

## Disclosure Statement at 31 December 2024

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

### 1 Company profile

(a) Authorized insurer's name

HKMC Annuity 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	Long term business	Of which belongs to: long term business – participating business	General business	Shareholders' fund (if applicable)
<b>Total assets</b>	34,813,954	28,457,131	-	-	6,356,823
Cash and deposits	833,095	833,095	-	-	-
Debt securities	23,543,681	17,186,858	-	-	6,356,823
Equities (including portfolio investments)	9,910,436	9,910,436	-	-	-
Derivative financial instruments	-	-	-	-	-
Properties	-	-	-	-	-
Loans and advances	-	-	-	-	-
Reverse repurchase agreement	-	-	-	-	-
Other financial assets	6,537	6,537	-	-	-
Policyholder's account assets in respect of unit linked products or retirement scheme	-	-	-	-	-
Reinsurance assets	-	-	-	-	-
Tax assets	448,075	448,075	-	-	-
Other assets	72,130	72,130	-	-	-
<b>Total liabilities</b>	23,619,001	23,340,675	-	-	278,326
Insurance liabilities	20,187,301	20,187,301	-	-	-
Reinsurance liabilities	-	-	-	-	-
Repurchase agreement	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Other financial liabilities	2,679,151	2,679,151	-	-	-
Tax liabilities	278,326	-	-	-	278,326
Other liabilities	474,223	474,223	-	-	-
<b>Net assets</b>	11,194,953	5,116,456	-	-	6,078,497

### 3 Insurance liabilities

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

#### Insurance Liabilities of Long Term Business

(Unit: in HKD thousands)	As at 31 December 2024						
	HK insurers or designated insurers: all long term business					Applicable to Hong Kong branches of non-HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
<b>Total insurance liabilities (gross of reinsurance)</b>	-	-	-	-	20,187,301	-	20,187,301
Of which: long term insurance liabilities	-	-	-	-	20,187,301	-	20,187,301
Outstanding claims	-	-	-	-	39,351	-	39,351
Current estimate <sup>1</sup>	-	-	-	-	19,925,021	-	19,925,021
Margin over current estimate	-	-	-	-	220,492	-	220,492
Prepaid premiums	-	-	-	-	-	-	-
Other long term insurance liabilities	-	-	-	-	2,437	-	2,437
Of which: general insurance liabilities	-	-	-	-	-	-	-
<b>Reinsurance assets</b>	-	-	-	-	-	-	-
<b>Reinsurance liabilities</b>	-	-	-	-	-	-	-

<sup>1</sup> Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

#### 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
<b>Market risk (diversified RCA)</b>	7,177,085
Interest rate risk RCA	4,015,394
Credit spread risk RCA	-
Equity risk RCA	3,821,464
Property risk RCA	495,522
Currency risk RCA	494,531
Diversification benefits within market risk	(1,649,826)
<b>Life Insurance Risk (diversified RCA)</b>	842,042
Mortality risk RCA	-
Longevity risk RCA	719,042
Life catastrophe risk RCA	-
Morbidity risk RCA	-
Expense risk RCA	293,872
Lapse risk RCA	-
Diversification benefits within life insurance risk	(170,872)
<b>General Insurance Risk (diversified RCA)</b>	-
Reserve and premium risk RCA	-
Natural catastrophe risk RCA	-
Man-made non-systemic catastrophe risk RCA	-
Man-made systemic catastrophe risk RCA	-
Mortgage insurance risk RCA	-
Diversification benefits within general insurance risk	-
<b>Counterparty default and other risk RCA</b>	200,101
Diversification benefits among risk modules	(730,327)
<b>Operational risk RCA</b>	271,584
Adjustment for loss absorbing capacity cap	-
Adjustment for tax effect	(1,078,708)
Any other items which the IA may specify to adjust	-
<b>Prescribed capital amount</b>	6,681,778

- (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	11,025,203
Limited Tier 1 capital	-
Tier 2 capital	169,750
<b>Capital base</b>	11,194,953

(c) Ratio of capital base to prescribed capital amount

	As at 31 December 2024
<b>Ratio of capital base to prescribed capital amount</b>	168%

## 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 HKMC Annuity Limited;
- (ii) I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Valuation and Capital) Rules and the Circular on Public Disclosure Requirements for the First Financial Year Adopting Risk-based Capital Regime dated 8 August 2025 (subject to any applicable variation or relaxation);
- (iii) The information disclosed in this disclosure statement can be reconciled with the audited specified annual forms of HKMC Annuity 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 HKMC Annuity Limited has complied with the capital requirements that apply to it under the Insurance (Valuation and Capital) Rules, during the financial year to which this disclosure statement relates.

Name:	LEONG Ling-chi, Daniel
Position:	Controller (as defined in the Insurance Ordinance) (by virtue of being the Chief Executive Officer of the Company)
Company Name:	HKMC Annuity Limited