Disclosure Statement at 31 December 2025

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

1. Company profile

a. Authorized insurer's name
BOLTTECH INSURANCE (HONG KONG) COMPANY LIMITED

b. Nature of the business, and places of business operations
Bolttech Insurance (Hong Kong) Company Limited ("bolttech Insurance" or the "Company") is an established general insurance company authorised by the Hong Kong Insurance Authority. The principal activities of bolttech Insurance are to provide underwriting of general insurance in Hong Kong. bolttech Insurance offers a wide range of general insurance solutions to meet the evolving needs of individual and business customers.

There was no change in the principal activities of the Company's during the financial year.

c. Description of corporate structure
bolttech Insurance is incorporated in Hong Kong with its registered office located at 9/F, 308 Central Des Voeux, No. 308 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Company is a wholly owned subsidiary of Bolttech Discovery Holdings Limited, a company incorporated in Hong Kong. The ultimate holding company of the Company is Heritage Pioneer Limited, which is incorporated in Cayman Islands.

The Company has no material shareholder controller other than its holding company and ultimate holding company. The Company also does not have any material subsidiaries.

There was no material change in the corporate structure of the Company during the financial year.

2. Corporate governance framework

bolttech Insurance operates under a corporate governance framework designed to support effective oversight, sound decision-making, and prudent risk management. The framework establishes clear accountability across the Board, Board Committees, senior management, and control functions, and is supported by the Three Lines of Defence model.

The Board has ultimate responsibility for the governance and risk management framework and oversees its effective operation. The Board Risk Committee assists the Board by providing independent recommendation and oversight of the Company's risk management framework, risk appetite and risk profile. The Executive Risk Committee assists in monitoring and managing material risks across the business and ensuring appropriate escalation and reporting of risk matters. The senior management is responsible for implementing the governance framework and managing risks on a day-to-day basis within the risk appetite approved by the Board while the Risk, Compliance, and Internal Audit functions provide independent oversight, challenge, and assurance to support effective governance and internal control.

3. Financial position

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

(Unit: in HKD thousands)	As at 31 December 2025					As at 31 December 2024				
	Total	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**	**Shareholders' fund (if applicable)**	**Total**	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**	**Shareholders' fund (if applicable)**
Total assets	1,145,084	-	-	1,145,084	-	1,300,403	-	-	1,300,403	-
Cash and deposits	105,266	-	-	105,266	-	94,005	-	-	94,005	-
Debt securities	734,289	-	-	734,289	-	769,695	-	-	769,695	-
Equities (including portfolio investments)	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Properties	-	-	-	-	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-	-	-
Reverse repurchase agreement	-	-	-	-	-	-	-	-	-	-
Other financial assets	164,290	-	-	164,290	-	232,293	-	-	232,293	-
Policyholder's account assets in respect of unit linked products or retirement scheme	-	-	-	-	-	-	-	-	-	-
Reinsurance assets	127,275	-	-	127,275	-	187,515	-	-	187,515	-
Tax assets	8,920	-	-	8,920	-	7,957	-	-	7,957	-
Other assets	5,044	-	-	5,044	-	8,938	-	-	8,938	-
Total liabilities	861,039	-	-	861,039	-	896,395	-	-	896,395	-
Insurance liabilities	557,530	-	-	557,530	-	560,501	-	-	560,501	-
Reinsurance liabilities	-	-	-	-	-	-	-	-	-	-
Repurchase agreement	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	270,794	-	-	270,794	-	296,565	-	-	296,565	-
Tax liabilities	7,468	-	-	7,468	-	0	-	-	0	-
Other liabilities	25,247	-	-	25,247	-	39,329	-	-	39,329	-
Net assets	284,045	-	-	284,045	-	404,008	-	-	404,008	-

b. Material change or other commentary on balance sheet items (if any)

During the financial year, the Company declared and paid a dividend of HK$102.1million to the holder of its ordinary shares. Such payment was one of the principal factors contributing to the movement in the Company's assets and retained earnings compared with the prior financial year-end.

4. Investments

a. Assumptions and methods used for valuation of investments

bolttech Insurance measures its investments at fair value at the end of each reporting period. The fair value measurement is based on the presumption that the transaction to sell the investment takes place either in the principal market for the investment, or in the absence of a principal market, in the most advantageous market for the investment. The principal or the most advantageous market must be accessible by the Company. The fair value of an investment is measured using the assumptions that market participants would use when pricing the investment, assuming that market participants act in their economic best interest.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Investments measured or disclosed at fair value are categorised within the fair value hierarchy according to the significance and observability of the inputs used, and the categorisation is reassessed at the end of each reporting period. Where market prices are not readily observable, fair values are determined using appropriate valuation techniques, including discounted cash flow models that incorporate relevant observable market data.

b. Material change in assumptions and methods (if any)

Nil

5. 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 2025									
	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 (gross of reinsurance)										557,530
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	128,953	144,289	12,498	60,526	124,133	21,859	(29)	65,301	-	557,530
Outstanding claims liabilities	37,606	108,752	9,062	25,881	93,564	17,536	(39)	32,354	-	324,716
Premium liabilities	88,345	24,004	1,736	29,593	17,473	1,964	10	30,639	-	193,764
Margin over current estimate for outstanding claims liabilities	1,625	8,954	1,271	2,485	10,575	2,007	-	1,232	-	28,149
Margin over current estimate for premium liabilities	1,377	2,579	429	2,567	2,521	352	-	1,076	-	10,901
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	51,577	142,270	12,997	44,155	123,682	21,736	29	33,809	-	430,255

(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 (gross of reinsurance)										560,501
Total general insurance liabilities excluding other general insurance liabilities (gross of reinsurance)	121,750	131,137	11,091	47,184	131,022	19,777	118	98,422	-	560,501
Outstanding claims liabilities	38,744	99,410	8,079	21,962	96,161	16,135	107	78,372	-	358,970
Premium liabilities	80,357	21,258	1,492	21,255	20,856	1,772	11	19,274	-	166,275
Margin over current estimate for outstanding claims liabilities	1,279	8,163	1,128	1,164	10,875	1,583	-	750	-	24,942
Margin over current estimate for premium liabilities	1,370	2,306	392	2,803	3,130	287	-	26	-	10,314
Total general insurance liabilities excluding other general insurance liabilities (net of reinsurance)	41,296	129,327	11,614	28,477	132,864	19,511	22	9,875	-	372,986

b. Assumptions and method used to derive the assumptions for determining insurance liabilities
Insurance liabilities are valued using actuarial best estimate assumptions. Key assumptions include claims development patterns, initial expected loss ratios, claims handling expenses and margins over current estimate ("MOCE"). The valuation incorporates allowances for reported claims and incurred but not reported ("IBNR") claims, together with provisions for future claims handling costs and uncertainty in future claims experience.

The assumptions are derived from analysis of the Company's historical claims experience and portfolio characteristics. The valuation of insurance liabilities is determined using a range of accepted actuarial methods, including the Paid Claim Development, Incurred Claim Development, Bornhuetter-Ferguson and Expected Loss Ratio methods, with the selected methodology depending on the nature, credibility and maturity of the underlying data. Experience studies are performed through the review of claims development, reporting and settlement patterns, and assumptions are updated, where appropriate, to reflect emerging experience and changes in the business.

Discount rates are based on the risk-free yield curves prescribed by the Insurance Authority under the Hong Kong Risk-Based Capital framework. The use of the prescribed risk-free rates ensures that insurance liabilities are valued in accordance with the requirements of the Insurance (Valuation and Capital) Rules.

c. Material change in assumptions and methods used to derive the assumptions, or other commentary on the insurance liabilities (if any)
There have been no material changes in assumptions or methodologies for the majority of reserving classes, except for the following line of business:

- **Motor business:** The methodology was refined to adopt more actual bodily injury claim experience with more weight on incurred claims development method.
- **Device protection business:** The methodology was updated to place greater weight on actual claims experience for recent accident years. The initial expected loss ratio assumption has also been adjusted down to reflect the lower loss ratio in the past.

6. Financial performance

a. Financial performance in total and at a segmented level, including premiums, investment returns and claims

Performance Analysis on Premiums and Claims

(Unit: in HKD thousands)	For the financial year ended 31 December 2025				For the financial year ended 31 December 2024			
	Total	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**	**Total**	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**
Gross premiums[1]	700,176	-	-	700,176	639,863	-	-	639,863
Regular premiums		-	-			-	-	
Single premiums		-	-			-	-	
Net premiums	366,817	-	-	366,817	301,941	-	-	301,941
Regular premiums		-	-			-	-	
Single premiums		-	-			-	-	
Gross claims paid	347,572	-	-	347,572	291,079	-	-	291,079

(Unit: in HKD thousands)	For the financial year ended 31 December 2025				For the financial year ended 31 December 2024			
	Total	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**	**Total**	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**
Net claims paid	133,848	-	-	133,848	111,443	-	-	111,443

1 For long term business, it refers to premiums received and receivable during the financial year. For general business, it refers to written premiums.

Performance Analysis on investment returns

(Unit: in HKD thousands)	For the financial year ended 31 December 2025					For the financial year ended 31 December 2024				
	Total	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**	**Shareholders' fund (if applicable)**	**Total**	**Long term business**	**Of which belongs to: long term business – participating business**	**General business**	**Shareholders' fund (if applicable)**
Investment returns	51,339	-	-	51,339	-	26,131	-	-	26,131	-

c. Underwriting Results for general business (for pricing adequacy disclosure purposes)

Underwriting Results of General Business

(Unit: in HKD thousands)	For the financial year ended 31 December 2025									
	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	
Gross premium	323,061	63,602	16,544	62,906	57,961	16,133	340	159,629	-	700,176
Net premium	114,648	60,167	14,083	38,105	55,009	15,266	282	69,257	-	366,817
Net undiscounted best estimate combined business results, relating to current year	(10,652)	(20,293)	164	(18,821)	(486)	2,434	92	31,231	-	(16,331)
Net undiscounted best estimate combined business results, relating to prior year	2,797	(3,349)	459	2,744	9,814	(579)	3	2,942	-	14,831
Undiscounted underwriting results - profit / (loss)	(8,201)	(24,432)	479	(17,399)	9,628	1,430	95	32,772	-	(5,628)

(Unit: in HKD thousands)	For the financial year ended 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	
Gross premium	296,171	65,792	15,525	63,914	68,309	17,932	136	112,084	-	639,863
Net premium	97,541	62,428	13,137	38,316	64,688	16,494	88	9,249	-	301,941
Net undiscounted best estimate combined business results, relating to current year	3,938	(15,045)	1,671	(6,542)	7,889	3,760	32	2,570	-	(1,727)
Net undiscounted best estimate combined business results, relating to prior year	(6,887)	(23,435)	1,414	1,060	23,890	(2,035)	1	2,087	-	(3,905)
Undiscounted underwriting results - profit / (loss)	(3,448)	(41,550)	2,819	(6,324)	33,075	1,347	33	4,395	-	(9,653)

d. Material change or other commentary on underwriting results (if any)

The improvement in underwriting results was primarily attributable to a higher proportion of business being retained by the Company.

7. Financial performance

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 2025	As at 31 December 2024
Market risk (diversified RCA)	56,013	59,709
Interest rate risk RCA	45,097	48,423
Credit spread risk RCA	30,777	32,028
Equity risk RCA	-	-
Property risk RCA	-	-
Currency risk RCA	3,753	4,361
Diversification benefits within market risk	(23,614)	(25,103)
Life Insurance Risk (diversified RCA)	-	-
Mortality risk RCA	-	-
Longevity risk RCA	-	-
Life catastrophe risk RCA	-	-
Morbidity risk RCA	-	-
Expense risk RCA	-	-
Lapse risk RCA	-	-
Diversification benefits within life insurance risk	-	-
General Insurance Risk (diversified RCA)	102,678	97,583
Reserve and premium risk RCA	81,999	74,422
Natural catastrophe risk RCA	38,203	41,204
Man-made non-systemic catastrophe risk RCA	23,033	23,018
Man-made systemic catastrophe risk RCA	-	-
Mortgage insurance risk RCA	-	-
Diversification benefits within general insurance risk	(40,557)	(41,061)
Counterparty default and other risk RCA	12,000	17,864
Diversification benefits among risk modules	(37,830)	(42,021)
Operational risk RCA	19,255	17,596
Adjustment for loss absorbing capacity cap	-	-
Adjustment for tax effect	(25,100)	(24,870)
Any other items which the IA may specify to adjust	-	-
Prescribed capital amount	127,016	125,861

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 2025	As at 31 December 2024
Unlimited Tier 1 capital	278,697	399,633
Limited Tier 1 capital	-	-
Tier 2 capital	5,348	-
Capital base	284,045	399,633

c. Ratio of capital base to prescribed capital amount

	As at 31 December 2025	As at 31 December 2024
Ratio of capital base to prescribed capital amount	223.63%	317.52%

d. Material change or other commentary on prescribed capital amount, capital base, and ratio of capital base to prescribed capital amount (if any)

During the financial year, a dividend of HK$102.1million was declared and paid to the holder of ordinary shares. Such payment was one of the principal factors contributing to the decrease in capital based compared with the prior financial year-end. Notwithstanding the dividend payment, the Company maintained a capital base in excess of its prescribed capital amount throughout the year.

8. Risk Management

a. Risk appetite and risk governance framework

Risk appetite and risk management objectives for material risks
bolttech Insurance operates under a yearly Board-approved Risk Appetite Statement ("RAS") that defines the level of risk the Company is willing to accept in pursuing its strategic objectives. The RAS covers material risks including insurance, market, liquidity, counterparty, operational, technology and compliance risks, and is embedded into business planning, risk monitoring and the Own Risk Solvency Assessment ("ORSA") process. During 2025, no material change to the Company's risk appetite or underlying risk management framework.

Asset and liability management
The Company adopts a prudent asset and liability management approach to support its insurance obligations and maintain adequate liquidity and capital resources. Asset allocation, liquidity, investment quality, asset duration and currency exposures are monitored against approved limits to manage market, liquidity and asset-liability mismatch risks at entity level.

Risk governance framework
The Board has ultimate responsibility for the Company's risk management framework and risk appetite. The Board Risk Committee oversees the Company's risk profile, material risks and ORSA outcomes, while the Executive Risk Committee supports ongoing monitoring and escalation of material risk exposures and incidents. Risk governance is further supported by the three lines of defence model, with business functions managing risks, Risk Management and Compliance providing oversight and challenge, and Internal Audit providing independent assurance.

b. Insurance risk management

bolttech Insurance's material insurance risks comprise underwriting, reserving and catastrophe risks. These risks are assessed through regular risk assessments, risk appetite monitoring and the ORSA process, with consideration given to underwriting performance, claims experience, reserve adequacy and solvency impact across the Company's portfolio. Risk concentrations arising from business portfolios, catastrophe exposures and reinsurance counterparties are monitored against approved limits. Insurance risks are managed through underwriting authorities, pricing disciplines, claims management controls, reserving reviews and reinsurance arrangements, which support the mitigation and transfer of risk exposures. Oversight is provided by the Board, Board Risk Committee and Executive Risk Committee, with Risk Management providing independent challenge and monitoring.

c. Investment risk management

bolttech Insurance manages its investment portfolio to support its insurance liabilities, maintain adequate liquidity and operate within approved risk limits. Risk appetite is governed through limits on credit quality, concentration, duration, liquidity and currency exposures, which are monitored regularly against approved thresholds. Investment risks are managed through the investment policy and mandate and ongoing risk monitoring. Oversight is provided by the Board, Board Risk Committee and Executive Risk Committee, with Risk Management providing independent challenge and monitoring.

9. Statement of Compliance

i. I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of Bolttech Insurance (Hong Kong) Company Limited;

ii. I am satisfied that the information in this disclosure statement is prepared in accordance with the Insurance (Public Disclosure) Rules and the Insurance (Valuation and Capital) Rules (subject to any variation or relaxation applied thereto);

iii. I am satisfied that the information in this disclosure statement can be reconciled with the relevant specified annual forms, on each of which an auditor's report is provided, of Bolttech Insurance (Hong Kong) Company Limited's annual returns for the financial year to which this disclosure statement relates, as submitted under rule 4(1) of the Insurance (Submission of Statements, Reports and Information) Rules; and

iv. I am satisfied that Bolttech Insurance (Hong Kong) Company Limited has complied with all capital requirements that apply to it under the Insurance (Valuation and Capital) Rules (as relaxed or varied, if applicable), during the financial year to which this disclosure statement relates.

Name:	Alister Musgrave
Position:	Director and General Manager
Company Name:	Bolttech Insurance (Hong Kong) Company Limited