,459	313,988,000
At 31 December 2025	999,068	997,814,267
Total share capital	1,599,068	997,814,376

Both ordinary shares and preference shares have no par value.

The distributions of the Company's dividend are subjected to certain terms, conditions and approval from the preference shareholders.

The issuance and transfer of both classes of share is subjected to terms and conditions specified in the shareholder deed. The preference shares are non-redeemable and convertible into ordinary shares at any time by written notice to the Company.

On 15 July 2025, the Company issued 186,459 preference shares to Sun Life Hong Kong Limited for an initial contribution of US$40,000,000 (equivalent to HK$313,988,000).

13. SHARE-BASED COMPENSATION

Bowtie Employee Share Option Plan

Certain eligible employees of the Group have been granted options to subscribe for ordinary shares in the Company at nil cost under Bowtie Employee Share Option Plan. For all share options issued on or before 31 December 2025, the shares from any of these exercised share options will be granted by two individual shareholders in their personal capacity, subject to the required approval and authorisation.

Share options granted to the eligible employees are subject to customary vesting requirements over four (4) years starting from the grant date. A quarter of the share options will vest at the end of the first year after grant date, and the remainder three quarters of share options will vest in equal monthly instalments over the following three (3) years. The following table sets out the vesting schedule of the share options. Intermediate values (after 12 months and before 48 months) that are not shown in the table will be determined by linearly interpolation based on the number of calendar months since the grant date (rounded down to the nearest whole month).

13. SHARE-BASED COMPENSATION (continued)

Whole months from Commencement Date	Percentage of shares vested
Less than 12	0.0%
12	25.0%
18	37.5%
24	50.0%
30	62.5%
36	75.0%
42	87.5%
48	100.0%

The option period of the share options granted is 10 years after vesting, or other periods determined by the board of directors.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

	Year ended 31 December	
Number of share options	**2025**	**2024**
Outstanding at beginning of the year	51,063	50,664
Forfeited	-	(727)
Vested	-	1,126
Outstanding at end of the year	51,063	51,063

Of the outstanding options as at 31 December 2025, 51,063 were exercisable (2024: 51,063). For share options outstanding at the end of the year, the exercise prices ranged from HK$13 to HK$289 (2024: HK$13 to HK$289).

In measuring the share options, the Group has adopted a hybrid method, which is hybrid between the probability-weighted expected return method and the optional pricing model ("OPM"), involving estimating the probability-weighted value across multiple scenarios and using the OPM to estimate the allocation of value within one or more of those scenarios.

The total fair value of share options granted for the Group during the year ended 31 December 2025 was HK$nil (2024: HK$nil).

During the year ended 31 December 2025, the Group recognised no share-based compensation expenses (2024: HK$95,233) in the consolidated statement of profit or loss and other comprehensive income.

In addition to the existing Share option scheme set out above, the Group is currently in the process of finalizing an Employee Share Ownership Plan (the "ESOP") under which employees will be awarded shares in respect of services to be provided to the Group. Details of the ESOP have yet to be finalized, including any applicable vesting conditions, therefore no share awards were made under the ESOP as at 31 December 2025 (2024: nil).

14. INSURANCE CONTRACT ISSUED

The roll-forward of net asset or liability for life insurance contracts issued showing the liabilities for remaining coverage and the liabilities for incurred claims measured under premium allocation approach is disclosed in the table below:

Year ended 31 December 2025

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss Component	Estimates of the present value of future cash flows	Excluding loss component	Total
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	25,577,537	1,258,105	81,179,362	3,900,168	111,915,172
Net opening balance	**25,577,537**	**1,258,105**	**81,179,362**	**3,900,168**	**111,915,172**
Insurance revenue	**(511,768,596)**	-	-	-	**(511,768,596)**
Insurance service expenses					
Incurred claims and maintenance expenses	-	-	450,345,451	5,887,239	456,232,690
Changes that relate to past service – adjustments to the incurred claims	-	-	(4,621,251)	(3,900,168)	(8,521,419)
Insurance acquisition expenses	85,902,560	-	-	-	85,902,560
Reversals of losses on onerous contracts	-	(1,258,105)	-	-	(1,258,105)
Total insurance service expenses	85,902,560	**(1,258,105)**	**445,724,200**	**1,987,071**	**532,355,726**
Insurance service result	**(425,866,036)**	**(1,258,105)**	**445,724,200**	**1,987,071**	**20,587,130**
Cash flows					
Premiums received	350,206,910	-	-	-	350,206,910
Claims and maintenance expenses paid	-	-	(263,537,009)	-	(263,537,009)
Insurance acquisition cash flows	(85,902,560)	-	-	-	(85,902,560)
Total cash flows	264,304,350	-	(263,537,009)	-	767,341
Net closing balance	**(135,984,149)**	-	**263,366,553**	**5,887,239**	**133,269,643**
Closing insurance contract assets	**(10,133,676)**	-	**7,217,692**	**56,907**	**(2,859,077)**
Closing insurance contract liabilities	(125,850,473)	-	**256,148,861**	**5,830,332**	**136,128,720**
Net closing balance	(135,984,149)	-	**263,366,553**	**5,887,239**	**133,269,643**

Included within the amounts set out above are Insurance Service Revenue of HK$173,939,800 (2024: HK$nil), Insurance Service Expenses of HK$191,832,434 (2024: HK$nil), Insurance Contract Assets of HK$2,859,077 (2024: HK$nil) and Insurance Contract Liabilities of HK$20,751,711 (HK$nil) pertaining to reinsurance contracts issued.

14. INSURANCE CONTRACT ISSUED (continued)

The roll-forward of net asset or liability for life insurance contracts issued showing the liabilities for remaining coverage and the liabilities for incurred claims measured under premium allocation approach is disclosed in the table below: (continued)

Year ended 31 December 2024

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss Component*	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening insurance contract assets	-	-	-	-	-
Opening insurance contract liabilities	13,846,255	-	46,685,020	2,536,961	63,068,236
Net opening balance	**13,846,255**	-	**46,685,020**	**2,536,961**	**63,068,236**
Insurance revenue	**(226,973,182)**	-	-	-	**(226,973,182)**
Insurance service expenses					
Incurred claims and maintenance expenses	-	-	213,318,649	3,900,168	217,218,817
Changes that relate to past service – adjustments to the incurred claims	-	-	(2,277,866)	(2,536,961)	(4,814,827)
Insurance acquisition expenses*	74,009,679	-	-	-	74,009,679
Losses on onerous contracts	-	1,258,105	-	-	1,258,105
Total insurance service expenses	**74,009,679**	**1,258,105**	**211,040,783**	**1,363,207**	**287,671,774**
Insurance service result	**(152,963,503)**	**1,258,105**	**211,040,783**	**1,363,207**	**60,698,592**
Cash flows					
Premiums received	238,704,464	-	-	-	238,704,464
Claims and maintenance expenses paid	-	-	(176,546,441)	-	(176,546,441)
Insurance acquisition cash flows*	(74,009,679)	-	-	-	(74,009,679)
Total cash flows	164,694,785	-	(176,546,441)	-	(11,851,656)
Net closing balance	**25,577,537**	**1,258,105**	**81,179,362**	**3,900,168**	**111,915,172**
Closing insurance contract assets	-	-	-	-	-
Closing insurance contract liabilities	25,577,537	1,258,105	81,179,362	3,900,168	111,915,172
Net closing balance	**25,577,537**	**1,258,105**	**81,179,362**	**3,900,168**	**111,915,172**

*Prior period comparative figures within the roll-forward of net asset or liability for life insurance contracts issued have been represented from the liabilities for incurred claims to the liabilities for remaining coverage to reflect the nature of the loss component and insurance acquisition cashflows. It has no impact on the total insurance contract liabilities or the consolidated profit or loss.

15. REINSURANCE CONTRACT HELD

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers measured under premium allocation approach is disclosed in the table below:

Year ended 31 December 2025

		Amounts recoverable on incurred claims		
	Assets for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening reinsurance contract assets	(31,280,759)	73,835,105	417,019	42,971,365
Opening reinsurance contract liabilities	(74,132,487)	58,907,360	996,000	(14,229,127)
Net opening balance	**(105,413,246)**	**132,742,465**	**1,413,019**	**28,742,238**
Net income/(expenses) from reinsurance contracts held				
Reinsurance expenses	(131,317,625)	-	-	(131,317,625)
Incurred claims recovery	-	94,423,536	1,831,317	96,254,853
Changes that relate to past service - adjustments to incurred claims recovery	-	4,138,064	(1,413,019)	2,725,045
Net income/(expenses) from reinsurance contracts held	(131,317,625)	98,561,600	418,298	(32,337,727)
Cash flows				
Premiums paid net of ceding commissions	143,609,175	-	-	143,609,175
Recoveries from reinsurance	(10,342,192)	(96,306,637)	-	(106,648,829)
Total cash flows	133,266,983	(96,306,637)	-	36,960,346
Net closing balance	**(103,463,888)**	**134,997,428**	**1,831,317**	**33,364,857**
Closing reinsurance contract assets	(32,095,188)	70,238,849	825,927	38,969,588
Closing reinsurance contract liabilities	(71,368,700)	64,758,579	1,005,390	(5,604,731)
Net closing balance	**(103,463,888)**	**134,997,428**	**1,831,317**	**33,364,857**

15. REINSURANCE CONTRACT HELD (continued)

The roll-forward of the net asset or liability for reinsurance contracts held showing assets for remaining coverage and amounts recoverable on incurred claims arising business ceded to reinsurers measured under premium allocation approach is disclosed in the table below: (continued)

Year ended 31 December 2024

		Amounts recoverable on incurred claims		
	Assets for remaining coverage	Estimates of the present value of future cash flows	Risk adjustment	Total
Opening reinsurance contract assets	(8,232,085)	30,903,450	299,647	22,971,012
Opening reinsurance contract liabilities	(40,779,741)	36,034,596	699,698	(4,045,447)
Net opening balance	**(49,011,826)**	**66,938,046**	**999,345**	**18,925,565**
Net income/(expenses) from reinsurance contracts held				
Reinsurance expenses	(92,053,336)	-	-	(92,053,336)
Incurred claims recovery	-	91,401,006	1,413,019	92,814,025
Changes that relate to past service - adjustments to incurred claims recovery	-	255,145	(999,345)	(744,200)
Net income/(expenses) from reinsurance contracts held	(92,053,336)	91,656,151	413,674	16,489
Cash flows				
Premiums paid net of ceding commissions	35,651,916	-	-	35,651,916
Recoveries from reinsurance	-	(25,851,732)	-	(25,851,732)
Total cash flows	35,651,916	(25,851,732)	-	9,800,184
Net closing balance	**(105,413,246)**	**132,742,465**	**1,413,019**	**28,742,238**
Closing reinsurance contract assets	(31,280,759)	73,835,105	417,019	42,971,365
Closing reinsurance contract liabilities	(74,132,487)	58,907,360	996,000	(14,229,127)
Net closing balance	**(105,413,246)**	**132,742,465**	**1,413,019**	**28,742,238**

16. PREPAYMENT AND OTHER RECEIVABLES

	2025 HK$	2024 HK$
Prepayments	3,949,763	2,693,838
Deposits	5,625,759	2,763,373
Other receivables	4,954,108	11,433,109
	14,529,630	16,890,320

Included in other receivables are amounts due from the immediate holding company and joint venture of HK$934,340 (2024: HK$5,428,987). These balances are unsecured, interest-free, and repayable on demand.

17. CASH AND CASH EQUIVALENTS

	2025 HK$	2024 HK$
Deposits with banks		
Current accounts	83,029,519	45,750,072
Short-term bank deposits (i)	324,837,129	143,169,703
	407,866,648	188,919,775

(i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition. See Note 3.16 for the Group's accounting policies on cash and cash equivalents.

18. ACCRUALS & OTHER PAYABLES AND PROVISION

	2025 HK$	2024 HK$
Other payables	7,757,217	4,872,316
Accrued expenses	29,238,571	8,717,711
Employee benefit obligations	24,691,077	13,073,302
Bowtie cash	4,676,268	3,651,521
Provision of reinstatement costs	2,147,865	19,440
	68,510,998	30,334,290

Included in other payables and accrued expenses are amounts due to the immediate holding company and joint venture of HK$20,458,959 (2024: HK$3,494,255). These balances are unsecured, interest-free, and repayable on demand.

19. DIRECTORS' EMOLUMENTS

As disclosures required by Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G), aggregate emoluments paid to or receivable by directors in respect of their services in connection with the management of the affairs of the Group is presented as follows:

	2025 HK$	2024 HK$
Short-term employee benefits	3,710,251	2,880,000
Post-employment benefits	36,000	36,000
	3,746,251	2,916,000
Aggregate emoluments paid to or receivable by directors in respect of:		
their services as directors	350,251	400,000
their other services in connection with the management of the affairs of the Group	3,396,000	2,516,000
	3,746,251	2,916,000
The aggregate emoluments of the three highest paid Directors (i)	3,596,000	2,716,000

Note:
(i) During the year, directors' emoluments were exclusively paid to those holding executive roles and independent non-executive director within the Group. Other directors did not receive, nor have they waived, any emoluments from the Group for their services as directors during the current and last year.

20. RELATED PARTY TRANSACTIONS

(a) Parent entities and controlling parties

The Group is controlled by the following personnel and entities:

Name	Type	Place of incorporation	Ownership interest As at 31 December 2025	Ownership interest As at 31 December 2024
Chan, Michael Kwan Yu	Controller	N/A	47.2% of ordinary shares	47.2% of ordinary shares
Ngan, Yiu Fai Frederick	Controller	N/A	44.8% of ordinary shares	44.8% of ordinary shares
Lam, Ka Yin	Controller (effective 15 July 2025)	N/A	N/A	N/A
Strain, Kevin David	Controller (effective 15 July 2025)	N/A	N/A	N/A
Mitsui & Co., Ltd	Controller (ceased on 15 July 2025)	Japan	10.7% of preference shares	13.1% of preference shares
Sun Life Hong Kong Limited	Controller	Bermuda	89.4% of preference shares	86.9% of preference shares
Sun Life Assurance Company of Canada	Controller	Canada	89.4% of preference shares	86.9% of preference shares
Sun Life Financial Inc.	Controller	Canada	89.4% of preference shares	86.9% of preference shares

Remuneration of directors, who are also the key management personnel of the Company, has been identified and disclosed in Note 19.

(b) Transactions with other related parties

The following transactions occurred with related parties:

	2025 HK$	2024 HK$
Receipt of insurance premium revenue from Mitsui & Company Hong Kong Ltd.	1,715,166	1,461,547
Purchase of insurance services from Sun Life Hong Kong Limited	294,476	327,767
Purchase of medical services from a joint venture	2,837,820	1,651,355
Net TPA income from Sun Life Hong Kong Limited	33,619,687	4,593,319

The immediate parent company has entered into a reinsurance arrangement with a third-party reinsurer, which is then partially retroceded to the Group under a separate reinsurance arrangement. Amounts relating to this arrangement are recognised as reinsurance contracts issued as disclosed in note 14.

Other material related party transactions are disclosed in Notes 6, 8, 9, 12 and 21 (investment in subsidiaries). Amounts due from fellow subsidiaries are unsecured, interest free and are receivable/repayable on demand.

21. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2025 HK$	31 December 2024 HK$
Assets		
Right-of-use assets	34,970,950	3,064,748
Plant and equipment	2,395,760	2,994,720
Investment in subsidiaries	886,107	2,501,567
Interests in a joint venture	1,276,914	513,637
Insurance contract assets	2,859,077	-
Reinsurance contract assets	38,969,588	42,971,365
Deferred tax assets	1,783,464	1,783,464
Prepayments and other receivables	17,558,364	18,806,124
Cash and cash equivalents	402,746,316	183,303,308
Total assets	503,446,540	255,938,933
Liabilities		
Insurance contract liabilities	136,128,720	111,915,172
Reinsurance contract liabilities	5,604,731	14,229,127
Lease liabilities	33,455,670	3,152,284
Unearned fee income	467,746	484,832
Accruals and other payables	64,214,436	27,546,092
Provision of reinstatement costs	2,147,865	19,440
Total liabilities	242,019,168	157,346,947
Equity		
Share capital	997,814,376	683,826,376
Accumulated losses	(746,441,900)	(595,289,286)
Share-based compensation reserve	10,054,896	10,054,896
Total equity attributable to shareholders of the Company	261,427,372	98,591,986
Total equity and liabilities	503,446,540	255,938,933

Statement of the Financial Position of the Company is approved by the Board on 29 APR 2026.

Money, Laura Ann	Chan, Michael Kwan Yu	Ngan, Yiu Fai Frederick
Director	Chief Executive Officer	Director

21. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

A summary of the Company's reserve is as follows:

	Notes	Share capital HK$	Accumulated losses HK$	Share-based compensation reserve HK$	Total HK$
Balance at 1 January 2024		683,826,376	(443,640,021)	9,959,663	250,146,018
Total comprehensive loss for the year		-	(151,649,265)	-	(151,649,265)
Equity-settled share-based compensation	13	-	-	95,233	95,233
Balance at 31 December 2024		683,826,376	(595,289,286)	10,054,896	98,591,986
Balance at 1 January 2025		683,826,376	(595,289,286)	10,054,896	98,591,986
Total comprehensive loss for the year		-	(151,152,614)	-	(151,152,614)
Issuance of preference shares		313,988,000	-	-	313,988,000
Balance at 31 December 2025		997,814,376	(746,441,900)	10,054,896	261,427,372

22. LIST OF SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 December 2025 are set out below.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Issued share capital	Ownership interest held by the Group 2025 %	2024 %
Bowtie Vietnam Company Limited	Vietnam, one member limited liability	Provision of computer engineering and programming services to the Group	VND7,350,000,000	100	100
Claim Technology Services Limited	Hong Kong, limited liability	Provision of administrative services for life insurance business	HK$10,000	100	100
Bowtie Singapore Pte. Ltd.	Singapore, limited liability	Provision of management consultancy services to the Group	SGD1	100	100