

Disclosure Statement at 31 December 2024

This disclosure statement is prepared in accordance with the requirements under the Insurance (Valuation and Capital) Rules and the draft Insurance (Public Disclosure) Rules.

1 Company profile

- (a) Authorized insurer's name

Paofoong Insurance Company (Hong Kong) Limited
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2 Financial position

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

(Unit: in HKD thousands)	As at 31 December 2024
	Total (General Business)
Total assets	365,883
Cash and deposits	264,325
Debt securities	56,253
Equities (including portfolio investments)	34,952
Derivative financial instruments	-
Properties	-
Loans and advances	-
Reverse repurchase agreement	-
Other financial assets	7,755
Policyholder's account assets in respect of unit linked products or retirement scheme	-
Reinsurance assets	2,341
Tax assets	31
Other assets	226
Total liabilities	84,022
Insurance liabilities	79,581
Reinsurance liabilities	-
Repurchase agreement	-
Derivative financial instruments	-
Other financial liabilities	-
Tax liabilities	250
Other liabilities	4,191
Net assets	281,861

- (b) Commentary of balance sheet items (if any)

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3 Insurance liabilities

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

Insurance Liabilities of General Business

(Unit: in HKD thousands)	As at 31 December 2024									
	Direct insurance							Reinsurance		Total general business
	Accident and health	Motor vehicle	Marine, aviation, and transport	Property damage	Employees' compensation	General liability	Pecuniary loss	Proportional	Non-proportional	
Total general insurance liabilities (<u>gross</u> of reinsurance)										79,581
Total general insurance liabilities excluding other general insurance liabilities (<u>gross</u> of reinsurance)	6,611	4,050	366	11,801	46,229	5,671	478	4,375	-	79,581
Outstanding claims liabilities	4,826	2,972	316	8,707	36,601	4,259	341	3,818	-	61,840
Premium liabilities	1,138	521	21	2,182	4,537	737	74	88	-	9,298
Margin over current estimate for outstanding claims liabilities	516	461	27	687	4,432	563	50	457	-	7,193
Margin over current estimate for premium liabilities	131	96	2	225	659	112	13	12	-	1,250
Total general insurance liabilities excluding other general insurance liabilities (<u>net</u> of reinsurance)	6,529	4,126	357	9,654	46,147	5,625	474	4,329	-	77,241

- (b) Commentary on the insurance liabilities (if any)

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4 Capital adequacy

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

Prescribed Capital Amount

(Unit: in HKD thousands)	As at 31 December 2024
Market risk (diversified RCA)	16,224
Interest rate risk RCA	1,365
Credit spread risk RCA	470
Equity risk RCA	15,138
Property risk RCA	-
Currency risk RCA	-
Diversification benefits within market risk	(749)
General Insurance Risk (diversified RCA)	30,880
Reserve and premium risk RCA	18,705
Natural catastrophe risk RCA	6,884
Man-made non-systemic catastrophe risk RCA	19,134
Man-made systemic catastrophe risk RCA	-
Mortgage insurance risk RCA	-
Diversification benefits within general insurance risk	(13,843)
Counterparty default and other risk RCA	4,516
Diversification benefits among risk modules	(11,694)
Operational risk RCA	2,242
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(1,065)
Any other items which the IA may specify to adjust	-
Prescribed capital amount	41,103

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

Capital Base

(Unit: in HKD thousands)	As at 31 December 2024
Unlimited Tier 1 capital	281,830
Limited Tier 1 capital	-
Tier 2 capital	31
Capital base	281,861

- (c) Ratio of capital base to prescribed capital amount

	As at 31 December 2024
Ratio of capital base to prescribed capital amount	686%

- (d) Commentary of prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount (if any)

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5 Statement of Compliance

- (i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of Paofoong Insurance Company (Hong Kong) Limited;
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and the draft Insurance (Public Disclosure) Rules (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the audited specified annual forms of Paofoong Insurance Company (Hong Kong) Limited's annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4 of the Insurance (Submission of Statements, Reports and Information) Rules; and
- (iv) I am satisfied that Paofoong Insurance Company (Hong Kong) Limited has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name:	Ryan Yuk Lung Fung
Position:	Director
Company Name:	Paofoong Insurance Company (Hong Kong) Limited