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Certified true copy by:
Grant Thornton Hong Kong Limited
Certified Public Accountants, Hong Kong

St. James's Place International (Hong Kong) Limited

(Incorporated in Hong Kong with limited liability)

Directors' Report and Financial Statements

for the financial year ended 31 December 2025

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COMPANY INFORMATION

Directors
P Fell
A Lai
I MacKenzie
T Smith*
M Turnbull*

*Independent Non-Executive Director

Registered number
64458142

Registered office
1/F Henley Building
5 Queen's Road Central
Hong Kong

Independent auditors
Grant Thornton Hong Kong Limited
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

Bankers
HSBC Bank plc
1 Queen's Road Central
Hong Kong

Appointed Actuary
Milliman Limited
Unit 3901-02, AIA Tower
183 Electric Road
North Point
Hong Kong

Legal Advisors
Deacons
5th Floor
Alexandra House
18 Chater Road
Hong Kong

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DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements and financial information of St. James's Place International (Hong Kong) Limited (the "Company") for the financial year ended 31 December 2025 prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS"), the provisions of the Companies Ordinance and the Insurance Ordinance.

PRINCIPAL ACTIVITY

The Company is authorised and regulated by the Hong Kong Insurance Authority to carry out Class C Linked Long Term insurance business (as defined under Schedule 1, Part 2 of the Insurance Ordinance).

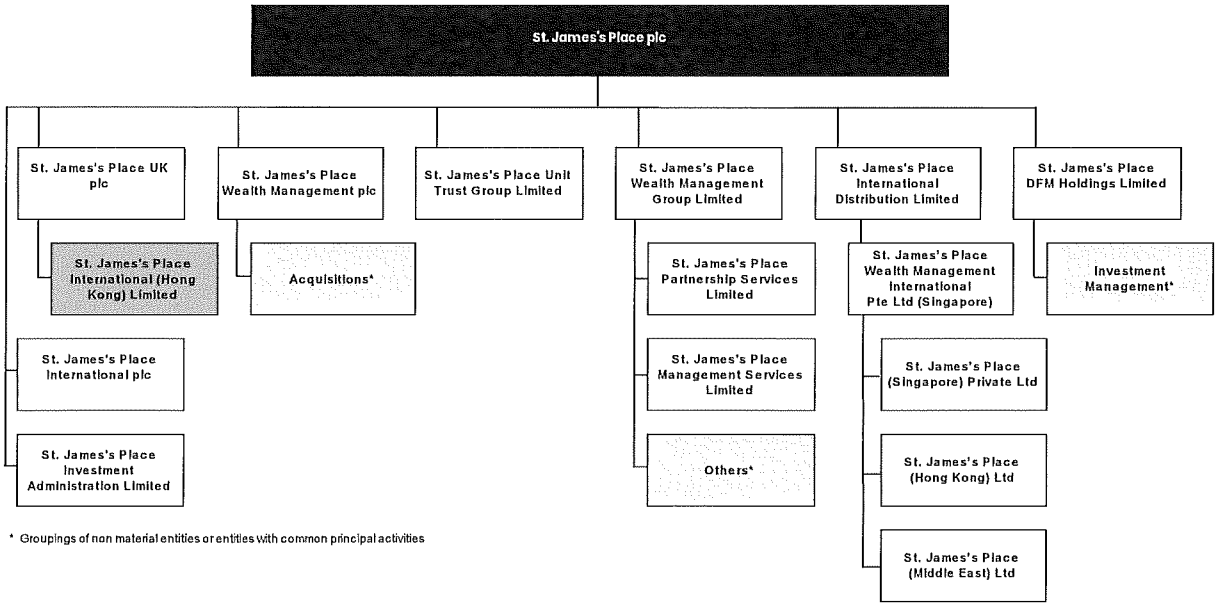
RESULTS AND APPROPRIATIONS

The results of the Company for the financial year and the financial position at that date are set out on pages 14 to 46 of the financial statements.

GROUP OVERVIEW

St. James's Place is an award-winning wealth management group with a track record of strong growth. An extract of the group structure is shown below.

The Company is a wholly owned subsidiary of St. James's Place UK plc, which in turn is a wholly owned subsidiary of St. James's Place plc, the ultimate parent company of the St. James's Place Group (the "Group" or "SJP").



Face-to-face advice is core to the Group's business model. This is delivered through the Group's dedicated distribution channel, the St. James's Place Partnership, which is focused on building and supporting long-term relationships with clients.

Financial advice is complemented and supported by our compelling investment proposition (the Investment Management Approach – "IMA"). The IMA offers a unique approach enabling investment management of underlying assets to be contracted out to a range of investment management firms, carefully selected by an independent committee of experts, from the global population of fund managers.

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DIRECTORS' REPORT (continued)

GROUP OVERVIEW (continued)

Further information about St. James's Place, the St. James's Place Partnership, the St. James's Place approach to fund management and the IMA and the full range of wealth management products is included within the Strategic Report of the St. James's Place plc Annual Report and Accounts.

BUSINESS REVIEW

The Company commenced trading in 2017 and is registered and domiciled in Hong Kong. The Company is authorised and regulated by the Hong Kong Insurance Authority to carry out Class C Linked Long Term insurance business.

The Company offers a range of funds priced in a range of currencies: GBP, HKD and USD. These funds invest into a range of St. James's Place Unit Trusts and other funds external to the Group. The Company controls six of the Unit Trusts.

The Company's financial business model is straightforward: to attract and then retain funds under management (FUM) on which an annual management fee is received. This is the principal source of income for the Company, out of which the overheads of the business are met, and investment is made in acquiring new FUM. As the level of annual management fee income received is dependent on the value of FUM, growth in FUM is a strong positive indicator of future growth in profits.

The Company has seen positive gross and net inflows over the year. The investment management approach (IMA) continues to perform well for clients, with our portfolios delivering strong returns. This, combined with net inflows, has driven FUM to HK$4.4bn (2024: HK$3.5bn), 26% higher compared to the end of the prior year.

Analysis of the development of the funds under management is provided in the following table:

	31 December 2025	31 December 2024
	HK$'m	HK$'m
Opening funds under management	3,472	3,013
Gross inflows	669	570
Net investment return	614	162
Regular withdrawals and maturities	(8)	(8)
Surrenders and part surrenders	(352)	(265)
Closing funds under management	4,395	3,472
Net inflows	309	297
Implied surrender rate as a percentage of average funds under management	9%	7%

DONATIONS

In 2025 the Company made no donations, political or otherwise. (2024 - £NIL).

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DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates within the St. James's Place Group 'Risk Management Framework'. More information around the Group's Risk Management Framework is provided in the Group's Annual Report and Accounts.

The principal risks and uncertainties facing the Company are set out on the following pages.

Principal Risks	Risk description	Example risk components	Example mitigation/material controls
Advice and conduct	Quality, suitable advice, or service to clients is not provided.	Risk that advisers operating under SJP (Hong Kong) Limited, the Company's sole distribution channel, may not meet the standards expected by SJP, or the suitability, disclosure and selling process standards required by the Hong Kong Insurance Authority. Such shortcomings could result in elevated complaint volumes, increased regulatory scrutiny, potential client detriment, and adverse impacts on the Group's reputation and financial performance	• SJP strives to maintain appropriate standards of professional advice and service. • We employ an onboarding, licensing and supervision programme for our advisers which is supported by advice standards, technical guidance, business assurance and compliance monitoring to ensure compliance with regulatory as well as Group standards. • We are focused on maintaining oversight of our advisers to ensure advice quality and ongoing client service. • Our complaints management, whistleblowing and investigation processes underpin a culture of integrity and accountability.
Client Proposition	The product proposition fails to meet the needs, objectives and expectations of clients. This includes poor relative investment performance and poor product design.	The risk that investment performance may fall short of benchmarks or fail to deliver the expected outcomes for clients. In addition, the range of investment solutions offered may not remain aligned with the evolving product and service needs of current and future clients. Furthermore, failure to meet client expectations around sustainability, particularly in relation to climate change and responsible investment could lead to reputational damage, loss of client confidence, and reduced competitiveness.	• SJP is focused on delivering long-term value and investment outcomes that align with our clients' objectives. We employ ongoing monitoring of portfolio performance, asset allocations, and fund managers against defined risk and return targets. • We are committed to engaging with investment managers on responsible investment principles.

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DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Principal Risks	Risk description	Example risk components	Example mitigation/material controls
Financial	The business's finances are not effectively managed.	The risk that the Company's financials may be negatively impacted due to adverse movements in investment markets, insufficient liquidity, or exposure to credit and counterparty failures, or that the Company cannot maintain solvency in accordance with the Hong Kong RBC Prescribed Capital Requirement.	• SJP is committed to maintaining a strong and resilient financial position. • We employ prudent asset-liability management to ensure clients' investments are fully matched. We hold sufficient highly rated liquid instruments to be confident of meeting all liquidity requirements and maintain contingent liquidity facilities to meet extreme and unexpected funding needs. • We are focused on disciplined financial control, budgeting, and monitoring to safeguard the Company's capital and solvency.
People	SJP is unable to attract, retain and organise the right people to run the business.	The risk that the Company may be unable to attract, retain, and develop colleagues with the necessary skills, or to effectively manage performance and succession. In addition, failure to maintain an inclusive and supportive culture, promote employee wellbeing, and uphold social value could adversely affect engagement, operational performance, and the Group's reputation.	• Attracting, developing, and retaining talented people is key to maintaining our business. • Structured succession planning and talent management processes are in place and we monitor engagement to ensure our people feel supported and valued. • We are focused on fostering a culture of integrity and social responsibility, including charitable giving and whistleblowing protections.
Regulatory and legislative	Current, changing, or new regulatory and legislative expectations are not met.	Key regulatory focus areas include ILAS-related suitability obligations, enhanced disclosure standards, requirements under the RBC regime, and expectations relating to financial crime, data protection (PDPO), outsourcing and operational resilience.	• SJP is committed to complying with all applicable regulations and legislation, and maintaining strong, open relationships with regulators. • We are focused on ensuring we have clear governance, accountability, and reporting structures that support oversight and early identification of risks or breaches in regulatory requirements.

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DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Principal Risks	Risk description	Example risk components	Example mitigation/material controls
Security and Resilience	SJP fails to adequately secure its physical assets, systems and/ or sensitive information, or to deliver critical business services to its clients.	The risk that a failure of core systems, a cyber-attack, or other disruption to key business services could impair the Company's ability to operate effectively and serve clients. Inadequate protection of corporate, Partnership, or third-party systems and data could result in service interruption, regulatory breaches, financial loss, and reputational or client harm.	• Our cyber and operational resilience framework is key to safeguarding our clients, Partners, and business operations. • We employ comprehensive business continuity and incident management plans, cyber accreditation standards, and proactive monitoring of potential data and security threats.
Strategy and Change	Failure to deliver change effectively and in line with the agreed strategy	The risk that change initiatives may not deliver the expected strategic outcomes, benefits, or quality standards, or may exceed planned budgets and timelines. Inadequate change execution or delays could hinder delivery of key business priorities, including commitments to achieving net zero, and adversely affect the Group's strategic progress and reputation.	• SJP is committed to delivering strategic change in a controlled and effective manner. • Rigorous governance and project management methodologies are in place to oversee transformation initiatives and manage dependencies. • We align change with long-term business objectives. Change budget and resource planning and management.
Third parties	Third-party outsourcers' activities impact performance and risk management.	The risk that operational failures by material outsourcers or other third-party service providers could disrupt critical business activities, including investment administration, fund management, custody, policy administration, and cloud services. Such failures could lead to client detriment, regulatory breaches, financial loss, and reputational damage.	• SJP maintains strong oversight of our third-party relationships and employs comprehensive due diligence, performance monitoring, and resilience assessments to ensure suppliers meet our operational and service standards. • The Group focuses on effective exit and continuity planning to safeguard our clients and the Group from potential disruptions

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DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Principal Risks	Risk description	Example risk components	Example mitigation/material controls
Geopolitical risks	As a Hong Kong domiciled insurer, the Company is exposed to geopolitical developments in the Greater China region, regulatory alignment with mainland standards, and the impact of regional market volatility on unit linked funds.	• Regional political and economic uncertainty • Product offering no longer eligible for target market. • Other external regulatory changes and impacts • Market volatility arising from global and regional geopolitical risks	• Contingency planning • External legal advice • Monitoring regulatory developments • Monitoring and assessing external environment including emerging & strategic risks

CURRENT RISK ENVIRONMENT

During the year, the external environment in Hong Kong continued to present several challenges and areas of regulatory focus relevant to the Company's operations. The Company has assessed these developments and remains confident in its ability to maintain operational resilience, regulatory compliance, and financial soundness under the Hong Kong Risk Based Capital ("RBC") regime.

MACROECONOMIC CONDITIONS IN HONG KONG:
Inflationary pressures in Hong Kong, while lower than in many international markets, remained elevated relative to long term norms. Rising operating costs, combined with wage inflation and supplier driven price increases, continued to impact the broader financial services sector. These pressures may influence client behaviour, including reduced appetite for long term savings or investment products during periods of household budget constraint. Market volatility across global and regional equity markets also affected investor sentiment, contributing to fluctuations in unit linked policy asset values. Despite this environment, the Company's business model—based on long term advice and a unit linked ILAS product structure—has remained resilient.

Regulatory Focus on ILAS Distribution:
The Hong Kong Insurance Authority ("IA") has maintained a heightened focus on the distribution of Investment Linked Assurance Scheme ("ILAS") products. The regulatory environment continues to emphasise:

- Suitability assessments, including the requirement for intermediaries to demonstrate that ILAS recommendations are appropriate to a client's financial situation, investment objectives, and risk tolerance.
- Enhanced disclosure, particularly regarding fees, product features, investment risks, and the nature of underlying funds.
- Quality of sales processes, including the need for robust documentation, comprehensive rationale for recommendations, and accurate and balanced explanations of risks.
- Supervision of licensed intermediaries, requiring firms to maintain strong oversight, training, and monitoring of adviser conduct.

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DIRECTORS' REPORT (continued)

CURRENT RISK ENVIRONMENT (continued)

Regulatory Focus on ILAS Distribution (continued):
Regulatory thematic reviews in Hong Kong continue to highlight the importance of high quality advice, consistent application of conduct requirements, and effective remediation where gaps are identified. The Company continues to work closely with its sole licensed distributor, SJP (Hong Kong) Limited, to ensure that advice processes, documentation standards, and adviser supervision meet IA expectations.

Cyber Security and Technology Risk:
Cyber risk remains a material operational risk for all financial institutions in Hong Kong. The IA continues to increase its expectations relating to insurers' technology governance, data protection, incident management, and cybersecurity resilience. The regulatory guidance under GL21 (Guideline on Enterprise Risk Management) and GL20 (Guideline on Cybersecurity) sets out clear requirements for insurers to demonstrate:

- effective identification and assessment of cyber threats;
- implementation of robust preventative and detective controls;
- regular penetration testing, vulnerability scanning, and scenario analysis;
- maintenance of incident response and business continuity plans; and
- Board-level oversight of cybersecurity risk.

The Company continues to strengthen its cybersecurity and operational resilience capabilities through Group wide investment in cyber monitoring tools, enhanced access controls, and regular internal training. Given the increasing sophistication of cyber attacks across the region, maintaining the confidentiality, integrity, and availability of client and corporate information remains a critical priority.

Outsourcing, Operational Resilience and Hong Kong RBC Requirements:
The IA has sustained its focus on the governance and oversight of outsourcing arrangements, consistent with expectations under the Insurance Ordinance, Insurance Core Principles, and the RBC regime. As the Company relies on both Group functions and third-party providers for key operational processes—including fund valuation, policy administration, information technology, and client servicing—it must demonstrate:

- clear Board and senior management accountability for outsourced activities;
- thorough due diligence, performance monitoring, and risk assessment of service providers;
- operational resilience planning, including stress testing and contingency arrangements; and
- effective reporting and escalation mechanisms.

Under the Hong Kong RBC framework, the Company is also expected to ensure that any operational disruption, fund valuation inaccuracy, or prolonged service outage that could affect policyholder outcomes and potentially impact the Company's capital position, is properly managed. Ongoing enhancement of control environments, testing of resilience capabilities, and documentation of outsourcing oversight remain key areas of management focus.

FUTURE DEVELOPMENTS

The Company intends to continue its Class C Linked Long Term insurance business (as defined under Schedule 1, Part 2 of the Insurance Ordinance).

Noting the current challenges and uncertainties as discussed above, in the longer term, the Directors expect the Company will continue to increase its volume of new business (and, therefore, overall funds under management) as a result of increased scale and productivity of the Group's distribution operation, the St. James's Place Partnership, in Hong Kong.

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DIRECTORS' REPORT (continued)

SHARE ISSUES IN THE YEAR

No shares were issued in the year. (2024 - NIL).

RESERVES

Movements in the reserves of the Company during the year are set out in the Statement of Changes in Equity on page 16.

CAPITAL AND SOLVENCY

The Company manages its Statement of Financial Position prudently to ensure solvency is maintained safely through the economic cycle. This is important not only for the safeguarding of clients' assets, but also to maintain the level of returns to shareholders.

Solvency is assessed against the requirements of the Risk-based Capital (RBC) regime for Insurers in Hong Kong. With free assets considerably in excess of the regulatory requirement, the Company's solvency position remains strong; see note 7 for further details.

KEY PERFORMANCE INDICATORS

The key performance indicators which are relevant to the Company are set out below.

	31 December 2025 HK$'m	31 December 2024 HK$'m
Funds Under Management (FUM)	4,395	3,472
Gross inflows	669	570
Net inflows	309	297
Total Sum at Risk	220	174

Non-Financial key performance indicators:

	31 December 2025	31 December 2024
Number of policies	1,878	1,828

With the objective of increasing FUM through growth in new business, 2025 has been a positive year. FUM has increased by 26% year on year due to net inflows coupled with positive market performance. Despite the challenging macro-economic environment, net FUM inflows have remained positive for the year. The company's results are ultimately driven by the annual management charge earned from FUM, as well as the control of key expenses.

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DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

P Fell
A Lai
I MacKenzie (Chair)
T Smith
M Turnbull

There being no provision in the Company's Articles of Association for retirement by rotation, all Directors in place at the end of the year continue in office.

DIRECTORS' AND CONTROLLERS' INTEREST IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements, and contracts of significance in relation to the Company's business to which the Company, or its fellow subsidiaries was a party and in which a Director or a 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' INTERESTS IN ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY

Certain Directors and Controllers of the Company who were Directors and Controllers during the year held performance share awards granted under the Performance Share Plan of St. James's Place plc, the ultimate controlling party. Under this plan, the Remuneration Committee of St. James's Place plc may make awards of performance shares to certain Directors and senior managers. These awards are subject to the earnings growth conditions of St. James's Place plc and are predominantly equity settled. As share awards granted are not for services rendered specifically to this Company, the rewards are accounted for in the financial statements of the individual's employing company. The following Directors and Controllers of the Company were granted awards under this plan:

P Fell
I MacKenzie

Certain Directors and Controllers of the Company who were Directors and Controllers during the year held performance share awards granted under the Deferred Bonus Scheme of St. James's Place plc. Under this plan, the deferred element of the annual bonus is used to purchase shares in St. James's Place plc. The shares are held in trust over the three-year vesting period and may be subject to further non-market-based performance conditions. As share awards granted are not for services rendered specifically to this Company, the rewards are accounted for in the financial statements of the individual's employing company. The following Directors and Controllers of the Company were granted awards under this plan:

P Fell
I MacKenzie
A Lai

Apart from the above, at no time during the year was the Company, its fellow subsidiaries, its parent company or its other associated corporations a party to any arrangement to enable the Directors or Controllers of the Company to hold any interests in the shares in, or debentures of, the Company or other associated corporation.

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DIRECTORS' REPORT (continued)

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.

REINSURANCE ARRANGEMENTS

During the year, the Company had no reinsurance arrangements in place.

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 signing the financial statements were:

M Fitzpatrick
A Lai
St. James's Place plc
St. James's Place UK plc
St. James's Place Wealth Management Group Limited (removed as Controller effective 22nd May 2025)

See note 13 for details of remuneration to key management personnel as defined by HKAS 24.

DIRECTORS' INDEMNITY AND INSURANCE

St. James's Place plc, the ultimate parent company, has taken out insurance covering Directors and Officers against liabilities they may incur in their capacity as Directors or Officers of St. James's Place plc or its subsidiaries. All members of the Board of St. James's Place plc who act as Directors or Officers of subsidiary companies are each granted indemnities whilst acting in their capacity as Directors or Officers to the extent permitted by law. These indemnities are uncapped in amount and protect recipients from certain losses and liabilities that they may incur to third parties in connection with the furtherance of their duties as Directors or Officers of St. James's Place plc or its subsidiary companies. This is a qualifying third-party indemnity provision and was in force during the financial year and remains in force.

EXTERNAL AUDITORS

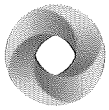
The financial statements and financial information have been audited by Grant Thornton Hong Kong Limited who retire and being eligible, offer themselves for re-appointment.

GOING CONCERN

Going concern has been evaluated by the Directors of the Company. They concluded that it was reasonable to expect the Company to continue to carry out Class C Linked Long Term insurance business for a period of not less than 12 months from the date of signing of the financial statements.

This report was approved by the Board of Directors on 27th April 2026 and signed on its behalf on the same date by:

Angelina Lai
Chief Executive



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Independent auditor's report

To the members of St. James's Place International (Hong Kong) Limited
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of St. James's Place International (Hong Kong) Limited (the "Company") set out on pages 14 to 46, which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its 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 Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 820 (Revised), *The Audit of Licensed Corporations and Associated Entities of Intermediaries* as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have 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 information

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

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

Other information (Continued)
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 for the financial statements
The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors assisted by the Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the 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. We report our opinion solely to you, as a body, in accordance with section 405 of the 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 financial statements.

In addition, we are required to obtain reasonable assurance about whether the financial statements are in accordance with the records kept under the Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Securities and Futures (Accounts and Audit) Rules.

Auditor's responsibilities for the audit of the financial statements (Continued)
As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the 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.

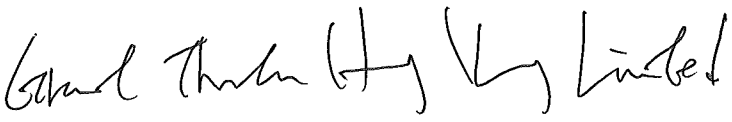
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- 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 Company'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 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 Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

27 April 2026

Lam Kam Fung
Practising Certificate No.: P07822

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2025

	Note	**Year ended 31 December 2025**	Year ended 31 December 2024
		HK$	HK$
Fee income from investment contracts		78,406,523	68,783,362
Investment return	10	404,144,605	291,131,814
Net income		482,551,128	359,915,176
Movement in investment contract benefits	11	(403,849,762)	(268,935,638)
Distribution and administrative expenses	12	(39,570,093)	(47,542,047)
PROFIT BEFORE TAXATION		39,131,273	43,437,491
Income tax	14	(11,352,685)	(44,583,012)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		27,778,588	(1,145,521)

All amounts relate to continuing operations.

The notes and information on pages 18 to 46 are an integral part of the financial statements.

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STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Note	31 December 2025	31 December 2024
		HK$	HK$
ASSETS			
Property & equipment	15	1,150,984	2,213,431
Deferred origination costs – investment business	16	130,728,238	109,907,625
Assets held to cover linked liabilities	17	4,395,324,761	3,471,947,484
Prepayments		328,598	382,009
Other receivables	18	10,016,134	28,304,586
Cash and cash equivalents		175,408,183	137,812,978
Total assets		4,712,956,898	3,750,568,113
LIABILITIES			
Investment contract liabilities	11	4,395,324,761	3,471,947,484
Tax Payable	14	40,574,563	32,731,923
Accruals		5,301,396	5,595,081
Other payables	19	21,844,392	18,160,427
Total liabilities		4,463,045,112	3,528,434,915
NET ASSETS		249,911,786	222,133,198
EQUITY			
Share capital	21	200,000,000	200,000,000
Accumulated profit		49,911,786	22,133,198
TOTAL SHAREHOLDERS' FUNDS		249,911,786	222,133,198

The financial statements on pages 14 to 46 were approved by the Board of Directors for issue on 27th April 2026 and were signed on its behalf on the same date by:

Paul Fell
Director

Angelina Lai
Chief Executive

The notes and information on pages 18 to 46 are an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

	Share capital	Accumulated profit	Total equity
	HK$	HK$	HK$
Balance as at 1 January 2025	200,000,000	22,133,198	222,133,198
Profit and total comprehensive income for the year	-	27,778,588	27,778,588
Balance as at 31 December 2025	200,000,000	49,911,786	249,911,786

	Share capital	Accumulated profit	Total equity
	HK$	HK$	HK$
Balance as at 1 January 2024	200,000,000	23,278,719	223,278,719
Loss and total comprehensive loss for the year	-	(1,145,521)	(1,145,521)
Balance as at 31 December 2024	200,000,000	22,133,198	222,133,198

The notes and information on pages 18 to 46 are an integral part of the financial statements.

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STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	**Year ended 31 December 2025**	Year ended 31 December 2024
		HK$	HK$
Cash flows from operating activities			
Profit/(loss) and total comprehensive income/(loss) for the year		27,778,588	(1,145,521)
Adjustments for:			
Depreciation	15	1,062,447	1,097,468
Leased asset additions	15	-	(3,187,341)
Interest received	10	(2,288,412)	(3,054,965)
Operating profit/(loss) before working capital changes		26,552,623	(6,290,359)
Increase in deferred origination costs	16	(20,820,613)	(11,338,570)
Increase in assets held to cover linked liabilities	17	(923,377,277)	(459,319,001)
Decrease in prepayments		53,411	3,110
Decrease/(increase) in other receivables	18	18,288,452	(22,627,383)
Increase in investment contract liabilities	11	923,377,277	444,734,555
Increase in tax payable	14	7,842,640	44,583,012
(Decrease)/ Increase in accruals		(293,685)	1,533,769
Increase in other payables	19	4,531,975	13,006,734
Net cash from operating activities		36,154,803	4,285,867
Cash flows from financing activities			
Interest received	10	2,288,412	3,054,965
Payment of lease liabilities	20	(848,010)	(881,820)
Net cash from financing activities		1,440,402	2,173,146
Net increase in cash and cash equivalents		37,595,205	6,459,012
Cash and cash equivalents at beginning of the year		137,812,978	131,353,966
Cash and cash equivalents at end of the year		175,408,183	137,812,978

The notes and information on pages 18 to 46 are an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

St. James's Place International (Hong Kong) Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office and principal place of business is 1/F, Henley Building, 5 Queen's Road Central, Hong Kong.

As at 31 December 2025, the Company's immediate holding company is St. James's Place UK plc (incorporated in England and Wales) and the ultimate holding company is St. James's Place plc (incorporated in England and Wales).

These financial statements are presented in Hong Kong Dollars ("HK$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants and the provisions of the Companies Ordinance which apply to the preparation of separate unconsolidated financial statements. The financial information of the Company has been prepared in accordance with HKFRS and the provision of the Insurance Ordinance.

In accordance with the criteria set out in paragraph 4(a) of HKFRS 10, Consolidated Financial statements, the Company is exempt from the preparation of consolidated financial statements and accounting for the investments in associates and joint ventures using the equity method, because St. James's Place plc, the ultimate parent of the Company, produces consolidated financial statements in accordance with International Financial Reporting Standards, which are available for public use at https://www.sjp.co.uk. The Company presents separate financial statements.

The financial statements have been prepared on a going concern basis. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of the financial instruments held to cover investment contract liabilities and other financial instruments to fair value. The measurement bases are fully described in the accounting policies below.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of financial reporting standards that have a significant effect on the financial statements are discussed in note 5.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

Amendments to standards adopted

A number of amended standards which are relevant to the Company's operations have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2025. These amended standards are presented below. The adoption of these amendments did not have any impact on the current year or any prior year and are not likely to affect future years.

Standards affected:	New standard and amendments relate to:
HKAS 21 and HKFRS 1	Lack of Exchangeability (amendments)

New standards, amendments to standards and interpretations to standards not yet adopted

Several new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2026 and have not been applied in preparing these financial statements. New and amended standards effective after 1 January 2026 are presented as follows:

Standards affected:	New standard and amendments relate to:	Effective date
HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 (amendments)	1 Jan 2026
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 Jan 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 Jan 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 Jan 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 Jan 2027
HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 Jan 2027
Hong Kong Interpretation 5 – Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 Jan 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	Date to be determined

The only standard expected to have an impact on the Financial Statements is HKFRS 18 Presentation and Disclosure in Financial Statements. HKFRS 18 replaces HKAS 1 Presentation of Financial Statements. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (CONTINUED)

HKFRS 18 introduces three major new requirements, including:

- Reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operations"), depending on the reporting entity's main business activities, in the statement of profit or loss
- Disclosure of management-defined performance measures ("MPM"s) in a single note to the financial statements

Additionally, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- Using "operating profit or loss" as the starting point for presentation of operating cashflows under the indirect method.

Management are currently assessing the impacts of adopting the new standard however it is expected to impact only the presentation and disclosure of the Financial Statements and is not expected to have an impact on recognition and measurement.

5. SUMMARY OF SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

5.1 Judgements

The Company has applied judgement in applying accounting policies in the classification of its products as either investment or insurance contracts. The Company's products are classified as investment contracts as the Company does not deem there to be a significant transfer of insurance risk.

5.2 Estimates

Determining the fair value of investment contract benefits
The principal area in which the Company applies accounting estimates is in determining the investment contract liabilities.

The Company categorises investment contracts as financial liabilities, carried on the Statement of Financial Position at fair value through profit or loss. The fair value of investment contracts is assessed by reference to the value of the underlying net asset value of the Company's unitised investment funds, determined on a bid value, at the reporting date.

As the underlying net asset value is determined using inputs other than quoted prices, but which are observable, either directly (that is, as prices) or indirectly (that is, derived from prices), the liabilities are categorised as a level 2 financial instrument.

Deferred acquisition costs
Deferred acquisition costs on investment contracts are amortised on a straight-line basis over the average lifetime of the underlying contracts. The average lifetime of the contracts has been estimated from the experienced termination rates and the average age of clients at inception and maturity.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, as noted below.

6.1. Product Classification

The Company's products are classified for accounting purposes as investment contracts. Insurance contracts are contracts under which the insurer accepts significant insurance risk, which the Directors do not deem to be the case. Contracts under which an insurer does not accept significant insurance risk are treated as investment contracts.

6.2. Premiums from Investment Contracts

Investment contract premiums are not included in the Statement of Profit or Loss and Other Comprehensive Income but are reported as deposits to investment contract liabilities in the Statement of Financial Position.

6.3. Claims and Withdrawals from Investment Contracts

Investment contracts benefits paid are not included in the Statement of Profit or Loss and Other Comprehensive Income but are instead deducted from investment contract liabilities. The movement in investment contract benefits principally represents the investment return credited to policyholders.

6.4. Fee income from Investment Contracts

Fees charged for services related to the management of investment contracts are recognised within net income as the services are provided. There are no initial fees which exceed the level of recurring fees and relate to the future provision of services and, therefore, there is no deferral and amortisation of fee income.

6.5. Investment Return

Investment return comprises investment income and realised and unrealised investment gains and losses. Investment income includes dividends and interest. Dividends are accrued on an ex-dividend basis. Interest, which is generated on assets classified as fair value through profit or loss, is accounted for using the effective interest method. Unrealised investment gains/losses represent the difference between the fair valuation of investments at the Statement of Financial Position date and their original cost, or, if they have been previously valued, their fair valuation at the last Statement of Financial Position date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

6.6. Distribution and Administrative Expenses

6.6.1 Deferred Origination Costs – Investment Business

Only directly attributable acquisition costs, which vary with and are related to securing new contracts, are deferred, and only to the extent that they are recoverable from future revenue.

These Deferred Origination Costs, which represent the contractual right to benefit from providing investment management services, net of any impairment losses, are amortised on a straight-line basis over the expected lifetime of the Company's investment contracts. All other costs are recognised as expenses as incurred.

6.6.2 Foreign Exchange Gains and Losses

Transactions entered into in currencies other than the currency of the primary economic environment in which the Company operates ("the functional currency") are recorded at the rate applicable in the month the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates applicable at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Statement of Profit or Loss and Other Comprehensive Income for the year.

6.7 Income Tax and Deferred Tax

Income tax for the year comprises current tax and deferred tax. Current tax is based on the profit or loss for the year and is calculated using rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, and except for assets and liabilities that do not give rise to equal taxable and deductible temporary differences, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

6.8 Property & Equipment

Property and equipment comprises those assets which are owned and those which are leased.

Initial and subsequent measurement of owned assets
Owned items of property and equipment are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged to expenses within the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the estimated useful lives of the property and equipment, which are as follows:

	% per annum
Fixtures & fittings	20

Initial and subsequent measurement of leased assets
A right-of-use asset is recognised within property and equipment for leased items which are not subject to the short-term or low-value lease exemptions set out in HKFRS 16. This comprises the Company's leased office space. The right-of-use asset recognised on the commencement date of the lease is the value of the lease liability (refer to the other payables accounting policy below), plus expected dilapidations costs, initial direct costs (that is, incremental costs that would not have been incurred if the lease had not been obtained, such as legal fees) and lease payments made before or at the commencement date of the lease. Following initial recognition, depreciation is charged to expenses within the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term.

Impairment of leased assets
The carrying value of leased assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any assets that may have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

6.9. Assets Held to Cover Linked Liabilities

Financial instruments held to cover investment contract liabilities are stated at their fair value and are classified at fair value through profit or loss, with all gains and losses recognised through the Statement of Profit or Loss and Other Comprehensive Income, with the exception of deposits, which are reported as deposits to or deductions from assets held to cover linked liabilities in the statement of financial position. The decision by the Company to designate its investments at fair value through profit or loss reflects the fact that the investment portfolio is managed, and its performance evaluated, on a fair value basis.

The Company recognises financial instruments when it becomes a party to the contractual provisions of the instrument. The fair values of financial investments are based on current bid prices. If the market for a financial investment is not active, the Company establishes fair value by using valuation techniques such as recent arm's length transactions, reference to similar listed investments, discounted cash flow models or option pricing models.

The Company recognises its purchases and sales of investments on the trade date. The costs associated with investment transactions are included within other administrative expenses.

An investment is derecognised when the contractual right to receive cash flows from the investment has expired. On de-recognition of the investment in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

6.10. Investment Contract Liabilities

Investment contracts consist of investment-linked contracts. Investment contract liabilities are measured at fair value by reference to the value of the underlying net asset value of the Company's unitised investment funds, determined on a bid value at the Statement of Financial Position date. Investment contract liabilities are recognised when units are first allocated to the policyholder; they are derecognised when units allocated to the policyholder have been cancelled.

The decision by the Company to designate its unit-linked liabilities at fair value through profit or loss reflects the fact that the underlying investment portfolio is managed, and its performance evaluated, on a fair value basis.

Payables in relation to unit liabilities primarily relate to outstanding market trade settlements (purchases) in the unit-linked funds, categorised as short-term, typically settled within three days.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

6.11. Other Financial Assets and Liabilities

The Company recognises financial instruments when it becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for de-recognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

The Company's accounting policies in respect of financial instruments transactions are explained below:

Receivables
Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market and that the Company has no intention of trading. Subsequent to initial recognition, receivables are held at amortised cost less allowance for incurred impairment losses. The assets are held within a business model with the objective of collecting contractual cashflows. The contractual terms give rise on specified dates to cash-flows that are solely payments of principal and interest on the principle outstanding

Payables
Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Other payables include lease liabilities calculated in accordance with HKFRS 16. On the commencement date of the lease, the lease liability is measured as the present value of the future lease payments. For the Company, future lease payments include those which are fixed and those which vary depending on an index or rate. The future lease payments are discounted at the Company's incremental borrowing rate at the commencement date of the lease, which varies depending on the lease term.

The incremental borrowing rate is management's judgement as to the rate of interest that the Company would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset. This has been determined with reference to the rate of interest of existing borrowings within the SJP Group and market rates, adjusted to consider the security and term associated with the lease.

Cash and Cash Equivalents
Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts to the extent that the Company has a right of set-off.

All cash and cash equivalents are classified at amortised cost. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment Loss Financial Assets

Financial assets held at amortised cost are assessed for impairment using an expected credit loss model. The model splits financial assets into those which are performing, underperforming and non-performing based on changes in credit quality since initial recognition. At initial recognition financial assets are considered to be performing. They become underperforming where there has been a significant increase in credit risk since initial recognition, and non-performing when there is objective evidence of impairment. Lifetime expected credit losses recognised for underperforming and non-performing financial assets are recognised in the Statement of Comprehensive Income. Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward-looking information.

There are currently no impairment losses recognised in the entity.

6.12. Share Capital

Ordinary shares are classified as equity.

7. CAPITAL MANAGEMENT

The Company is required to hold sufficient capital to meet the capital requirements under the Hong Kong Insurance Authority's Risk-Based Capital ("RBC") regime. As at 31 December 2025, the Company held capital substantially in excess of these requirements.

	31 December 2025	31 December 2024
	HK$	HK$
Total Shareholders' Funds	249,911,786	222,133,198
Adjustments to RBC basis:		
Regulatory Non-Unit Reserves	315,613,807	257,568,539
Margin Over Current Estimate	(23,293,961)	(19,354,247)
Deferred Origination Costs	(130,728,238)	(109,907,625)
Total Tier 1 eligible capital (A):	411,503,394	350,439,865
Prescribed Capital Amount (B)	224,308,179	167,352,737
Solvency ratio (A/B)	183.4%	209.4%

The solvency ratio is 183%, which is above the statutory minimum regulatory requirement of 100%.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. UNCONSOLIDATED STRUCTURED ENTITIES

The Company's funds invest in various unit trusts (in this context, known as "structured entities"). The following table summarises the Company's interest in unit trusts:

	Note	**31 December 2025 HK$**	31 December 2024 HK$
Assets held to cover linked liabilities			
Investment in Collective Investment Schemes	17	4,356,694,269	3,443,053,511
Total		4,356,694,269	3,443,053,511

Of the above interests in structured entities, the following table summarises those which are controlled by the Company. These entities are measured at fair value through profit or loss. All unit trusts below are incorporated in the United Kingdom with a principal place of business in the United Kingdom.

The carrying value of each unit trust, the value of the Company's interest and proportion of the Company's ownership as at 31 December are as follows.

	31 December 2025			31 December 2024		
Name of structured entity	**Unit Trust Value HK$**	**Company's Interest HK$**	**%**	Unit Trust Value HK$	Company's Interest HK$	%
Adventurous Growth	636,491,784	507,856,794	80	452,055,499	348,173,145	77
Adventurous International Growth	1,101,923,681	1,101,923,681	100	735,651,464	735,651,464	100
Balanced Growth	1,150,462,263	984,795,697	86	889,880,684	769,301,851	86
Balanced International Growth	1,478,270,821	1,478,270,821	100	1,197,891,336	1,197,891,336	100
Conservative Growth	95,080,683	73,487,860	77	108,936,230	89,643,624	82
Conservative International Growth	130,933,131	130,933,131	100	150,492,600	150,492,600	100
Total	4,593,162,363	4,277,267,984		3,534,907,813	3,291,154,020	

Dividend income and interest income are earned during the reporting period from these interests in structured entities. The associated investment risks related to these investments are borne by the unit-holders and not the Company; therefore, the Company does not have an exposure to the income, gains or losses in these unit trusts.

These unit trusts are the source of direct investment from the Company, as well as investments through other products offered by the Group.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANAGEMENT

The Company adopts a risk-averse approach to financial risk with a stated policy of not actively pursuing and accepting financial risk except when necessary to support other objectives. The Company seeks to manage risk through the use of only highly-rated investments. The Company has not used any derivatives or other instruments for hedging purposes. The Company does not hold or issue derivative financial instruments for trading purposes.

The Board of Directors periodically analyses and formulates measures to manage the Company's exposure to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

9.1. Categories of Financial Assets and Financial Liabilities

The categories and carrying values of the financial assets and financial liabilities held in the Company's Statement of Financial Position are summarised in the table below.

31 December 2025

	Fair value through Profit or Loss[1]	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
	HK$	HK$	HK$	HK$
Financial Assets:				
Assets held to cover linked liabilities	4,356,694,269	38,630,492	-	4,395,324,761
Other receivables	-	10,016,134	-	10,016,134
Cash and cash equivalents	-	175,408,183	-	175,408,183
Total financial assets	4,356,694,269	224,054,809	-	4,580,749,078
Financial Liabilities:				
Investment contracts	4,395,324,761	-	-	4,395,324,761
Other payables	-	-	21,844,392	21,844,392
Total financial liabilities	4,395,324,761	-	21,844,392	4,417,169,153

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANAGEMENT (continued)

9.1. Categories of Financial Assets and Financial Liabilities (continued)

31 December 2024

	Fair value through Profit or Loss[1]	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
	HK$	HK$	HK$	HK$
Financial Assets:				
Assets held to cover linked liabilities	3,443,053,511	28,893,973	-	3,471,947,484
Other receivables	-	28,304,586	-	28,304,586
Cash and cash equivalents	-	137,812,978	-	137,812,978
Total financial assets	3,443,053,511	195,011,537	-	3,638,065,048
Financial Liabilities:				
Investment contract liabilities	3,471,947,484	-	-	3,471,947,484
Other payables	-	-	18,160,427	18,160,427
Total financial liabilities	3,471,947,484	-	18,160,427	3,490,107,911

[1] All financial assets and liabilities at fair value through profit or loss are designated as such upon initial recognition.

The carrying value of the investment contract liabilities may differ from the amount contractually required to pay at maturity. This is as a result of the variable maturity values of the financial liabilities as a consequence of future policyholder investments and withdrawals as well as investment return. The value that would be required to be paid to policyholders as at 31 December 2025 in the event of surrender is less than the unit value included in the Statement of Financial Position, as an early withdrawal charge applies to all plans within five years of inception. In the event of death, the value to be paid would be 5% higher than the investment contract liability held in the Statement of Financial Position.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANGEMENT (continued)

9.2. Income, Expense, Gains and Losses Arising from Financial Assets and Financial Liabilities

The income, expense, gains and losses arising from financial assets and financial liabilities are summarised in the table below:

For the financial year ended 31 December 2025

	Fair value through Profit or Loss[1]	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
	HK$	HK$	HK$	HK$
Financial Assets:				
Assets held to cover linked liabilities	401,738,767	-	-	401,738,767
Cash and cash equivalents	-	2,405,838	-	2,405,838
Total financial assets	401,738,767	2,405,838	-	404,144,605
Financial Liabilities:				
Investment contract liabilities	(403,849,762)	-	-	(403,849,762)
Total financial liabilities	(403,849,762)	-	-	(403,849,762)

For the financial year ended 31 December 2024

	Fair value through Profit or Loss[1]	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
	HK$	HK$	HK$	HK$
Financial Assets:				
Assets held to cover linked liabilities	287,969,604	-	-	287,969,604
Cash and cash equivalents	-	3,162,210	-	3,162,210
Total financial assets	287,969,604	3,162,210	-	291,131,814
Financial Liabilities:				
Investment contract liabilities	(268,935,638)	-	-	(268,935,638)
Total financial liabilities	(268,935,638)	-	-	(268,935,638)

(1) All financial assets and liabilities at fair value through profit or loss are designated as such upon initial recognition. None of the change in the fair value of financial liabilities at fair value through profit or loss is attributable to changes in their credit risk.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANGEMENT (continued)

9.3. Fair Value Estimation

Financial assets and liabilities, which are held at fair value in the Statement of Financial Position, are required to have disclosed their fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Company's assets and liabilities measured at fair value are shown below:

31 December 2025

	Level 1	Level 2	Total balance
	HK$	HK$	HK$
Financial Assets:			
Assets held to cover linked liabilities (note 17)			
- Investment in Collective Investment Schemes	4,356,694,269		4,356,694,269
Total financial assets	4,356,694,269	-	4,356,694,269
Financial Liabilities:			
Investment contract liabilities	-	4,395,324,761	4,395,324,761
Total financial liabilities	-	4,395,324,761	4,395,324,761

31 December 2024

	Level 1	Level 2	Total balance
	HK$	HK$	HK$
Financial Assets:			
Assets held to cover linked liabilities (note 17)			
- Investment in Collective Investment Schemes	3,443,053,511	-	3,443,053,511
Total financial assets	3,443,053,511	-	3,443,053,511
Financial Liabilities:			
Investment contract liabilities	-	3,471,947,484	3,471,947,484
Total financial liabilities	-	3,471,947,484	3,471,947,484

The fair value of financial instruments traded in active markets is based on quoted bid prices at the Statement of Financial Position date, as described in note 6 to these financial statements. These instruments are included in Level 1. Instruments included in Level 1 comprise holdings in collective investment schemes.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANGEMENT (continued)

9.3. Fair Value Estimation (continued)

The Company closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured. Where it is determined that there is no active market, fair value is established using a valuation technique. The techniques applied incorporate relevant information available and reflect appropriate adjustments for credit and liquidity risks. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. The relative weightings given to differing sources of information and the determination of non-observable inputs to valuation models can require the exercise of significant judgement.

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value Level 2 financial assets and liabilities involves the use of observable prices for identical current arm's length transactions.

There were no transfers between Level 1 and Level 2 during the year. Should it be assessed that an active market no longer exists, a transfer between Level 1 and Level 2 fair value measurement hierarchies will be considered.

The fair values of the Company's financial assets and liabilities measured at amortised costs are not materially different from their carrying amounts because of their immediate or short-term maturity.

There were no transfers into or out of Level 3 during the year. There were no Level 3 financial assets at fair value through profit or loss in the year.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANAGEMENT (continued)

9.4. Credit risk

In general, risk from the Company's assets is minimised through investment in liquid assets with a strong credit rating. Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit. Credit risk also arises from holdings of cash and cash equivalents, deposits and formal loans with banks and financial institutions.

The Company has adopted a risk-averse approach and has a policy of not actively pursuing or accepting credit risk, except when necessary to support other objectives. Non-linked liabilities are matched by cash invested with approved banks with a view to minimising credit and market risk.

The following table sets out the maximum credit risk exposure and ratings of financial and other assets that are susceptible to credit risk:

31 December 2025	AAA	AA	A	Unrated	Unit-linked funds	Total
	HK$	HK$	HK$	HK$	HK$	HK$
Assets held to cover linked liabilities	-	-	-	-	4,395,324,761	4,395,324,761
Other receivables	-	-	-	10,016,134	-	10,016,134
Cash and cash equivalents	-	175,408,183	-	-	-	175,408,183
Total	-	175,408,183	-	10,016,134	4,395,324,761	4,580,749,078

The following table sets out the maximum credit risk exposure and ratings of financial and other assets that were susceptible to credit risk in the prior year:

31 December 2024	AAA	AA	A	Unrated	Unit-linked funds	Total
	HK$	HK$	HK$	HK$	HK$	HK$
Assets held to cover linked liabilities	-	-	-	-	3,471,947,484	3,471,947,484
Other receivables	-	-	-	28,304,586	-	28,304,586
Cash and cash equivalents	-	137,812,978	-	-	-	137,812,978
Total	-	137,812,978	-	28,304,586	3,471,947,484	3,638,065,048

There are no financial assets that are materially impaired, would otherwise be past due or impaired, whose terms have been renegotiated or are past due but not impaired.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANAGEMENT (continued)

9.5. Liquidity Risk

Liquidity risk is the risk that the Company, although solvent, either does not have sufficient financial resources to meet its obligations as they fall due or can only secure such resources at excessive cost. The Company has a very low appetite for an inability to meet its liabilities as they fall due.

The unit liabilities held on behalf of clients are matched by the unit investments held on their behalf. The death benefit is paid out of policyholder funds. The following table sets out the contractual maturity analysis exposure of the Company's financial assets and liabilities (based on contractual cash flows):

31 December 2025	Up to 1 year	1 – 5 years	Over 5 years	No contractual maturity	Unit-linked funds	Total
	HK$	HK$	HK$	HK$	HK$	HK$
Financial Assets:						
Assets held to cover linked liabilities	-	-	-	-	4,395,324,761	4,395,324,761
Other receivables	-	-	-	10,016,134	-	10,016,134
Cash and cash equivalents	175,408,183	-	-	-	-	175,408,183
Total financial assets	175,408,183	-	-	10,016,134	4,395,324,761	4,580,749,078
Financial Liabilities:						
Investment contract liabilities	-	-	-	-	4,395,324,761	4,395,324,761
Other Payables	4,700,484	141,321	-	17,002,587	-	21,844,392
Total financial liabilities	4,700,484	141,321	-	17,002,587	4,395,324,761	4,417,169,153

31 December 2024	Up to 1 year	1 – 5 years	Over 5 years	No contractual maturity	Unit-linked funds	Total
	HK$	HK$	HK$	HK$	HK$	HK$
Financial Assets:						
Assets held to cover linked liabilities	-	-	-	-	3,471,947,484	3,471,947,484
Receivables (incl. deferred tax asset)	-	-	-	28,304,586	-	28,304,586
Cash and cash equivalents	137,812,978	-	-	-	-	137,812,978
Total financial assets	137,812,978	-	-	28,304,586	3,471,947,484	3,638,065,048
Financial Liabilities:						
Investment contract liabilities	-	-	-	-	3,471,947,484	3,471,947,484
Other Payables	5,619,091	893,332	-	11,648,004	-	18,160,427
Total financial liabilities	5,619,091	893,332	-	11,648,004	3,471,947,484	3,490,107,911

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANAGEMENT (continued)

9.6. Interest Rate Risk

The Company has no significant exposure to interest rate risk as the majority of the Company's financial assets and financial liabilities that are not linked to the investment contracts are non-interest bearing.

9.7. Currency Risk

The Company's exposure to currency risk is limited as policyholders carry any currency risks associated with the investment-linked funds.

The Company has foreign currency exposures, arising from the items listed below and distribution and administrative expenses, denominated in currencies other than the Company's functional currency. The Company's exposure to foreign currency risk primarily arises from certain financial assets and liabilities which are primarily denominated in pounds sterling ("GBP").

The Company did not enter into foreign currency forward contracts to manage the Company's exposure to movements in foreign currency exchange rates on specific transactions, however management monitors the foreign currency risk specifically on larger transactions.

The Company's exposure to foreign currency risk for both monetary and non-monetary assets and liabilities is summarised as follows:

	31 December 2025	31 December 2024
HK$-equivalent	**HK$**	HK$
Assets		
Assets held to cover linked liabilities	4,395,324,761	3,471,947,484
Other receivables	10,016,134	28,304,586
Cash and cash equivalents	101,974,495	63,937,718
Liabilities		
Investment contracts	(4,395,324,761)	(3,471,947,484)
Payables in relation to unit liabilities	(12,790,461)	(8,109,356)
Accruals	(5,301,396)	(5,595,081)
Other payables	(12,790,461)	(10,051,071)
Total (Net)	81,108,311	68,486,796

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NOTES TO THE FINANCIAL STATEMENTS (continued)

9. FINANCIAL RISK MANAGEMENT (continued)

9.7. Currency Risk (continued)

The table below summarises the impact on the Company's results and retained profits in response to a theoretical increase of the key exchange rate in relation to the exposures tabled on the previous page. The analysis is based on the assumption that the exchange rate had increased by the respective percentage with all other variables held constant:

	31 December 2025		31 December 2024	
	Change in foreign exchange rate	**Effect on profit for the year HK$**	Change in foreign exchange rate	Effect on loss for the year HK$
GBP	+5%	4,055,416	+5%	3,424,340

9.8. Market Risk

The Company's business is unit-linked and the direct associated market risk is, therefore, borne by policyholders. Financial assets and liabilities held outside unit trusts consist of cash and cash equivalents, non-unit linked liabilities, and other assets and liabilities. Cash held at bank is valued at par and is unaffected by movements in interest rates. Non-unit linked liabilities are positively correlated with market movements. Other assets and liabilities are generally unaffected by market movements.

As a result of these combined factors, the Company's financial assets and liabilities held outside unit trusts are not subject to material market risk, and market movements at the Statement of Financial Position date have an immaterial impact on the Company's Statement of Profit or Loss and Other Comprehensive Income and its equity. Future income earned through annual management charges may be affected by market movements.

10. INVESTMENT RETURN

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Investment return on assets held to cover linked liabilities:		
- Investment return on financial instruments classified as fair value through profit or loss	401,738,767	287,969,604
- Investment return on financial instruments held at amortised cost	117,426	107,245
	401,856,193	288,076,849
Investment return on shareholder assets:		
- Investment return on financial instruments held at amortised cost	2,288,412	3,054,965
Total investment return	404,144,605	291,131,814

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NOTES TO THE FINANCIAL STATEMENTS (continued)

11. MOVEMENT IN INVESTMENT CONTRACT BENEFITS

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Change in investment contract benefits	(403,849,762)	(268,935,638)

Change in investment contact benefits in the Statement of Profit or Loss and Other Comprehensive Income relates primarily to investment return attributable to investment contracts. Other items, including premiums, claims and withdrawals are not included in the Statement of Profit or Loss and Other Comprehensive Income but are reported as deposits to investment contract liabilities in the Statement of Financial Position.

The movement in Investment contracts liabilities on the Statement of Financial Position can be explained as:

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
As at 1 January	3,471,947,484	3,027,212,929
Premiums from investment contracts	668,812,802	569,892,993
Claims and withdrawals from investment contracts	(360,225,555)	(273,454,931)
Investment return attributable to investment contracts	401,856,193	288,076,849
Investment expenses attributable to investment contracts	(275,347)	(75,819)
Foreign exchange	270,912,150	(79,869,122)
Fees from investment contracts	(57,702,966)	(45,250,989)
Decrease in non-linked provisions	-	(14,584,426)
Total movement	923,377,277	444,734,555
As at 31 December	4,395,324,761	3,471,947,484

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. DISTRIBUTION AND ADMINISTRATIVE EXPENSES

Profit before income taxation is arrived at after charging/(crediting):

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Deferred origination costs	(12,151,812)	(13,668,893)
Auditors' remuneration	878,101	877,428
Foreign exchange (gains)/losses	(9,345,175)	4,914,498
Commission expenses	31,662,545	28,938,879
Legal, professional & regulatory expenses	3,241,628	2,644,145
Policyholder administration expenses	3,179,256	5,028,918
Distribution expenses	7,856,250	7,623,237
Staff costs	7,420,501	5,112,484
Intra-group service charges	2,942,864	2,457,862
Depreciation	1,062,447	1,097,468
Other administrative expenses	2,823,488	3,613,489
Total	39,570,093	47,542,047

13. BENEFITS AND INTERESTS OF DIRECTORS

The following disclosures are made pursuant to section 383 of the Companies Ordinance (Cap. 622), the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G).

During the year, total Director emoluments in respect of services to the Company were as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Salary	-	-
Other emoluments	311,887	272,673
Other benefits	-	-
Total	311,887	273,673

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INCOME TAX

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Tax on profit for the current year	(16,456,361)	-
Deferred tax credit/(charge)	5,103,676	(44,583,012)
Income tax (charge)/credit	(11,352,685)	(44,583,012)

The reconciliation between the income tax expense and the accounting profit at the applicable tax rate is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Profit before taxation	39,131,273	43,437,491
Tax at the statutory rate of 16.5% (2024 – 16.5%)	(6,456,660)	(7,167,186)
Adjustment due to the adoption of adjusted surplus method	(5,044,325)	(37,450,420)
Income not subject to tax	-	17,695
Temporary differences not recognised	(16,700)	16,899
Difference due to two-tiered tax rates regime	165,000	-
Income tax	(11,352,685)	(44,583,012)

Tax Balances

Current Tax:

	Year ended 31 December 2025	Year ended 31 December 2024
	HK$	HK$
Current tax provision	(12,946,316)	-

Deferred Tax:

	Unutilised losses	**RBC transition adjustment**	**Deferred Tax liability**
	HK$	**HK$**	**HK$**
Balance at 31 December 2024	4,105,739	(36,837,662)	(32,731,923)
Utilised in year	(4,105,739)	9,209,415	5,103,676
Total (charge)/credit	(4,105,739)	9,209,415	5,103,676
Balance at 31 December 2025	-	(27,628,247)	(27,628,247)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

14. INCOME TAX (continued)

A deferred tax liability is recognised in respect of the transition adjustment arising on RBC implementation, which resulted in an increase in tax assessable profits. The Company has elected to avail of the 5 year spreading relief allowed under Section 23(AAAB) to 23(AAAE) of the Inland Revenue Ordinance.

The deferred tax asset recognised in relation to cumulative losses was fully utilised during the year.

BEPS 2.0 Pillar II: Global minimum tax

The SJP Group is subject to the global minimum tax rules introduced by the Organisation for Economic Co-operation and Development (OECD) in 2024 and adopted into local legislation of various territories in which the Group operates; including Hong Kong. It is expected that an election can be made under the Hong Kong Domestic Top-up Tax for the year ended 31 December 2025 to access the Transitional Safe Harbour and no liability is expected to be incurred by any Hong Kong constituent entities.

15. PROPERTY & EQUIPMENT

	Fixtures and Fittings	Leased Assets	Total
	HK$	HK$	HK$
Cost			
As at 1 January 2025	154,060	3,187,341	3,341,401
Disposals	-	-	-
Additions	-	-	-
As at 31 December 2025	154,060	3,187,341	3,341,401
Accumulated depreciation			
As at 1 January 2025	154,060	973,910	1,127,970
Disposals	-	-	-
Charge for the year	-	1,062,447	1,062,447
As at 31 December 2025	154,060	2,036,357	2,190,417
Net Book Value			
As at 31 December 2024	-	2,213,431	2,213,431
As at 31 December 2025	-	1,150,984	1,150,984

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NOTES TO THE FINANCIAL STATEMENTS (continued)

15. PROPERTY & EQUIPMENT (continued)

In respect of prior year:

	Fixtures and Fittings	Leased Assets	Total
	HK$	HK$	HK$
Cost			
As at 1 January 2024	154,060	4,448,103	4,602,163
Disposals	-	(4,448,103)	(4,448,103)
Additions	-	3,187,341	3,187,341
As at 31 December 2024	154,060	3,187,341	3,341,401
Accumulated depreciation			
As at 1 January 2024	154,060	4,324,545	4,478,605
Disposals	-	(4,448,103)	(4,448,103)
Charge for the year	-	1,097,468	1,097,468
As at 31 December 2024	154,060	973,910	1,127,970
Net Book Value			
As at 31 December 2023	-	123,558	123,558
As at 31 December 2024	-	2,213,431	2,213,431

Leased assets relate only to properties. Leases are negotiated on an individual basis and hence contain a variety of different terms and conditions. They contain covenants and restrictions but generally these are standard and to be expected in a modern, commercial lease created under open-market terms. Typical covenants include paying the annual rent, insurance premiums, service charge, rates and keeping the property in good repair and condition throughout the lease. Typical restrictions include permitting office use only and not transferring or assigning the lease to a third party without the lessor's consent. There are no residual value guarantees.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

16. DEFERRED ORIGINATION COSTS

	31 December 2025 HK$	31 December 2024 HK$
Opening deferred origination costs	109,907,625	98,569,055
Additions in period	23,206,410	22,710,934
Amortisation in period	(11,054,598)	(9,042,040)
Foreign exchange movement in period	8,668,801	(2,330,324)
Closing deferred origination costs	130,728,238	109,907,625
Current	13,022,200	10,468,555
Non-current	117,706,038	99,439,070
Total	130,728,238	109,907,625

17. ASSETS HELD TO COVER LINKED LIABILITIES

	31 December 2025 HK$	31 December 2024 HK$
Fair Value		
Holdings in Collective Investment Schemes	4,356,694,269	3,443,053,511
Amortised Cost		
Deposits	39,669,427	29,955,087
Other payables	(1,038,935)	(1,061,114)
	38,630,492	28,893,973
Total	4,395,324,761	3,471,947,484

18. OTHER RECEIVABLES

	Note	31 December 2025 HK$	31 December 2024 HK$
Amounts due from related companies	22	5,047,584	12,293,811
Other receivables		4,968,550	16,010,775
Total		10,016,134	28,304,586

All balances within other receivables are current.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

19. OTHER PAYABLES

	Note	31 December 2025 HK$	31 December 2024 HK$
Amounts falling due within one year:			
Amounts due to related companies	22	3,948,164	4,841,464
Lease liabilities	20	752,320	777,627
Payables in relation to unit liabilities		15,382,666	10,751,715
Other payables		1,619,921	896,289
Total		21,703,071	17,267,095
Amounts falling due after more than one year:			
Lease liabilities	20	141,321	893,332
Total other payables		21,844,392	18,160,427

Lease liabilities represent the present value of future cash flows associated with the Company's portfolio of property leases. Details of movement in lease liabilities are presented in note 20 of the financial statements notes.

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Company's liabilities arising from financing activities are summarised in the table below. All liabilities arising from financing activities relate to lease liabilities in respect of the Company's office lease.

	Lease liabilities	
	Year ended 31 December 2025 HK$	Year ended 31 December 2024 HK$
As at 1 January	1,670,959	104,478
Cash-flows:		
- Capital element of lease rentals paid	(848,010)	(881,820)
- Interest element of lease rentals paid	70,692	101,973
Non-cash:		
- Entering into new leases	-	2,346,328
As at 31 December	893,641	1,670,959

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21. SHARE CAPITAL

	31 December 2025		31 December 2024	
	Number of Shares	**HK$**	Number of Shares	HK$
As at 1 January	200,000,000	200,000,000	200,000,000	200,000,000
As at 31 December	200,000,000	200,000,000	200,000,000	200,000,000

22. TRANSACTIONS WITH RELATED PARTIES

The Company's related parties include the key management personnel and companies within the St. James's Place Group.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Directors of the Company and members of the St. James's Place plc Group Executive Committee. There were no direct transactions with key management personnel during the year, besides those disclosed in note 13.

St. James's Place Unit Trust Group plc ("SJPUTG"), a fellow subsidiary within the St. James's Place Group, reimburses the Company for AMC's deducted within the SJP unit trusts, on behalf of SJPUTG. During the year, HK$ 20,313,733 (2024: HK$23,602,213) was rebated to the Company in respect of AMCs. SJPUTG charged the company HK$0 in relation to expenses (2024: HK$466,178).

St. James's Place (Hong Kong) Limited, a fellow subsidiary within the St. James's Place Group, is the Company's sole distribution channel, and also incurs staff and other overhead expenses on behalf of the Company and recharges them. During the year, distribution and commission expenses of HK$39,389,934 (2024: HK$34,951,851) and staff and other expenses of HK$7,297,213 (2024: HK$5,444,338) were paid to St. James's Place (Hong Kong) Limited.

St. James's Place Management Services Limited, a fellow subsidiary within the St. James's Place Group, incurs staff and other overhead expenses on behalf of the Company, and recharges them. During the year, staff expenses and other expenses of HK$3,126,922 (2024: HK$1,905,764) were recharged to the Company.

St. James's Place International plc, a fellow subsidiary within the St. James's Place Group, incurs policy administration related expenses on behalf of the Company and recharges them. During the year, a total of HK$1,277,785 were recharged to the Company (2024: nil)

All other payable balances noted in the related party balances tables below relate to settlement of third-party supplier expenses and staff cost recharges that were incurred in the normal course of business.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TRANSACTIONS WITH RELATED PARTIES (continued)

The amounts outstanding as owed from related companies as at 31 December are as follows:

	31 December 2025	31 December 2024
	HK$	HK$
Amounts due from related companies, net of provisions		
St. James's Place Unit Trust Group Limited	5,047,584	11,378,630
St. James's Place International plc	-	915,181
Total	5,047,584	12,293,811

The amounts outstanding as owed to related companies as at 31 December are as follows:

	31 December 2025	31 December 2024
	HK$	HK$
Amounts due to related companies		
St. James's Place (Hong Kong) Limited	1,103,711	1,439,700
St. James's Place Management Services Limited	141,223	124,871
St. James's Place (Singapore) Private Limited	-	6,491
St. James's Place International plc	106,759	-
St. James's Place Wealth Management plc	2,487,677	3,270,402
St. James's Place Management Services (Ireland Branch)	108,794	-
Total	3,948,164	4,841,464

These amounts are unsecured, interest-free and repayable on demand.

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is St. James's Place UK plc, a company registered in England and Wales.

The ultimate parent company is St. James's Place plc, a company registered in England and Wales. It is also the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Copies of the consolidated financial statements of St. James's Place plc may be obtained from the Company Secretary at St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP, United Kingdom.

24. EVENTS AFTER THE REPORTING PERIOD

There were no events affecting the Company after the reporting period which require adjustment to or disclosure in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

25. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation.

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 27th April 2026.