Disclosure Statement at 31 December 2025

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

1 Company profile

(a) Authorized insurer's name

The Pacific Life Assurance Company, Limited

(b) Nature of the business, and places of business operations

The Company is authorized by the Insurance Authority under the Insurance Ordinance to carry on long-term insurance business in Hong Kong. Dedicated to the Hong Kong market, the Company provides high-quality individual term life, critical illness, and group life protection products to the general public and corporate clients through insurance intermediaries.

(c) Description of corporate structure

The Pacific Life Assurance Company, Limited ("PLA") is a limited company incorporated in Hong Kong in 1960. It is controlled by The Pacific Insurance Company Limited ("PIC") which owns 100% of PLA's shares and is its immediate holding company.

PIC, being a limited company, was also incorporated in Hong Kong in 1960 and has since operated as a general insurance service provider in Hong Kong.

During the financial year ended 31 December 2025, the ultimate controlling party of PLA was Dr. CHEUNG Huen Cheong Thomas who passed away in 2023. In January 2026, all his shares of the PIC and its affiliated companies were transferred to Ms. KAO Hsueh Yun, wife and beneficiary of the estate of the late Dr. CHEUNG according to the Letter of Probate granted by the Hong Kong High Court and with approval of the Insurance Authority of Hong Kong. She became the ultimate controlling party of PLA since then.

2 Corporate governance framework

There shall be clear lines of reporting and division of responsibilities within the organizational structure of the Company.

(a) Board of Directors

The Board plays a pivotal role in the strategic planning and policy of the company and in monitoring its management. It has ultimate responsibility for the company's strategy, risk management, and compliance.

(1) The Board shall consist of a minimum of five directors excluding any alternate directors. It shall review its size from time to time taking into account the activities and business volume of the company.

(2) At least one-third of the directors shall possess sufficient knowledge and relevant experience of insurance business to guide the company and oversee its activities effectively.

(3) To enable the Board to make sound decisions in the best interests of the company, at least one-third of the Board shall include independent non-executive directors (INED's) with sufficient calibre and breadth of experience to maintain appropriate checks and balances against the influence of the management and controllers.

Duties include, but not limited to, the following:

- Setting objective and strategies of the Company
- Ensure appropriate allocation of responsibilities.
- Setting risk appetite and risk strategy in line with the long term interest of the Company
- Approving major decisions and transactions relevant to the Company.

(b) Senior Management

1) Senior management whose appointment is authorised by the Board, should be headed by the Chief Executive Officer (CEO), It is accountable for carrying out the day-to day operations of the Company and implementing systems and controls according to corporate culture, business strategies, policies and procedures set out by the Company.

2) Senior management should have clear reporting line to the Board and provide relevant and accurate information, on a timely basis, to the Board facilitate its oversight of the management of the Company.

(c) Vice Chairman and Chief Executive Officer (CEO)

1) While the vice-chairman, being the head of the Board, should ensure the effective governance of the Company, The CEO, under the immediate of the Board, is responsible for the conduct of the whole of the insurance business of the Company.

He should supervise the senior management team and exercises his competence and powers with the aim of achieving the Company's goals and acts within the authority delegated by the Board to whom he is accountable.

2) In order to ensure there is a balance of power, the Vice Chairman should not the play role of CEO and vice versa.

3) In case the CEO is temporarily precluded rom carrying out his duties as CEO because of sickness, absence from Hong Kong or for any other exceptional reasons, the Board should entrust a director or Company Secretary to tend the affairs of the Company in the interim.

(d) Key persons in Control Function

Key Persons in Control Functions being responsible for performing control functions of the company, should be fit and proper persons. Control functions include actuarial, financial control, internal audit, compliance, risk management, and intermediary management.

Board Committees

i. Audit Committee

Major functions include but are not limited to the following:

- To assess the adequacy and effectiveness of the financial reporting process and internal control system of the Company;
- To review the Company's financial statements before submission to the Board,
- To review the internal audit reports submitted by Internal Audit department
- To detect and guard against any irregularities and potential suspicious transaction of the Company; and
- To ensure the Company comply with all relevant ordinances, statutory regulations, industry standards and guidelines.

ii. Remuneration Committee

Major functions include but are not limited to the following:

- To review and recommend the remuneration of directors, senior management, key persons in control functions and material risk-taking employees;
- To formulate a remuneration policy for all directors (including INEDs) and employees; and
- To review and amend periodically the remuneration policy in accordance with the changes in corporate strategies and business environment.

iii. Nomination Committee

Major functions include but are not limited to the following:

- To nominate suitable candidates of directors for Board's approval of his appointment;
- To appoint suitable candidates of senior management and key persons in control functions;
- To participate in dismissal and succession of directors, senior management and key persons in control functions; and
- To formulate a formal, documented, transparent policy for nomination, selection, appointment, dismissal and succession of directors, senior management and key persons in control functions.

iv. **Underwriting Committee**

Major functions include but are not limited to the following:

- To formulate and implement the underwriting policy of the Company;
- To set out criteria for assessing various types of insurance risks and to determine the premium policy of different insurance covers;
- To regularly review the underwriting and premium policies of the Company in the light of the Company's portfolio and general insurance market development; and
- To ensure that the Company adopt a prudent underwriting approach and do not underwrite any risks which are beyond the Company's financial capability and insurance expertise.

v. **Claims Settlement Committee**

Major functions include but are not limited to the following:

- To formulate and implement the claims settlement policy of the Company;
- To oversee the claims position of the Company and to ensure that adequate provision is made for outstanding claims;
- To strictly monitor the significant claims cases or events which will give rise to a series of claims to the Company;
- To formulate and implement Company policy as to how to deal with the claims disputes

vi. **Investment Committee**

Major functions include but are not limited to the following:

- To monitor and supervise the Company's investment activities to ensure the investment risks are diversified.
- To review and update investment strategies periodically and whenever necessary so as to adapt to the changing economic, legal and market situation;
- To discuss and review the present performance of the Company's investment and identify new investment opportunities with good potential returns; and

- To closely monitor the investment portfolio

vii. Reinsurance Committee

Major functions include but are not limited to the following:

- To formulate and implement the reinsurance policy of the Company;
- To oversee the reinsurance activities of the Company and to ensure that the Company comply with the Ordinance in respect of the adequate arrangement of reinsurance;
- To review and revise (if necessary) the reinsurance arrangement of the Company in the light of the insurance and reinsurance market development;
- To assess the effectiveness of the reinsurance arrangement for future reference.

viii. Participating Business Committee

Composition of PBC

As the Company's total amount of insurance liabilities (gross of reinsurance) for all applicable participating funds is less than HKD 1 billion as at 30 September 2025, the Company has appointed a PBC consisting of two members, with at least one member an independent non-executive director ("INED"). If the Company's total insurance liabilities (gross of reinsurance) for applicable participating funds increase to HKD 1 billion or above for 4 consecutive reported quarters following 30 September 2025, the Company is required to establish a PBC in accordance with paragraphs 3.8 and 3.9 of GL34 within 6 months after the end of the fourth quarter.

Major functions of PBC includes but are not limited to the following:
Providing advice and reporting to the Board on the Company's management of its applicable participating funds, covering the following matters:

a. whether the level of future discretionary benefits provided in the benefit illustration is clear, fair, and reasonably achievable;
b. the policy and mechanism for allocating distributable surplus/profits and dividends and dividend accumulation rate declaration (including any smoothing mechanisms), taking into account recommendations from the Appointed Actuary and reasonable expectations of policyholders (including but not limited to their expectations relating to reasonable achievement of discretionary benefits), fairness and equity, as well as sustainability;
c. the fairness, equity, and reasonableness in allocation of expenses and charges to and within applicable participating funds;
d. the risk and investment profile of applicable participating funds, including the appropriateness of the risk appetite and risk level taken, the management and reasonable balance of risk and return, etc.;
e. the impact of any management actions planned or implemented;
f. the use, purpose, and terms of any shareholder capital support to an applicable participating fund;
g. the Company's communications with existing policyholders relating to applicable participating funds, including fairness and transparency of disclosed information which may affect policyholders' decisions; and

h. any other issues which the Company or the PBC considers appropriate in relation to the Company's management of its applicable participating fund.

- Evaluating whether participating policyholders are treated fairly, having regard to the rights and interests of different groups, classes, or cohorts of policyholders, and ensuring consistency with the PAR policy;
- Responding directly to any inquiries from the IA concerning the performance of the PBC's functions;
- Preparing an annual statement for publishing on the Company's website.

Senior Management / Key person in control functions

- **Chief Executive Officer (CEO)** – Head of the Senior Management. Responsible for carrying out the day-to-day operations of the Company and implementing systems and controls according to corporate culture, business strategies, policies and procedures set out by the Company.

- **Financial Controller (FC)** -Oversee the financial function of the Company, includes supervise day-to day accounting operations, timely preparation of financial statement and submission of regulatory reports.

- **Compliance Officer** – Ensures the Company adheres to legal, regulatory, and ethical standards.

  Major functions includes, but not limited to, the following:
  - Ensure compliance with laws and regulations set by the Insurance Authority (IA), Insurance Ordinance (Cap. 41) and anti-money laundering (AML) requirements.
  - Develop and update internal policies to align with regulatory requirements, industry standards, and company objectives
  - Identify, assess, and mitigating compliance risks, such as breaches of conduct, mis-selling, or failure to meet capital adequacy requirements.
  - Support the board and senior management in maintaining robust governance structures to meet regulatory and stakeholder expectations.
  - Provide guidance to business units on compliance-related matters.

3 Financial position

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

(Unit: in HKD thousands)	As at 31 December 2025				As at 31 December 2024			
	Total	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)	**Total**	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)
Total assets	**283,291**	**194,197**	**21,182**	**89,101**	**262,895**	**175,029**	**19,800**	**87,879**
Cash and deposits	**48,627**	44,377	1,340	4,250	**55,465**	51,530	785	3,935
Debt securities	**102,394**	85,371	14,777	17,023	**78,054**	61,924	13,986	16,130
Equities (including portfolio investments)	**8,504**	7,029	-	1,475	**11,676**	10,601	-	1,075
Properties	**65,980**	-	-	65,980	**66,300**	-	-	66,300
Other financial assets	**9,658**	9,405	417	253	**9,422**	9,176	410	246
Reinsurance assets	**47,898**	47,898	4,641	-	**41,680**	41,680	4,619	-
Tax assets	**2**	2	-	-	**-**	-	-	-
Other assets	**228**	108	-	120	**298**	118	-	193
Total liabilities	**108,853**	**108,493**	**15,253**	**367**	**99,030**	**98,704**	**15,084**	**339**
Insurance liabilities	**83,461**	83,461	13,117	-	**72,275**	72,275	13,083	-
Other financial liabilities	**21,355**	21,355	2,134	-	**21,484**	21,484	1,987	-
Tax liabilities	**2**	2	2	-	**2**	2	1	-
Other liabilities	**4,035**	3,668	-	367	**5,269**	4,943	13	339
Net assets	**174,438**	**85,704**	**5,928**	**88,734**	**163,865**	**76,325**	**4,716**	**87,540**

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

To secure yields and reduce exposure to anticipated interest rate cuts, bond allocations increased by HK$24 million in 2025.

4 Investments

(a) Assumptions and methods used for valuation of investments

The Company engages independent valuation specialists to determine the fair value of its investment properties annually, utilizing valuation techniques based on the market approach. Debt and equity securities are carried at fair value, which is measured using quoted prices in active markets.

(b) Material change in assumptions and methods, or other commentary on investments (if any)

Not applicable

5 Insurance liabilities

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

Insurance Liabilities of Long Term Business

(Unit: in HKD thousands)	As at 31 December 2025						
	HK insurers: all long term business					Applicable to Hong Kong branches of non-HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
Total insurance liabilities (gross of reinsurance)	**13,117**	**-**	**-**	**-**	**70,344**	**-**	**83,461**
Of which: long term insurance liabilities	13,117	-	-	-	70,051	-	83,168
Outstanding claims	-	-	-	-	250	-	250
Current estimate[1]	12,951	-	-	-	65,186	-	78,137
Margin over current estimate	167	-	-	-	4,614	-	4,781
Prepaid premiums	-	-	-	-	-	-	-
Other long term insurance liabilities	-	-	-	-	-	-	-
Of which: general insurance liabilities	-	-	-	-	293	-	293
Reinsurance assets	**4,641**	**-**	**-**	**-**	**43,258**	**-**	**47,898**
Reinsurance liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[1] Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

(Unit: in HKD thousands)	As at 31 December 2024						
	HK insurers: all long term business					Applicable to Hong Kong branches of non-HK insurers: reinsurance business with offshore risk if fund of insurance business with offshore risk is established	Total long term business
	Participating business	Linked long term (Class C)	Retirement scheme category I (Class G)	Retirement scheme category II (Class H)	Other long term business		
Total insurance liabilities (gross of reinsurance)	**13,083**	**-**	**-**	**-**	**59,192**	**-**	**72,275**
Of which: long term insurance liabilities	13,083	-	-	-	58,864	-	71,947
Outstanding claims	-	-	-	-	300	-	300
Current estimate[1]	12,951	-	-	-	54,729	-	67,680
Margin over current estimate	132	-	-	-	3,835	-	3,967
Prepaid premiums	-	-	-	-	-	-	-
Other long term insurance liabilities	-	-	-	-	-	-	-
Of which: general insurance liabilities	-	-	-	-	328	-	328
Reinsurance assets	**4,619**	**-**	**-**	**-**	**37,061**	**-**	**41,680**
Reinsurance liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**

[1] Excludes outstanding claims, prepaid premiums and other long term insurance liabilities which are disclosed separately.

(b) Assumptions and method used to derive the assumptions for determining insurance liabilities

The Company follows pricing or industry assumptions where applicable for valuation purposes. The current estimate is calculated on a Gross Premium Valuation (GPV) basis, with the HKD and USD risk-free yield curves specified by the IA as of December 2025 and the Matching Adjustment (MA) applied. The MA is derived using a proxy application ratio of 15%, as allowed by the IA under GL36 paragraph 8.58(a). Considering the size and the nature of its contracts, Group Life business is valued using the unearned premium approach.

(c) Material change in assumptions and methods used to derive the assumptions, or other commentary on the insurance liabilities (if any)

HKD and USD risk-free yield curves are updated as specified by the IA as of December 2025. Other assumptions remain unchanged from the prior year. Insurance liabilities have been valued in accordance with the Insurance (Valuation and Capital) Rules (Cap. 41R) and the relevant guidelines as issued by the IA.

6 Financial performance

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

Performance Analysis on Premiums and Claims

(Unit: in HKD thousands)	For the financial year ended 31 December 2025		
	Total	Long term business	Of which belongs to: long term business – participating business
Gross premiums[2]	**30,625**	**30,625**	**276**
Regular premiums	Not applicable	30,625	276
Single premiums	Not applicable	-	-
Net premiums	**7,720**	**7,720**	**247**
Regular premiums	Not applicable	7,720	247
Single premiums	Not applicable	-	-
Gross claims paid	**12,521**	**12,521**	**180**
Net claims paid	**3,369**	**3,369**	**180**

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

Performance Analysis on Investment Returns

(Unit: in HKD thousands)	For the financial year ended 31 December 2025			
	Total	Long term business	Of which belongs to: long term business – participating business	Shareholders' fund (if applicable)
Investment returns	12,168	9,058	1,329	3,110

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7 Capital adequacy

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

Prescribed Capital Amount

(Unit: in HKD thousands)	As at 31 December 2025	As at 31 December 2024
Market risk (diversified RCA)	**23,886**	**25,568**
Interest rate risk RCA	5,240	6,916
Credit spread risk RCA	4,164	3,759
Equity risk RCA	3,402	4,670
Property risk RCA	16,495	16,575
Currency risk RCA	851	809
Diversification benefits within market risk	(6,265)	(7,161)
Life Insurance Risk (diversified RCA)	**19,182**	**16,138**
Mortality risk RCA	4,166	4,009
Longevity risk RCA	-	-
Life catastrophe risk RCA	2,197	2,240
Morbidity risk RCA	9,834	9,665
Expense risk RCA	5,795	2,429
Lapse risk RCA	7,327	7,026
Diversification benefits within life insurance risk	(10,137)	(9,230)
General Insurance Risk (diversified RCA)	**56**	**54**
Reserve and premium risk RCA	56	54
Natural catastrophe risk RCA	-	-
Man-made non-systemic catastrophe risk RCA	-	-
Man-made systemic catastrophe risk RCA	-	-
Mortgage insurance risk RCA	-	-
Diversification benefits within general insurance risk	-	-
Counterparty default and other risk RCA	**1,485**	**1,412**
Diversification benefits among risk modules	(9,933)	(9,222)
Operational risk RCA	**1,225**	**1,242**
Adjustment for loss absorbing capacity cap	-	-
Adjustment for tax effect	-	-
Any other items which the IA may specify to adjust	-	-
Prescribed capital amount	**35,902**	**35,193**

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

Capital Base

(Unit: in HKD thousands)	As at 31 December 2025	As at 31 December 2024
Unlimited Tier 1 capital	174,438	163,865
Limited Tier 1 capital	-	-
Tier 2 capital	-	-
Capital base	**174,438**	**163,865**

(c) Ratio of capital base to prescribed capital amount

	As at 31 December 2025	As at 31 December 2024
Ratio of capital base to prescribed capital amount	**486%**	**466%**

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

Driven by a rising interest rate yield curve in 2025, the capital base expanded by HK$10.5 million, reflecting reduced insurance liabilities from discounting impacts and higher investment income. Consequently, the ratio of capital base to prescribed capital amount improved by 20 percentage points.

8 Risk Management

(a) Risk appetite and risk governance framework

The Board of Directors is ultimately responsible for the Company's risk management. It approves the Risk Appetite Statement annually, which defines the types and levels of risk the Company is willing to accept to achieve its strategic objectives while maintaining a strong capital position and protecting policyholder interests.

<u>Risk appetite and risk governance framework</u>
PLA strives to meet or exceed the capital demand under manageable risk. It has high aversion to risk that has adverse financial effect on the Company.

The Company's risk appetite is conservative, with tolerances set for key risks such as market volatility, underwriting losses, and liquidity shortfalls. Breaches trigger escalation and mitigation actions. No material changes in risk appetite level during the year.

The risk owners are the first line of defence. Their responsibility is to identify, assess and manage the risks. Their responsibilities encompass implement controls, identify and mitigate risks in daily operations

The risk management function forms the second line of defence and independently assesses all material risks. Its' responsibilities encompass develop policies, monitor risk exposure, and ensure regulatory compliance. A Risk Management Committee (RMC) has been set up to oversee and manage the risks within the Company. The Committee consisted of 3 members, including 2 INED's chaired by the CEO.

RMC's major functions include, but are not limited, to the following:

- To advise the Board on the Company's risk appetite;
- To formulate and implement the risk management policy of the Company;
- To review the adequacy and effectiveness of the risk management policy on a regular basis; and
- To identify, analyze and quantify the various risks that the Company is

encountering or may face

The Internal Audit department is the third line of defence. It independently reviews and assesses the risk management controls, processes and systems.

The risk management process includes:

1. Risk Identification: Identification of significant risks,
2. Measurement: Risk assessment,
3. Monitoring: Comparison against risk tolerance,
4. Reporting: Reporting to RMC or the Board,
5. Managing: Formulating mitigating actions and reassessment,
6. Periodic Review: Periodic reassessment of risk profiles.

(b) Insurance risk management

The Company is exposed to material insurance risks arising from its long-term insurance business in Hong Kong, primarily mortality risk (from individual term life and group life products) and morbidity risk (from critical illness products). These risks are assessed at the total portfolio level and, where relevant, by line of business (individual term life, critical illness and group life).

Risk assessment is conducted through experience studies, actuarial analysis, portfolio monitoring, and stress and scenario testing. Material risks are quantified under the risk-based capital framework and evaluated in the context of the Company's overall risk profile.

Concentration risks are reviewed periodically. As the Company's operations are dedicated mainly to the Hong Kong market, its insurance risk is geographically concentrated in Hong Kong. This concentration is inherent to the Company's focused business model and is managed through diversification across product lines, disciplined underwriting and reinsurance arrangements. Other concentrations, including potential accumulations arising from large group life schemes, occupational or industry concentrations within group business, and any clustering of critical illness claims, are also monitored. In addition, the Company's reinsurance arrangements give rise to counterparty concentration risk, which is managed through ongoing assessment of the reinsurers' credit quality and financial strength, contractual protections, and periodic review of the reinsurance structure to keep exposure within the Company's risk appetite.

The Company's risk control and transfer strategies for material insurance risks focus on disciplined underwriting, sound product design and pricing, robust claims management, and the use of reinsurance. Underwriting guidelines and authority limits are established and monitored to ensure risks accepted remain within appetite. Pricing incorporates appropriate risk loadings and is subject to regular review against emerging experience. Claims handling processes include verification, fraud detection and consistent application of policy terms. Reinsurance is used as a primary risk transfer tool, with arrangements structured to protect against large individual claims and aggregate volatility.

Governance of insurance risk is embedded within our Enterprise Risk Management framework, supported by clear policies, defined accountabilities, and ongoing monitoring by experienced underwriting and risk committees to ensure alignment with our risk appetite.

(c) Investment risk management

The Company's investment risk management ensures a balance of capital preservation, operational flexibility, and long-term growth. Rigorous risk controls and active, committee-led governance oversee asset allocation and liquidity, securing both expected returns and corporate stability.

The Company's investment objectives is driven by three primary objectives:

1. Security and Returns: The primary mandate is to select investments that generate appropriate returns while maintaining a high degree of capital security.
2. Liquidity Preservation: The portfolio is structured to guarantee sufficient liquidity at all times, ensuring the Company can seamlessly cover existing liabilities and meet daily operational requirements.
3. Diversification: Investments are widely diversified across various asset types and geographic markets. This deliberate spread mitigates concentration risks, preventing over-exposure to any single asset class or country.

The Company utilizes an active investment strategy to drive growth and strengthen its overall financial position. The investment approach is highly dynamic, adjusting in response to evolving market conditions and internal Company decisions. The overall investment portfolio mix is strictly maintained within the Company's predefined asset allocation limits to align with the desired risk-return profile.

To strictly control exposure, the Company maintains a single counterparty exposure limit of 5% of the long-term business fund invested assets and 10% of the shareholders' fund invested assets. Additionally, robust internal control systems are strictly enforced. These protocols guarantee that all investment activities are adequately supervised and that every transaction strictly adheres to the Company's established policies and procedures.

The oversight of investment risks is managed through the Investment Committee. The Committee's specific roles include:

- Fulfilling the duties and responsibilities outlined in the corporate mandate;
- Formulating and updating the Company's Investment Policies;
- Reviewing the monthly summary on assets and liabilities provided by the Investment Operation Committee.

(d) Other risk management (if any)

The Company manages other material risks through integrated processes within its Enterprise Risk Management (ERM) framework.

- **Operational risk**: This includes risks arising from inadequate or failed internal processes, people, systems, or external events. The Company maintains a robust operational risk management programme covering key areas such as IT systems, business continuity, outsourcing, and fraud prevention. Incident reporting, and key risk indicator (KRI) monitoring are conducted. Business continuity and disaster recovery plans are tested periodically.

- **Compliance and conduct risk**: A strong compliance culture is fostered through policies, guidelines, and independent monitoring. The Compliance function oversees adherence to regulatory requirements, including fair treatment of customers and anti-money laundering controls.

- **Emerging risks**: The Company proactively identifies and assesses emerging risks such as climate-related financial risks, cybersecurity threats, and geopolitical developments. These are incorporated into risk assessment within the ORSA,

  All other risks are monitored through regular reporting to the Risk Management Committee and the Board. There were no material risk events or breaches of risk appetite in the financial year. The effectiveness of the overall risk management framework is reviewed annually as part of the ORSA process.

9 Statement of Compliance

(i) I am satisfied with the completeness, accuracy and consistency of the information disclosed in this disclosure statement in respect of The Pacific Life Assurance Company, Limited;

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

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

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

Name:	Mr. Daniel S. K. Hui
Position:	Managing Director and CEO
Company Name:	The Pacific Life Assurance Company, Limited