

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements**

**1. Basis of Preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting, International Accounting Standard ("IAS") 34: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022, which were prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs"), except as disclosed in note 2 to the interim financial statements.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

**2. Significant accounting policies**

The accounting policies adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following MFRS and amendments to MFRS:

<u>Description</u>	<u>Effective Date</u>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendments to MFRS 17 <i>Insurance Contracts</i> )	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101)	1 January 2023
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)	1 January 2023

The adoption of the above standard and amendments to standards issued by Malaysian Accounting Standards Board ("MASB") in the current financial year do not have any material impact to the financial statements of the Group, except as discussed below.

**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(a) Changes in accounting and reporting policy**

**(i) MFRS17 Insurance Contracts**

MFRS 17 *Insurance Contracts* was issued in May 2017, replacing MFRS 4 *Insurance Contracts*. This standard resulted in significant changes to the accounting for insurance and reinsurance contracts. The Group adopted MFRS 17 *Insurance Contracts*, including any consequential amendments to other standards and subsequent amendments to MFRS 17, beginning the first quarter of 2023, with corresponding comparative financial information provided for 2022.

MFRS 17 establishes principles for recognition, measurement, presentation and disclosures of insurance and reinsurance contracts. It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, a risk adjustment for non-financial risk and a contractual service margin ("CSM").

Under MFRS 17, for insurance contracts measured under the general measurement model ("GMM") and variable fee approach ("VFA"), new business gains are recorded on the Consolidated Statements of Financial Position (as part of the CSM component of the insurance contract liability) and amortised into profit or loss as services are provided. New business losses are recorded into profit or loss immediately. For reinsurance contracts held, both reinsurance gain/losses at inception are amortised into profit or loss as services are provided. Also, investment components are no longer included in insurance revenue and insurance service expenses. Any financial changes and financial risk changes related to insurance and reinsurance contracts are recorded separately from insurance and reinsurance service result and are disaggregated between investment result in profit or loss and Other Comprehensive Income ("OCI"). Under the premium allocation approach ("PAA") measurement model, which is applied to contracts that are short term in nature (mostly one year or less), the measurement of insurance and reinsurance contracts are simplified and is similar to the Group's previous accounting treatment of insurance and reinsurance contracts.

During the implementation period of MFRS 17, the Group has determined the following:

- Its insurance contracts are substantially measured using the General Measurement Model ("GMM");
- Policies which have contract boundaries (ie. coverage periods of less than 1 year) are measured under Premium Allocation Approach ("PAA");
- For policies with direct participation features wherein payments on investment returns to policyholders are based on contractual terms which substantially vary with the underlying items are measured using Variable Fee Approach ("VFA") model.

The Group will be applying the GMM model for all reinsurance contracts held.

**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(a) Changes in accounting and reporting policy (continued)**

**(ii) MFRS 9 *Financial Instruments***

MFRS 9 *Financial Instruments* was issued in 2014, replacing MFRS 139 *Financial Instruments: Recognition and Measurement*. MFRS 9 was effective for annual periods beginning on or after January 1, 2018 except for entities whose liabilities are primarily insurance contract liabilities. The Group adopted MFRS 9, with related amendments to IFRS 7 *Financial Instruments: Disclosures* as of January 1, 2023.

MFRS 9 does not require restatement of comparative periods except in limited circumstances related to aspects of hedge accounting. Entities are permitted to restate comparatives as long as hindsight is not applied.

Upon the adoption of MFRS 9, the Group adopted the classification overlay approach as allowed under the Amendments to MFRS 17. Under this approach, the Group reclassified and redesignated the financial assets held as of 31 December 2021, as if they have been adopting MFRS 9 as of 31 December 2021, however, no recomputation of Expected Credit Loss is performed. The Group is allowed to use the Impairment Losses recognised under MFRS 139, if any, as the Expected Credit Loss under MFRS 9. In the case of assets classified as FVTPL under MFRS 139, and reclassified as FVOCI under MFRS 9, no impairment was calculated for these financial instruments for financial year ended 31 December 2022.

The adoption of MFRS 9 as of 1 January 2022 resulted in differences in the assets classification when compared to their classification under MFRS 139. Classification changes included reclassifying debt securities supporting insurance contract liabilities from FVTPL under MFRS 139 to FVOCI under MFRS 9 and reclassifying Available-for-sale (“AFS”) equities under MFRS 139 to FVTPL under MFRS 9. These classification changes led the Group to present certain investment results previously reported in profit or loss or OCI under MFRS 139, within OCI or profit or loss under MFRS 9, respectively.

The Group’s accounting policies for classification and measurement of financial instruments and impairment of financial assets in accordance with MFRS 9 are as follows:-

Classification and measurement

The Group classify financial assets into three primary measurement categories: Fair Value Through Profit or Loss (“FVTPL”), Fair Value Through Other Comprehensive Income (“FVOCI”) and Amortised Cost.

The classification of financial assets depends on the Group’s business model of managing the financial assets in order to generate cashflows (“business model test”) and the contractual cashflow characteristics of the financial instruments (“SPPI test”). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest.

A financial asset is measured at amortised cost if its business model is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(a) Changes in accounting and reporting policy (continued)**

**(ii) MFRS 9 *Financial Instruments*(continued)**

A financial asset is measured at fair value through other comprehensive income (“FVOCI”) if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal.

All other financial assets are classified and measured at FVTPL.

**Impairment**

MFRS 9 impairment requirements are based on an Expected Credit Loss (“ECL”) model that replaces the Incurred Loss model under the MFRS 139.

The Group’s policy on recognition and measurement of ECL with effect from Transition Date as of 1 January 2023 is similar with the policy as set out in Note (2)(i)(iii) of the audited financial statements for financial year ended 31 December 2022.

**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9**

Presentation and disclosure differences

There are significant changes to presentation and disclosure of the financial statements upon the adoption of MFRS17. The following outlines some of the key presentation and disclosure changes:

- Statements of Financial Position:
  - (i) Under MFRS 17, the Group presents portfolios of insurance separately from portfolios of reinsurance contracts held, and portfolios of asset position are further presented separately from portfolios of liability position. Policy loans (which were previously reported within Loans and receivables), insurance receivables and payables, provision for outstanding claims (which were reported as separate line items), will be assessed on net portfolio position and reported within Insurance Contract Liabilities or Assets as these are insurance contract related balances. Reinsurance receivables and payables, reinsurance assets and liabilities will be assessed on a net portfolio position and reported within Reinsurance Contract Liabilities or Assets as these are reinsurance contract related. Under MFRS 4, contracts were not split and presented by asset and liability position.
  - (ii) Under MFRS17, Unallocated Surplus of Participating Funds, which represents the surplus which have yet to be declared to Shareholders will be recognised as part of Non-distributable Retained Earnings of the Group. Under MFRS4, these Unallocated Surplus were recognised as part of the Insurance Contract Liabilities.
  - (iii) Under MFRS17, the Group will no longer consolidate and report the Statement of Financial Position of Investment-linked funds together with the Total Assets and Total Liabilities of the Group on a line-by-line basis; instead, the Investment-linked funds will be reported as two separate lines on the Group's Statements of Financial Position as "Segregated Funds Net Assets" and "Segregated Funds Insurance Net Liabilities".
- Statements of Comprehensive Income:
  - (i) The presentation of the statements of comprehensive income will change significantly upon the adoption of MFRS 17, with clear delineation of underwriting and investment results. There will no longer be items such as gross, net or earned premiums or net claims incurred shown on the statement of profit or loss. Under MFRS 17, the Group separately presents insurance revenue, insurance service expense, insurance finance income or expenses, and income or expenses from reinsurance contracts held. Under MFRS 4, the Group reported premium income, gross claims and benefits, changes in insurance contract liabilities, benefits and expenses ceded to reinsurers and changes in reinsurance assets.
  - (ii) Under MFRS17, the Group will no longer consolidate and report the Statement of Profit or Loss of Investment-linked funds together with the income and expense of the Group on a line-by-line basis; instead, the Investment-linked funds will be reported as two separate lines on the Group's Statements of Profit or Loss as "Investment income related to segregated fund net assets" and "Financial changes related to segregated fund net liabilities".

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**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9 (continued)**

Financial impact from adoption of MFRS 17

The effects as a result of adoption of MFRS 17 were recognised as adjustments to retained earnings and accumulated other comprehensive income as at 1 January 2022. The adoption resulted in an increase to total equity as of 1 January 2022 by RM173 million (net of tax) as set out below:

<b>Measurement and classification differences</b>	<b>Description</b>
<b>Transition CSM</b>	<p>Contractual Service Margin (CSM) is a new liability that represents future unearned profits on insurance contracts written.</p> <p>For this measurement step, the amount recognised as at the transition date, 1 January 2022 was RM241 million, with a corresponding impact to reduce Total Non-distributable Equity by RM188 million (net of tax).</p>
<b>Contract Measurement</b>	<p>Under MFRS 17, other components of insurance contract liabilities, aside from the CSM, are also remeasured. This measurement step includes the following changes:</p> <p>Higher Risk Adjustments provisions held within the Group's insurance liabilities for non-economic risk on application of the MFRS 17 standard of RM232 million, with a corresponding impact to reduce Total Non-distributable Equity by RM176 million (net of tax);</p> <p>Lower Best Estimate Liability of RM562 million from the removal of sterling reserve requirements for products with negative reserves under MFRS 17 and the Group elected change in reserving methodology for products previously measured on the unearned premium reserve method under MFRS 4 but on a gross premium valuation method under MFRS 17. This has corresponding impact to increase Total Non-distributable Equity by RM425 million (net of tax).</p>
<b>Classification differences</b>	<p>Under MFRS 4, Unallocated Surplus, Asset Revaluation Reserves and Fair Value Reserves of Participating Policyholders' Funds of RM152 million were reported within Insurance Contract Liabilities.</p> <p>Under MFRS 17, these balances are reported as Participating Policyholders' Equity, which is part of the Non-Distributable Equity of the Group. The reclassification has contributed to lower Insurance Contract Liabilities of RM152 million, with a corresponding increase in Non-Distributable Equity of RM108 million (net of tax).</p>

**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9 (continued)**

Classification differences

The classification of financial assets and the impact as of 1 January 2022 are set out as follows:

- Quoted equity shares currently held as available-for-sale with gains and losses recorded in OCI will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss.
- The equity shares in non-listed companies that are intended to be held for the foreseeable future will be classified as FVTPL. No impairment losses were recognised in profit or loss during prior periods for these investments.
- All debt securities which include Malaysian Government Securities, Government Investment Issues and corporate debt securities will be measured at FVOCI, as the Group expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis, except for those debt securities held by unit trust subsidiaries which will be measured at FVTPL. Accordingly, debts securities currently held as FVTPL assets will be reclassified to FVOCI assets.

The Group reassessed and redesignated one of the subsidiary's debts securities which were previously classified as FVTPL under MFRS9 (on its standalone financial statements) to FVOCI as allowed under Amendment MFRS 17.

No impairment losses were recognised in profit or loss during prior periods for these investments. Accordingly, no ECL recognised for these investments.

- Loans and receivables which include fixed and call deposits and other receivables are held to collect contractual cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria to be carried at amortised cost under MFRS 9. Therefore, reclassification for these instruments is not required.

The reclassification of financial assets from FVTPL to FVOCI, and from FVOCI to FVTPL resulted in a corresponding reclassification from fair value reserve to Shareholders' retained earnings of RM9 million and Participating policyholders' non-distributable retained earnings of RM92 mil at 1 January 2022.

Measurement differences

The Group also remeasured the unquoted equity securities which were previously measured at cost under MFRS 139 to fair value based on its share of the net asset value of the investee at 1 January 2022, resulted in an increase in total retained earnings of RM 7 mil (net of tax).

ECL impact

As the Group adopted the classification overlay approach for comparative balances, no ECL were recorded for the comparative results for financial year ended 31 December 2022. Instead, the effects from the implementation of impairment requirements based on an ECL methodology of RM5 million (net of tax) was recognised on 1 January 2023.

Changes made in relation to adoption of MFRS 9 were presented under "Effect of adopting MFRS 9" at 1 January 2022 and "Effect of adopting MFRS 9 classification overlay" at 1 January 2023 in the Condensed Consolidated Statement of Changes in Equity.

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**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9 (continued)**

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets as at 1 January 2022.

	Original classification under MFRS 139		New Classification and measurement under MFRS 9		
	AFS RM'000	FVTPL RM'000	FVOCI RM'000	FVTPL RM'000	Segregated Funds Net Asset* RM'000
Equity securities					
- Quoted in Malaysia	633,750	786,964	-	633,750	786,964
- Quoted outside Malaysia	131,774	67,419	-	179,704	19,489
- Unquoted	2,516	-	-	11,476	-
Real estate investment trusts	18,773	8,478	-	18,773	8,478
Unit trust funds	1,206	180,784	-	1,206	180,784
Private equity funds					
- Quoted outside Malaysia	-	19,122	-	19,122	-
Malaysian Government Securities	314,771	78,047	351,137	39,511	2,170
Government Investment Issues	283,634	117,396	344,788	35,640	20,602
Corporate debt securities					
- Unquoted	1,748,511	634,838	1,948,860	350,130	84,359
- Quoted	-	193,621	193,621	-	-
Mutual funds					
- Quoted outside Malaysia	-	217,928	-	-	217,928
Forward foreign exchange contract	-	933	-	-	933
Accrued interest	26,103	10,455	30,528	4,560	1,470
	<u>3,161,038</u>	<u>2,315,985</u>	<u>2,868,934</u>	<u>1,293,872</u>	<u>1,323,177</u>

\* Included as part of Segregated Funds Net Assets.

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**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9 (continued)**

The adoption of MFRS 9 and MFRS 17 resulted in the following effects to the condensed consolidated statement of financial position of the Group at 31 December 2022.

**Statement of Financial Position**

	<b>31.12.2022</b>	<b>Classification</b>	<b>31.12.2022</b>	<b>Expected</b>	<b>1.1.2023</b>
	<b>As</b>	<b>and</b>	<b>As</b>	<b>credit</b>	<b>As</b>
	<b>previously</b>	<b>measurement</b>	<b>restated</b>	<b>losses</b>	<b>restated</b>
	<b>stated</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>					
Property and equipment	36,085	-	36,085	-	36,085
Investment property	78,902	-	78,902	-	78,902
Intangible assets	126,244	-	126,244	-	126,244
Available-for-sale financial assets	3,126,332	(3,126,332)	-	-	-
Financial assets at fair value through other comprehensive income	-	3,073,251	3,073,251	-	3,073,251
Financial assets at fair value through profit or loss	2,380,807	(1,154,112)	1,226,695	-	1,226,695
Loans and receivables	643,217	(643,217)	-	-	-
Financial assets at amortised cost	-	401,786	401,786	-	401,786
Reinsurance contract assets	10,735	(10,420)	315	-	315
Insurance receivables	11,019	(11,019)	-	-	-
Right-of-use assets	3,478	-	3,478	-	3,478
Deferred tax assets	345	(345)	-	-	-
Current tax assets	26,595	1,492	28,087	-	28,087
Other assets	-	11,657	11,657	-	11,657
Cash and cash equivalents	258,793	(13,917)	244,876	-	244,876
Segregated funds net asset	-	1,324,405	1,324,405	-	1,324,405
<b>TOTAL ASSETS</b>	<b>6,702,552</b>	<b>(146,771)</b>	<b>6,555,781</b>	<b>-</b>	<b>6,555,781</b>

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**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9 (continued)**

The adoption of MFRS 9 and MFRS 17 resulted in the following effects to the condensed consolidated statement of financial position of the Group at 31 December 2022. (continued)

**Statement of Financial Position (continued)**

	<b>31.12.2022</b>		<b>31.12.2022</b>		<b>1.1.2023</b>
	<b>As</b>	<b>Classification</b>	<b>As</b>	<b>and</b>	<b>As</b>
	<b>previously</b>	<b>measurement</b>	<b>restated</b>	<b>Expected</b>	<b>restated</b>
	<b>stated</b>	<b>RM'000</b>	<b>RM'000</b>	<b>credit</b>	<b>RM'000</b>
	<b>RM'000</b>		<b>RM'000</b>	<b>losses</b>	
				<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>					
Insurance contract liabilities	4,561,710	(1,010,186)	3,551,524	-	3,551,524
Segregated funds insurance net liabilities	-	1,324,405	1,324,405	-	1,324,405
Insurance claims liabilities	88,224	(88,224)	-	-	-
Reinsurance contract liabilities	-	54,980	54,980	-	54,980
Financial liability at fair value through profit or loss	12	(12)	-	-	-
Deferred tax liabilities	35,187	69,537	104,724	-	104,724
Insurance payables	814,306	(814,306)	-	-	-
Lease liabilities	3,506	-	3,506	-	3,506
Other liabilities	244,357	106,461	350,818	-	350,818
<b>TOTAL LIABILITIES</b>	<b>5,747,302</b>	<b>(357,345)</b>	<b>5,389,957</b>	<b>-</b>	<b>5,389,957</b>
<b>EQUITY</b>					
Share capital	131,041	-	131,041	-	131,041
Retained earnings	817,999	217,157	1,035,156	(1,868)	1,033,288
Other reserves	6,210	7,352	13,562	1,868	15,430
<b>Total shareholders' equity</b>	<b>955,250</b>	<b>224,509</b>	<b>1,179,759</b>	<b>-</b>	<b>1,179,759</b>
Participating policyholder's equity	-	(13,935)	(13,935)	-	(13,935)
<b>TOTAL EQUITY</b>	<b>955,250</b>	<b>210,574</b>	<b>1,165,824</b>	<b>-</b>	<b>1,165,824</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,702,552</b>	<b>(146,771)</b>	<b>6,555,781</b>	<b>-</b>	<b>6,555,781</b>

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**Part A: Notes to the Interim Financial Statements (Continued)**

**2. Significant accounting policies (continued)**

**(b) Effects of adoption MFRS 17 and MFRS 9 (continued)**

The adoption of MFRS 9 and MFRS 17 resulted in the following effects to the statement of total comprehensive income of the Group for the financial year ended 31 December 2022.

**Statement of Total Comprehensive Income**

	<b>31.12.2022</b> <b>As</b> <b>previously</b> <b>stated</b> <b>RM'000</b>	<b>Classification</b> <b>and</b> <b>measurement</b> <b>RM'000</b>	<b>31.12.2022</b> <b>As</b> <b>restated</b> <b>RM'000</b>
<b>Net profit for the financial year</b>	18,912	15,172	34,084
<b>Other comprehensive (loss)/income, net of tax</b>			
Net (loss)/gain on foreign currency translation	(680)	1,841	1,161
Fair value change of AFS/FVOCI financial assets, net of deferred tax	(11,268)	(67,861)	(79,129)
Insurance finance income, net of deferred tax	-	86,906	86,906
Reinsurance finance expense, net of deferred tax	-	(5,914)	(5,914)
(Deficit)/surplus from revaluation of property	(159)	183	24
<b>Other comprehensive (loss)/income for the financial year</b>	<u>(12,107)</u>	<u>15,155</u>	<u>3,048</u>
<b>Total comprehensive income for the financial year</b>	<u><u>6,805</u></u>	<u><u>30,327</u></u>	<u><u>37,132</u></u>

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**Part A: Notes to the Interim Financial Statements (Continued)**

**3. Seasonal/cyclical factors**

The business operations of the Group are subject to the sales cycle of the life insurance business and asset management services.

**4. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial year ended 31 December 2023.

**5. Change in estimates**

The Group's insurance subsidiaries, Manulife Insurance Berhad and Manulife Insurance Labuan Limited value policy liabilities using a prospective actuarial valuation. The expected future liabilities are determined using best estimate assumptions with the appropriate risk adjustment to reflect the uncertainty of adverse deviation from expected experience. Valuation assumptions used includes mortality, morbidity, lapse, expense, risk-free interest rate plus illiquidity premium, and participating life funds' yield derived based on asset liability method. For calculating the contractual service margin ("CSM"), the fair value approach is used for all in-force policies sold before 2021, and the full retrospective approach is used for all policies sold in 2021 onwards.

There were no material changes in the basis used for accounting estimates for the current financial year ended 31 December 2023.

**6. Debt and equity securities**

During the current financial year, 3,205,555 new ordinary shares of Manulife Holdings Berhad ("the Company") were issued at the conversion price of RM1.71 per ordinary share for a total of RM5,481,499 in relation to the Dividend Reinvestment Plan exercise undertaken by the Company as per Note 7. The said shares were listed and quoted on the Main Market of Bursa Malaysia Berhad on 10 August 2023.

Besides the above, there were no other issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter ended 31 December 2023.

**7. Dividend Paid**

On 9 August 2023, the Company paid a final dividend of 7.0 sen per share equivalent to RM15,138,331 in respect of the financial year ended 31 December 2022. Out of the total dividend payout, a total of RM9,656,832 was paid in cash. The remaining RM5,481,499 was converted into new ordinary shares of the Company as per Note 6.

**8. Material events subsequent to the end of the financial year**

There is no material event subsequent to the end of the financial year under review that has not been reported in the interim financial statements for the current financial year to date.

**9. Changes in composition of the Group**

There were no significant changes in the composition of the Group for the current financial year ended 31 December 2023.

**10. Contingent liabilities**

There are no contingent liabilities as at the date of this report since the date of the last annual statement of financial position.

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**Part A: Notes to the Interim Financial Statements (Continued)**

**11. Significant event**

On 28 July 2023, Manulife Insurance Berhad and Alliance Bank Malaysia Berhad have extended their exclusive bancassurance partnership for a further 15 years.

**12. Current tax assets/(liabilities)**

	<b>As at 31.12.2023</b>	<b>As at 31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax assets	28,679	28,087
Current tax liabilities	(106)	-
	<u>28,573</u>	<u>28,087</u>

Included in the current tax assets are tax paid in relation to two notices of additional assessment ("Forms JA") of RM22.2 million for Year of Assessment 2017 and 2018 in relation to the Company's subsidiary, Manulife Insurance Berhad ("MIB"). MIB had on 24 January 2022 made an application to the Special Commissioner of Income Tax ("SCIT") on the said two additional assessments. Subsequently, a settlement agreement dated 26 July 2023 was recorded between MIB and the Inland Revenue Board pursuant to Section 101 of the Income Tax Act 1967, confirming there was no additional chargeable tax for Years of Assessment 2017 and 2018. MIB has received the Notice of Reduced Assessment (Forms JR) from the Inland Revenue Board on 9 October 2023.

**13. Cash and cash equivalents**

	<b>As at 31.12.2023</b>	<b>As at 31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment holding	6,029	6,925
Life insurance business:-		
Shareholder's fund	13,008	23,617
Life insurance business	91,001	102,935
Asset management services	97,839	111,399
	<u>207,877</u>	<u>244,876</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**14. Insurance and reinsurance contract assets and liabilities**

**(a) Insurance contract liabilities**

	Liabilities for remaining coverage		Liability for incurred claims	Total
	Exclude loss component RM'000	Loss component RM'000	for incurred claims RM'000	RM'000
<b>At 1 January 2023</b>				
Insurance contract liabilities	3,339,709	45,752	166,063	3,551,524
Segregated fund insurance net liabilities	1,324,405	-	-	1,324,405
	<u>4,664,114</u>	<u>45,752</u>	<u>166,063</u>	<u>4,875,929</u>
<b>Insurance revenue</b>				
Expected incurred claims and other insurance service result	(228,876)	-	-	(228,876)
Change in risk adjustment for non-financial risk expired	(35,416)	-	-	(35,416)
CSM recognised for service provided	(48,470)	-	-	(48,470)
Recovery of insurance acquisition cashflows	(42,072)	-	-	(42,072)
Contracts under PAA	(5,380)	-	-	(5,380)
	<u>(360,214)</u>	<u>-</u>	<u>-</u>	<u>(360,214)</u>
<b>Insurance service expense</b>				
Incurred claims and other insurance service expenses	-	(10,163)	235,399	225,236
Losses and reversal of losses on onerous contracts (future service)	-	11,133	-	11,133
Amortisation of insurance acquisition cashflow	42,967	-	-	42,967
	<u>42,967</u>	<u>970</u>	<u>235,399</u>	<u>279,336</u>
<b>Investment components and premium refunds</b>	(325,465)	-	325,465	-
<b>Insurance service result</b>	(642,712)	970	560,864	(80,878)
Insurance finance expense	275,223	381	7,497	283,101
Effects of movements in exchange rates	12,168	(7)	51	12,212
<b>Total changes in statement of profit or loss and other comprehensive income</b>	<u>(355,321)</u>	<u>1,344</u>	<u>568,412</u>	<u>214,435</u>
<b>Cash flows</b>				
Premiums and premium tax received	913,867	-	-	913,867
Claims and other insurance service expenses paid, including investment components	-	-	(536,777)	(536,777)
Insurance acquisition cash flows	(245,092)	-	-	(245,092)
Total cash flows	<u>668,775</u>	<u>-</u>	<u>(536,777)</u>	<u>131,998</u>
<b>Movements related to segregated fund insurance net liabilities</b>	81,848	-	-	81,848
<b>At 31 December 2023</b>				
Insurance contract liability	3,653,163	47,096	197,698	3,897,957
Segregated fund insurance net liabilities	1,406,253	-	-	1,406,253
	<u>5,059,416</u>	<u>47,096</u>	<u>197,698</u>	<u>5,304,210</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
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**Part A: Notes to the Interim Financial Statements (Continued)**

**14. Insurance and reinsurance contract assets and liabilities (continued)**

**(a) Insurance contract liabilities (continued)**

	Liabilities for remaining coverage		Liability for incurred claims	Total
	Exclude loss component RM'000	Loss component RM'000	RM'000	RM'000
<b>At 1 January 2022</b>				
Insurance contract asset	(3,075)	139	-	(2,936)
Insurance contract liabilities	3,287,143	-	132,123	3,419,266
Segregated fund insurance net liabilities	1,397,354	-	-	1,397,354
	<u>4,681,422</u>	<u>139</u>	<u>132,123</u>	<u>4,813,684</u>
<b>Insurance revenue</b>				
Expected incurred claims and other insurance service result	(220,767)	-	-	(220,767)
Change in risk adjustment for non-financial risk expired	(34,121)	-	-	(34,121)
CSM recognised for service provided	(36,477)	-	-	(36,477)
Recovery of insurance acquisition cashflows	(22,004)	-	-	(22,004)
Contracts under PAA	(2,800)	-	-	(2,800)
	<u>(316,169)</u>	<u>-</u>	<u>-</u>	<u>(316,169)</u>
<b>Insurance service expense</b>				
Incurred claims and other insurance service expenses	-	(2,890)	192,437	189,547
Losses and reversal of losses on onerous contracts (future service)	-	48,395	-	48,395
Changes to liabilities for incurred claims (past service)	-	-	1,715	1,715
Amortisation of insurance acquisition cashflow	21,719	-	-	21,719
	<u>21,719</u>	<u>45,505</u>	<u>194,152</u>	<u>261,376</u>
<b>Investment components and premium refunds</b>	(302,475)	-	302,475	-
<b>Insurance service result</b>	(596,925)	45,505	496,627	(54,793)
Insurance finance expense	20,840	108	(12,334)	8,614
Effects of movements in exchange rates	15,666	-	19	15,685
<b>Total changes in statement of profit or loss and OCI</b>	<u>(560,419)</u>	<u>45,613</u>	<u>484,312</u>	<u>(30,494)</u>
<b>Cash flows</b>				
Premiums and premium tax received	852,378	-	-	852,378
Claims and other insurance service expenses paid, including investment components	-	-	(450,372)	(450,372)
Insurance acquisition cash flows	(236,318)	-	-	(236,318)
Total cash flows	<u>616,060</u>	<u>-</u>	<u>(450,372)</u>	<u>165,688</u>
<b>Movements related to segregated fund insurance net liabilities</b>	(72,949)	-	-	(72,949)
<b>At 31 December 2022</b>				
Insurance contract asset	-	-	-	-
Insurance contract liability	3,339,709	45,752	166,063	3,551,524
Segregated fund insurance net liabilities	1,324,405	-	-	1,324,405
	<u>4,664,114</u>	<u>45,752</u>	<u>166,063</u>	<u>4,875,929</u>

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**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**14. Insurance and reinsurance contract assets and liabilities (continued)**

**(b) Reinsurance contract liabilities**

	Liabilities for remaining coverage		Receivable for incurred claims RM'000	Total RM'000
	Excluding loss recovery component RM'000	Loss recovery component RM'000		
<b>At 1 January 2023</b>				
Reinsurance contract assets	775	-	(460)	315
Reinsurance contract liabilities	(46,590)	75	(8,465)	(54,980)
	<u>(45,815)</u>	<u>75</u>	<u>(8,925)</u>	<u>(54,665)</u>
<b>Changes in statement of profit or loss and other comprehensive income</b>				
<b>Allocation of premiums paid</b>				
Expected incurred claims and other insurance service result	(48,007)	-	-	(48,007)
Change in risk adjustment for non-financial risk expired	(2,012)	-	-	(2,012)
CSM recognised for service provided	(9,110)	-	-	(9,110)
PAA contract revenue	(61)	-	-	(61)
Ceded commissions and expense allowances	2,103	-	-	2,103
Experience refunds	3,833	-	-	3,833
	<u>(53,254)</u>	<u>-</u>	<u>-</u>	<u>(53,254)</u>
<b>Amounts recovered from reinsurers</b>				
Recoveries of incurred claims and expenses	-	(524)	47,562	47,038
Recoveries of losses and reversal of losses on onerous contracts (future service)	-	2,337	-	2,337
	<u>-</u>	<u>1,813</u>	<u>47,562</u>	<u>49,375</u>
<b>Net expenses from reinsurance contracts</b>	(53,254)	1,813	47,562	(3,879)
Net finance income from reinsurance contracts	(4,662)	53	-	(4,609)
Effect of changes in non-performance risk of reinsurers	125	-	-	125
Effect of movement in exchange rates	(95)	-	3	(92)
<b>Total changes in statement of profit or loss and other comprehensive income</b>	<u>(57,886)</u>	<u>1,866</u>	<u>47,565</u>	<u>(8,455)</u>
<b>Cash flows</b>				
Premiums paid	74,673	-	-	74,673
Amounts received	-	-	(46,358)	(46,358)
Total cash flows	<u>74,673</u>	<u>-</u>	<u>(46,358)</u>	<u>28,315</u>
<b>At 31 December 2023</b>				
Reinsurance contract assets	20	-	283	303
Reinsurance contract liabilities	(29,048)	1,941	(8,001)	(35,108)
	<u>(29,028)</u>	<u>1,941</u>	<u>(7,718)</u>	<u>(34,805)</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
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**Part A: Notes to the Interim Financial Statements (Continued)**

**14. Insurance and reinsurance contract assets and liabilities (continued)**

**(b) Reinsurance contract liabilities (continued)**

	Liabilities for remaining coverage		Receivable for incurred claims RM'000	Total RM'000
	Excluding loss recovery component RM'000	Loss recovery component RM'000		
<b>At 1 January 2022</b>				
Reinsurance contract assets	(456)	-	4,942	4,486
Reinsurance contract liabilities	(65,531)	-	(14,445)	(79,976)
	<u>(65,987)</u>	<u>-</u>	<u>(9,503)</u>	<u>(75,490)</u>
<b>Changes in statement of profit or loss and other comprehensive income</b>				
<b>Allocation of premiums paid</b>				
Expected incurred claims and other insurance service result	(53,874)	-	-	(53,874)
Change in risk adjustment for non-financial risk expired	(851)	-	-	(851)
CSM recognised for service provided	(1,969)	-	-	(1,969)
PAA contract revenue	(63)	-	-	(63)
Ceded commissions and expense allowances	1,936	-	-	1,936
Experience refunds	591	-	-	591
	<u>(54,230)</u>	<u>-</u>	<u>-</u>	<u>(54,230)</u>
<b>Amounts recovered from reinsurers</b>				
Recoveries of incurred claims and expenses	-	(16)	46,366	46,350
Recoveries of losses and reversal of losses on onerous contracts (future service)	-	88	-	88
Changes to liabilities for incurred claims (past service)	-	-	(890)	(890)
	<u>-</u>	<u>72</u>	<u>45,476</u>	<u>45,548</u>
<b>Net expenses from reinsurance contracts</b>	(54,230)	72	45,476	(8,682)
Net finance income from reinsurance contracts	(3,155)	3	-	(3,152)
Effect of changes in non-performance risk of reinsurers	28	-	-	28
Effect of movement in exchange rates	(60)	-	(9)	(69)
<b>Total changes in statement of profit or loss and other comprehensive income</b>	<u>(57,417)</u>	<u>75</u>	<u>45,467</u>	<u>(11,875)</u>
<b>Cash flows</b>				
Premiums paid	77,589	-	-	77,589
Amounts received	-	-	(44,889)	(44,889)
Total cash flows	<u>77,589</u>	<u>-</u>	<u>(44,889)</u>	<u>32,700</u>
<b>At 31 December 2022</b>				
Reinsurance contract assets	775	-	(460)	315
Reinsurance contract liabilities	(46,590)	75	(8,465)	(54,980)
	<u>(45,815)</u>	<u>75</u>	<u>(8,925)</u>	<u>(54,665)</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
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**Part A: Notes to the Interim Financial Statements (Continued)**

**15. Derivatives**

The table below shows the fair value of derivative financial instruments, recorded as financial asset at fair value through profit or loss or financial liability at fair value through profit or loss, together with their notional amounts. The notional amount, recorded at gross, is the amount of the derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. Derivative financial instruments held by the Group are forward foreign exchange contract to hedge its currency risk, any fair value gains/losses on this financial instrument are recognised as financial asset/liability.

	Notional amount RM'000	Fair value gain/(loss) recognised as		Net carrying amount RM'000
		Financial asset RM'000	Financial liability RM'000	
<b>31 December 2023</b>				
<b>Hedging derivative:</b>				
Forward foreign exchange contract				
- Less than 1 year	54,018	1,153	-	1,153
<b>31 December 2022</b>				
<b>Hedging derivative:</b>				
Forward foreign exchange contract				
- Less than 1 year	31,802	1,865	-	1,865

There is no change in risks and policies associated with the derivatives and its related accounting policies since the financial year ended 31 December 2022.

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**Part A: Notes to the Interim Financial Statements (Continued)**

**16. Investment income**

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Investment income:</b>				
<u>Financial assets at FVTPL</u>				
Interest/profit sharing income:				
Debt securities	3,620	4,996	15,720	17,296
Structured product	252	-	844	-
Dividend/distribution income:				
Equity securities				
- quoted in Malaysia	2,923	3,812	24,651	23,312
- quoted outside Malaysia	1,365	1,763	1,835	2,524
- unquoted in Malaysia	751	1,314	757	1,314
Real estate investment trusts				
- quoted in Malaysia	90	58	597	606
Private equity funds	8	5	43	37
<u>Financial assets at FVOCI</u>				
Interest/profit sharing income:				
Debt securities	38,553	35,527	149,504	134,450
Private debt securities	198	-	396	-
Net accretion of premiums	(1,934)	(2,297)	(7,429)	(9,745)
<u>Financial assets at amortised cost</u>				
Interest/profit sharing income	2,907	2,535	10,681	8,051
<u>Investment properties</u>				
Rental income	1,072	1,058	4,223	3,411
Other income	54	58	217	116
	<u>49,859</u>	<u>48,829</u>	<u>202,039</u>	<u>181,372</u>
<b>Realised and unrealised losses on assets supporting insurance:</b>				
<b>Net realised gains/(losses)</b>				
Equity securities	4,855	1,723	21,867	25,225
Debt securities	(119)	(7,483)	1,523	(14,581)
Derivatives	(2,895)	(1,796)	(1,569)	(1,820)
	<u>1,841</u>	<u>(7,556)</u>	<u>21,821</u>	<u>8,824</u>
<b>Net fair value gains/(losses)</b>				
Equity securities	19,589	39,401	2,036	(68,508)
Private equity funds	1,474	4,086	8,944	4,086
Debt securities	4,251	9,280	14,183	(7,438)
Structured product	3,463	-	8,156	-
Derivatives	3,624	3,112	(712)	1,865
Foreign exchange (loss)/gains	(2,238)	(8,854)	3,235	12,722
Investment properties	3,398	492	3,398	492
	<u>33,561</u>	<u>47,517</u>	<u>39,240</u>	<u>(56,781)</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**16. Investment income (continued)**

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Expected credit loss</b>				
<u>Financial assets at FVOCI</u>				
Debt securities	704	-	1,282	-
	<u>36,106</u>	<u>39,961</u>	<u>62,343</u>	<u>(47,957)</u>
Investment expenses	(2,450)	(1,804)	(8,955)	(7,376)
Net investment income	<u>83,515</u>	<u>86,986</u>	<u>255,427</u>	<u>126,039</u>

**17. Profit before taxation**

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

	<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of intangible assets	1,392	569	3,489	3,696
Depreciation of property and equipment	1,197	917	3,595	3,606
Net investment income (Note 16)	(83,515)	(86,986)	(255,427)	(126,039)

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**18. Taxation**

	3 months ended		Cumulative 12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
<u>Income tax</u>				
Current financial year	7,073	(2,951)	22,039	19,830
(Over)/under provision in prior financial year	(1,983)	1,212	(1,983)	1,212
	<u>5,090</u>	<u>(1,739)</u>	<u>20,056</u>	<u>21,042</u>
<u>Deferred tax</u>				
Origination of temporary differences	3,540	4,916	9,213	(1,990)
	<u>3,540</u>	<u>4,916</u>	<u>9,213</u>	<u>(1,990)</u>
	<u>8,630</u>	<u>3,177</u>	<u>29,269</u>	<u>19,052</u>

The income tax for the Group is calculated based on the tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as below.

	3 months ended		Cumulative 12 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	<u>47,543</u>	<u>39,488</u>	<u>113,143</u>	<u>53,136</u>
Taxation at Malaysian				
statutory tax rate of 24%	11,435	9,477	27,179	12,752
Effect of different in tax rate	3,111	1,921	6,975	9,410
Section 110B tax credit set off	(675)	108	(2,084)	(1,942)
Income not subject to tax	(4,749)	(2,411)	(7,196)	(7,093)
Expenses not deductible for tax purposes	1,430	(7,213)	6,404	4,548
Changes in unrecognised deferred tax assets	61	83	(26)	165
	<u>10,613</u>	<u>1,965</u>	<u>31,252</u>	<u>17,840</u>
(Over)/under provision in prior financial year				
- Current Tax	(1,983)	1,212	(1,983)	1,212
	<u>8,630</u>	<u>3,177</u>	<u>29,269</u>	<u>19,052</u>

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**Part A: Notes to the Interim Financial Statements (Continued)**

**19. Basic and diluted earnings per share**

Basic earnings per share of the Group are calculated by dividing the net profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

		<b>3 months ended</b>		<b>Cumulative 12 months ended</b>	
		<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Net profit attributable to owners of the Company	(RM'000)	<u>35,377</u>	<u>34,238</u>	<u>77,878</u>	<u>23,436</u>
Weighted average number of ordinary shares in issue	('000)	<u>219,467</u>	<u>216,262</u>	<u>217,535</u>	<u>213,595</u>
Basic and diluted earnings per share	(Sen)	<u>16.20</u>	<u>16.05</u>	<u>35.80</u>	<u>10.97</u>

The Company has no potential dilutive ordinary shares in issue as at the date of the statement of financial position and therefore, diluted earnings per share have not been presented.

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**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**20. Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms with the respective parties. The significant related party transactions during the financial year between the Group and their related parties are set out as below:

	<b>Cumulative 12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Expenses/(income):</b>		
<b>Penultimate holding company</b>		
Information technology outsourcing expenses	1,868	(526)
Outsourcing fee income	(1,561)	-
<b>Intermediate holding company</b>		
Reimbursement of personnel expenses	4,967	2,760
Reimbursement of director fees	236	73
Reimbursement of software maintenance expenses	13,630	5,040
Reimbursement of consultation fee	24	103
Reimbursement of overhead expense	(1,552)	(860)
Reimbursement of education and training expenses	46	5
Reimbursement of travelling expense	7	14
Regional office functional services and support	2,417	826
Provision of IT development services	356	694
Provision of IT infrastructure support and maintenance services	15,466	20,251
Provision of accounting and finance support	914	202
Provision of HR support	724	700
Provision of staff claims system	34	33
Provision of compliance support	106	119
<b>Subsidiaries of ultimate holding company</b>		
Rebate income	(7,804)	(10,175)
Outsourcing fee income	(3,425)	(3,648)
Outsourcing fee expense	85	347
Management fee expense	8,377	5,456
Investment consulting services	1,151	509
Information technology outsourcing expenses	483	391
Provision of IT infrastructure support and maintenance services	3,692	3,536

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**21. Financial instruments**

**Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (i) Fair value through profit or loss (“FVTPL”);
- (ii) Fair value through other comprehensive income (“FVOCI”);
- (iii) Amortised cost (“AC”)

<b>Group</b>	<b>FVTPL</b> <b>RM'000</b>	<b>FVOCI</b> <b>RM'000</b>	<b>AC</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>31 December 2023</b>				
<b>Financial assets</b>				
Financial assets at FVOCI	-	3,486,756	-	3,486,756
Financial assets at FVTPL	1,212,741	-	-	1,212,741
Financial assets at amortised cost	-	-	393,366	393,366
Cash and cash equivalents	-	-	207,877	207,877
	<u>1,212,741</u>	<u>3,486,756</u>	<u>601,243</u>	<u>5,300,740</u>
<b>Financial liabilities</b>				
Lease liabilities	-	-	2,717	2,717
Other liabilities	-	-	392,400	392,400
	<u>-</u>	<u>-</u>	<u>395,117</u>	<u>395,117</u>
<b>31 December 2022</b>				
<b>Financial assets</b>				
Financial assets at FVOCI	-	3,073,251	-	3,073,251
Financial assets at FVTPL	1,226,695	-	-	1,226,695
Financial assets at amortised cost	-	-	401,786	401,786
Cash and cash equivalents	-	-	244,876	244,876
	<u>1,226,695</u>	<u>3,073,251</u>	<u>646,662</u>	<u>4,946,608</u>
<b>Financial liabilities</b>				
Lease liabilities	-	-	3,506	3,506
Other liabilities	-	-	350,818	350,818
	<u>-</u>	<u>-</u>	<u>354,324</u>	<u>354,324</u>

**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy**

**(a) Freehold property and investment property**

The fair value of the Group's freehold property and investment property is determined based on the income approach by discounted cash flow method ("DCF method") (2022: income approach by investment method) conducted by an independent qualified valuer.

Under the income approach by discounted cash flow method, the market value of the properties is determined based on estimation of future annual cash flows over an investment horizon from valuation date by reference to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date.

Under the income method by investment method, the market value of the properties is determined based on the net annual income which is derived by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment.

Fair value hierarchy

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:-

Level 1 – Fair value is derived from unadjusted quoted price in active markets for identical properties that the entity can access at the measurement date.

Level 2 – Fair value is estimated using inputs that are observable for the properties, either directly or indirectly.

Level 3 – Fair value is estimated using unobservable inputs for the properties.

The fair value of freehold property and investment property is classified within Level 3 of the fair value hierarchy. The fair value of the property is as follows:

	<b>Freehold property</b>		<b>Investment property</b>	
	<b>As at 31.12.2023</b>	<b>As at 31.12.2022</b>	<b>As at 31.12.2023</b>	<b>As at 31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Carrying amount	20,700	21,098	82,300	78,902
Fair value as stated in valuation report*	20,700	21,098	82,300	78,902

\* Based on the valuation conducted by an independent qualified valuer on 31 December 2023.

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**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy (continued)**

**(a) Freehold property and investment property (continued)**

Description of valuation techniques used and significant unobservable inputs to valuation of freehold property and investment property:

	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Range</b>
<b>2023</b>			
Freehold/ investment property	Income approach DCF Method	Projected period Projected occupancy Projected gross revenue (office and retail) Compounded annual growth rate ("CAGR") on revenue Projected outgoings (office and retail) CAGR on outgoings (office and retail) Discount rate	10 years 92.08% to 94.73% RM4.79 psf to RM5.84 psf 2.22% RM1.80 psf to RM2.07 psf 1.55% 8.00%
<b>2022</b>			
Freehold/ Investment property	Income approach Investment method	Term period's net yield Reversionary period's net yield Void factor Average rental for term period Average rental for reversionary period Outgoings for term period Outgoings for reversionary period	5.00% - 6.50% 6.00% 5.00% RM4.64 psf RM4.69 psf RM1.70 psf RM1.75 psf

Significant increase or decrease in each of the unobservable inputs used in the valuation would result in a correspondingly higher or lower fair value of the properties.

The reconciliation from beginning to ending balances for the freehold property and investment property are as follows:

	<b>Freehold property</b>		<b>Investment property</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	21,098	26,420	78,902	73,580
Transfer to investment property	-	(4,830)	-	4,830
Depreciation charge for the year	(469)	(574)	-	-
Fair value gain	71	82	3,398	492
At 31 December	<b>20,700</b>	<b>21,098</b>	<b>82,300</b>	<b>78,902</b>

**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy (continued)**

**(b) Financial assets and financial liabilities**

**(i) Determination of fair values**

The fair values of the Group's financial assets and financial liabilities are determined as follows:

- (i) The carrying amounts of financial assets and financial liabilities, such as loans and receivables, insurance receivables, cash and bank balances, insurance payables and other payables (other than the amount payable under Distribution Agreement), are reasonable approximations of their fair values due to the relatively short-term maturity of these balances and the immaterial impact of discounting;
- (ii) The carrying amount of amount payable under Distribution Agreement which is the remaining present value of the expected future cash flow discounted using the discount rate that reflects the current market assessment of the time value of money, are reasonable approximations of their fair values;
- (iii) The fair values of quoted equities and investments in real estate investment trusts are based on quoted market prices as at the reporting date;
- (iv) The fair values of unquoted equities are based on adjusted net asset value of the investee;
- (v) The fair values of Malaysian Government Securities, Government Investment Issues and both quoted and unquoted corporate debt securities are based on indicative market prices;
- (vi) The fair values of investments in mutual funds and unit trust funds are valued based on the net asset values of the underlying funds as at the reporting date;
- (vii) The fair values of foreign exchange forward contracts are based on valuations provided by the financial institutions making reference to quoted market prices; and
- (viii) The fair values of private equity funds are measured based on the private equity funds' net asset value or fair values reported in investees' financial statements as a measure of fair value.
- (ix) The fair value of structure product is based on the mark-to-market value of the principal amount and fixed coupon which is calculated by discounting these amounts at the prevailing funding rate of the counterparty bank. The funding rate of the counterparty bank is typically a market observable input such as the swap rate or KLIBOR or its equivalent.
- (x) The fair value of private debt securities is based on market observable inputs such as the prevailing yield/price for comparable tenure and rating of the security.

**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy (continued)**

**(b) Financial assets and financial liabilities**

**(ii) Fair value hierarchy**

The Group categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Group's valuation techniques for determining the fair value of the financial instruments.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three-level hierarchy is defined as follows:

Level 1 –Fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Group has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

Level 2 –Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc) and inputs that are derived from or corroborated by observable market data.

Level 3 –Fair value measurements using significant non market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable, including assumptions about risk.

In determining the fair value of its financial instruments, the Group uses observable market data, when available, and minimises the use of unobservable inputs to the extent possible when determining fair value.

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**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy (continued)**

**(b) Financial assets and financial liabilities**

**(ii) Fair value hierarchy**

The following table presents the Group's financial assets and financial liabilities that are carried at fair value as at reporting date.

	<b>Carrying amount RM'000</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>
<b>31 December 2023</b>				
<b>Financial assets at FVOCI</b>				
Malaysian Government Securities	473,348	-	473,348	-
Government Investment Issues	476,257	-	476,257	-
Corporate debt securities				
- Unquoted	2,201,730	-	2,201,730	-
- Quoted outside Malaysia	282,122	-	282,122	-
Private debt securities				
- Unquoted outside Malaysia	14,186	-	14,186	-
Accrued interest	39,113	-	39,113	-
	<u>3,486,756</u>	<u>-</u>	<u>3,486,756</u>	<u>-</u>
<b>Financial assets at FVTPL</b>				
Equity securities				
- Quoted in Malaysia	592,647	592,647	-	-
- Quoted outside Malaysia	100,944	100,944	-	-
- Unquoted in Malaysia	12,682	-	-	12,682
Private equity funds				
- Unquoted outside Malaysia	56,985	-	-	56,985
Structured product	66,146	-	66,146	-
Real estate investment trusts	13,513	13,513	-	-
Unit trust funds	1,641	1,641	-	-
Forward foreign exchange contract	1,153	-	1,153	-
Malaysian Government Securities	24,018	-	24,018	-
Government Investment Issues	31,848	-	31,848	-
Corporate debt securities				
- Unquoted	305,650	-	305,650	-
Accrued interest	5,514	-	5,514	-
	<u>1,212,741</u>	<u>708,745</u>	<u>434,329</u>	<u>69,667</u>
	<u>4,699,497</u>	<u>708,745</u>	<u>3,921,085</u>	<u>69,667</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
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**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy (continued)**

**(b) Financial assets and financial liabilities**

**(ii) Fair value hierarchy**

The following table presents the Group's financial assets and financial liabilities that are carried at fair value as at reporting date. (continued)

	<b>Carrying amount RM'000</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>
<b>31 December 2022</b>				
<b>Financial assets at FVOCI</b>				
Malaysian Government Securities	463,414	-	463,414	-
Government Investment Issues	367,626	-	367,626	-
Corporate debt securities				
- Unquoted	1,976,698	-	1,976,698	-
- Quoted outside Malaysia	233,589	-	233,589	-
Accrued interest	31,924	-	31,924	-
	<u>3,073,251</u>	<u>-</u>	<u>3,073,251</u>	<u>-</u>
<b>Financial assets at FVTPL</b>				
Equity securities				
- Quoted in Malaysia	579,762	579,762	-	-
- Quoted outside Malaysia	146,456	146,456	-	-
- Unquoted in Malaysia	11,476	-	-	11,476
Private equity funds				
- Unquoted outside Malaysia	35,639	-	-	35,639
Real estate investment trusts	11,859	11,859	-	-
Unit trust funds	1,198	1,198	-	-
Forward foreign exchange contract	1,865	-	1,865	-
Malaysian Government Securities	53,358	-	53,358	-
Government Investment Issues	47,443	-	47,443	-
Corporate debt securities				
- Unquoted	333,159	-	333,159	-
Accrued interest	4,480	-	4,480	-
	<u>1,226,695</u>	<u>739,275</u>	<u>440,305</u>	<u>47,115</u>
	<u>4,299,946</u>	<u>739,275</u>	<u>3,513,556</u>	<u>47,115</u>

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the current and previous financial year.

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part A: Notes to the Interim Financial Statements (Continued)**

**22. Determination of fair values and fair value hierarchy (continued)**

**(b) Financial assets and financial liabilities**

**(iii) Financial assets which are measured at fair value using significant unobservable inputs (Level 3)**

The reconciliation from beginning to ending balance for the investments classified in Level 3 fair value hierarchy:

	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Private Equity Funds</b>		
At 1 January	35,639	19,122
Capital contributions	11,172	11,211
Capital returns	(21)	(15)
Fair value gain recognised in profit or loss	7,738	4,086
Currency movement	2,457	1,235
At 31 December	<u>56,985</u>	<u>35,639</u>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Equity securities – Unquoted in Malaysia</b>		
At 1 January	11,476	11,476
Fair value gain recognised in profit or loss	1,206	-
At 31 December	<u>12,682</u>	<u>11,476</u>

Description of valuation methodology and significant unobservable inputs to valuation of private equities:

	<b>Fair Value</b>	<b>Valuation Methodology</b>	<b>Unobservable Input</b>	<b>Input Values</b>
<b>2023</b>	<b>RM'000</b>			
Private equity funds	56,985	Net asset value (“NAV”)	NAV	NAV
Equity securities - Unquoted in Malaysia	12,682	Net asset value (“NAV”)	NAV	NAV
<b>2022</b>				
Private equity funds	35,639	Net asset value (“NAV”)	NAV	NAV
Equity securities - Unquoted in Malaysia	11,476	Net asset value (“NAV”)	NAV	NAV

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**Part A: Notes to the Interim Financial Statements (Continued)**

**23. Capital and other commitments**

	<b>As at 31.12.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
<b>Other commitments</b>		
Exclusive bancassurance agreement - Authorised but not provided for	<u>62,000</u>	<u>1,500</u>
Distribution agreement - Authorised but not provided for	<u>-</u>	<u>2,764</u>
Investment in Private Equity Funds		
As at 1 January	30,349	38,796
Capital committed	41,355	-
Capital called	(11,172)	(11,211)
Capital return	21	15
Expenses incurred	(344)	(122)
Currency movement	<u>342</u>	<u>2,871</u>
At 31 December	<u>60,551</u>	<u>30,349</u>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
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**Part B: Notes pursuant to Main Market Listing Requirements of Bursa Malaysia**

**B1. Future financial year prospects**

Based on estimates from Statistics Department Malaysia, Malaysia's Q4 2023 GDP growth had slowed to 3.4% year-on-year against consensus estimate of 4.1%. Notwithstanding that, first half 2023 GDP growth was 4.2%, Q3 2023 GDP growth came in at 3.3% bringing full year 2023 GDP growth to just 3.8% thereby missing on the official estimate of GDP growth for 2023 of between 4.0% and 5.0%. While services continued to remain the driver of economic growth, weakness was seen in the construction, manufacturing, and trade sectors. Weak external demand particularly from China was the main reason for lackluster 2023 economic performance especially in the second half of 2023.

Malaysia's headline inflation was at 1.5% in December 2023 (December 22: 3.8%) with overall 2023 inflation remained at 1.5%. Malaysia's unemployment rate remained steady at 3.4% as at October 2023

The life insurance sector in Malaysia anticipates a blend of opportunities and challenges in the upcoming financial year. Following a robust economic rebound in 2022, growth has eased in 2023 and is projected to persist in 2024, influenced by external factors. Also, the sentiment of persistent inflationary pressures might curtail customers' ability to purchase insurance products at their discretion. Despite this, increasing awareness amongst customers about health protection, wealth preservation and retirement preparedness has created a widespread sense of being underinsured, fostering potential for growth in the industry.

We are committed to steering through these challenges and seize the opportunities by discipline execution of our Scale Up agenda:

- Strengthen growth via strong growth in productive and professional agency force; expansion in bancassurance and alternative partnerships with a focus on new customer acquisition;
- Customer centricity by establishing strong value proposition/offers to suit different segment needs that evolve over time and continue to improve customer experience, driving digital first and convenience;
- Accelerate digitisation with continuous investment to be the Digital Customer Leader, build a digitally enabled salesforce and elevate automation for operating efficiency;
- Level-up talents through building future-proof high performing teams, at a workplace with strong culture focused on Diversity, Equity and Inclusion (DEI);
- Enhance value creation for shareholders by driving desired product mix, efficient expense management, inforce management and optimising resource utilisation.

We aspire to build-to-last by continually fostering a strong risk culture with effective governance in place; and make "Sustainability" a strategic corporate priority to drive long-term business resiliency.

Asset Management Business

2023 proved to be a challenging year with a succession of geopolitical uncertainties weighing down global and local markets. Looking ahead to 2024, we believe that the local equity market is positioned for a comeback, forecast to narrow the gap with regional peers. Performance is expected to be fueled by the domestic economy, supported by clear policy rollouts. Key catalysts such as attractive valuations, high dividend yields, and the value of the Ringgit are likely to attract foreign funds. However, persistent geopolitical uncertainties and events pose a risk to our outlook, with the potential to cause rapid shifts between optimism and uncertainty. As such, we will be closely monitoring global developments.

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
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**Part B: Notes pursuant to Main Market Listing Requirements of Bursa Malaysia (continued)**

**B2. Operating segments**

The core businesses of the Group are that of life insurance business, management of unit trust funds, private retirement scheme funds, investment and fund management. Segment information is presented in respect of the Group's business segments, which are as follows:

Investment holding : Investment holding operations and other segments (including trust funds over which the Company have significant control)  
 Life insurance : Underwriting of Participating life and Non-participating life insurance and unit-linked products  
 Asset management services : Asset management, unit trust and private retirement scheme funds

	Cumulative 12 months ended 31 December							
	Investment holding		Life insurance business		Asset management services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>External revenue</u>								
(a) Insurance revenue	-	-	360,214	316,169	-	-	360,214	316,169
(b) Investment income	24,604	24,411	176,128	156,486	1,307	475	202,039	181,372
(c) Fee income	-	-	-	-	122,954	119,112	122,954	119,112
<b>Total external revenue</b>	<b>24,604</b>	<b>24,411</b>	<b>536,342</b>	<b>472,655</b>	<b>124,261</b>	<b>119,587</b>	<b>685,207</b>	<b>616,653</b>
<u>Inter-segment revenue</u>								
(a) Rental income	1,611	1,741	762	770	-	-	2,373	2,511
(b) Fee income	2,058	1,914	5,643	4,015	14,715	13,625	22,416	19,554
(c) Dividend income from unit trust funds	-	-	18,491	18,330	-	-	18,491	18,330
<b>Total inter-segment revenue</b>	<b>3,669</b>	<b>3,655</b>	<b>24,896</b>	<b>23,115</b>	<b>14,715</b>	<b>13,625</b>	<b>43,280</b>	<b>40,395</b>
<b>Total revenue by segment</b>	<b>28,273</b>	<b>28,066</b>	<b>561,238</b>	<b>495,770</b>	<b>138,976</b>	<b>133,212</b>	<b>728,487</b>	<b>657,048</b>
<b>Profit before taxation</b>	<b>28,866</b>	<b>4,456</b>	<b>64,975</b>	<b>30,947</b>	<b>19,302</b>	<b>17,733</b>	<b>113,143</b>	<b>53,136</b>
<b>Segment assets</b>	<b>1,150,539</b>	<b>1,174,836</b>	<b>6,703,227</b>	<b>6,191,057</b>	<b>201,898</b>	<b>165,754</b>	<b>8,055,664</b>	<b>7,531,647</b>
<b>Segment liabilities</b>	<b>23,302</b>	<b>11,991</b>	<b>5,736,532</b>	<b>5,300,436</b>	<b>96,210</b>	<b>76,163</b>	<b>5,856,044</b>	<b>5,388,590</b>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part B: Notes pursuant to Main Market Listing Requirements of Bursa Malaysia (Continued)**

**B2. Operating segments (continued)**

**Reconciliation of reportable segments**

	<b>Cumulative 12 months ended</b>	
	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Total revenue</u></b>		
Total revenue for reportable segments	728,487	657,048
Elimination of inter-segment revenue	(43,280)	(40,395)
<b>Total revenue as per statement of profit or loss</b>	<b>685,207</b>	<b>616,653</b>
	<b>As at</b>	<b>As at</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>
<b><u>Segment assets</u></b>		
Total assets for reportable segments	8,055,664	7,531,647
Elimination of inter-segment assets	(951,821)	(975,866)
<b>Total assets as per statement of financial position</b>	<b>7,103,843</b>	<b>6,555,781</b>
<b><u>Segment liabilities</u></b>		
Total liabilities for reportable segments	5,856,044	5,388,590
Elimination of inter-segment liabilities	(1,382)	1,367
<b>Total liabilities as per statement of financial position</b>	<b>5,854,662</b>	<b>5,389,957</b>

**B3. Review of performance**

The management uses **operating revenue** as a measure of performance for each operating segment. Operating revenue for each reportable segment consists of insurance revenue, investment income and fee income.

<b>Business Segment</b>	<b>3 months ended</b>			<b>Cumulative 12 months ended</b>		
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Increase/ (decrease)</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>Increase/ (decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Operating Revenue</u></b>						
Investment holding	6,144	7,005	(861)	24,604	24,411	193
Life insurance business	141,466	113,149	28,317	536,342	472,655	63,687
Asset management services	31,853	28,559	3,294	124,261	119,587	4,674
<b>Total</b>	<b>179,463</b>	<b>148,713</b>	<b>30,750</b>	<b>685,207</b>	<b>616,653</b>	<b>68,554</b>
<b><u>Profit before taxation</u></b>						
Investment holding	9,929	13,553	(3,624)	28,866	4,456	24,410
Life insurance business	31,240	21,919	9,321	64,975	30,947	34,028
Asset management services	6,374	4,016	2,358	19,302	17,733	1,569
<b>Total</b>	<b>47,543</b>	<b>39,488</b>	<b>8,055</b>	<b>113,143</b>	<b>53,136</b>	<b>60,007</b>

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part B: Notes pursuant to Main Market Listing Requirements of Bursa Malaysia (Continued)**

**B3. Review of performance (continued)**

**Financial Year ended 31 December 2023 vs Financial Year ended 31 December 2022**

The Group's operating revenue for the financial year ended 31 December 2023 increased by RM68.5 million compared to the financial year ended 31 December 2022 (2023: RM685.2 million, 2022: RM616.7 million). The Group's profit before tax for YTD December 2023 was RM113.1 million, an increase of RM60.0 million as compared to the profit before tax for YTD December 2022 of RM53.1 million.

Performance of the respective operating business segments are as follows:

**Investment holding** – Operating revenue improved slightly by RM0.2 million, while profit before tax increased RM24.4 million mainly due to higher unrealised gains from FVTPL debt securities as a result of lower interest rate.

**Life insurance business** – Operating revenue of life insurance business increased by RM63.7 million mainly due to higher contractual service margin (“CSM”) amortisation and risk adjustment release as a result of higher inforce business. Profit before tax increased by RM34.0 million mainly due to an improvement in investment results arising from higher fair value gains from equity investments.

**Asset management services** – Operating revenue increased by RM4.7 million while profit before tax increased by RM 1.6 million due to higher fee income earned on asset under management, offset by lower upfront fee from sales of unit trust funds.

**4th Quarter 2023 vs 4th Quarter 2022**

The Group's operating revenue for the quarter ended 31 December 2023 increased by RM30.8 million compared to corresponding quarter of previous year (2023: RM179.5 million, 2022: RM148.7 million). The Group's profit before tax for Q4 2023 was RM47.5 million, an increase of RM8.0 million compared to RM39.5 in Q4 2022.

Performance of the respective operating business segments are as follows:

**Investment holding** – Operating revenue decreased slightly by RM0.9 million, while profit before tax decreased by RM3.6 million mainly due to lower unrealised gains from FVTPL debt securities during the quarter.

**Life insurance business** – Operating revenue and profit before tax increased by RM28.3 million and RM9.3 million respectively mainly due to favourable impact from update of actuarial assumptions and better claim experience.

**Asset management services** – Operating revenue increased by RM3.3 million while profit before tax increased by RM2.4 million due to higher fee income earned on asset under management.

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part B: Notes pursuant to Main Market Listing Requirements of Bursa Malaysia (Continued)**

**B4. Commentary on the quarterly results compared to the results of preceding quarter**

<b>Business Segment</b>	<b>3 months ended</b>		
	<b>31.12.2023</b>	<b>30.09.2023</b>	<b>Increase/(decrease)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Operating Revenue</u></b>			
Investment holding	6,144	5,831	313
Life insurance business	141,466	145,652	(4,186)
Asset management services	31,853	28,566	3,287
<b>Total</b>	<b>179,463</b>	<b>180,049</b>	<b>(586)</b>
<b><u>Profit before taxation</u></b>			
Investment holding	9,929	2,557	7,372
Life insurance business	31,240	12,644	18,596
Asset management services	6,374	8,330	(1,956)
<b>Total</b>	<b>47,543</b>	<b>23,531</b>	<b>24,012</b>

The Group's operating revenue for the current quarter under review ("Q4 2023") decreased slightly by RM0.6 mil compared with the preceding quarter ended 30 September 2023 ("Q3 2023"). However, the Group recorded a profit before tax of RM47.5 million in Q4 2023 compared with a profit before tax of RM23.5 million for Q3 2023. The increase in profit before tax by RM24.0 million was contributed by the following segments:

**Investment holding** – Operating revenue remains consistent with Q3 2023 with a slight increase of RM0.3 million and profit before tax is higher by RM7.4 million in Q4 2023 due to higher unrealised gains from FVTPL debt securities as compared to Q3 2023.

**Life insurance business** – Operating revenue of life insurance business decreased by RM4.2 million as compared to Q3 2023 mainly due to impact from update of actuarial assumptions. Profit before tax significantly increased in Q4 2023 by RM18.6 million mainly due to higher unrealised gains from equity securities and favourable impact from update of actuarial assumptions.

**Asset management services** – Operating revenue increased by RM3.3 million in Q4 2023 due to higher fee income earned on asset under management. Profit before tax decreased by RM2.0 million mainly due to higher expenses incurred in the current period.

**MANULIFE HOLDINGS BERHAD (197501003360 (24851-H))**  
**Interim financial statements for the financial year ended 31 December 2023**

**Part B: Notes pursuant to Main Market Listing Requirements of Bursa Malaysia (Continued)**

**B5. Profit forecast**

The Group did not issue any profit forecast during the financial year ended 31 December 2023.

**B6. Status of corporate proposal**

There are no corporate proposals announced but not completed during the financial year ended 31 December 2023.

**B7. Group borrowings**

The Group did not have any borrowings as at 31 December 2023.

**B8. Material litigation**

There is no material litigation as at the date of this report and since the date of the last annual statement of financial position.

**B9. Dividends**

The Board has recommended a First and Final dividend of 7.0 sen per share for the financial year ended 31 December 2023, subject to the approval of the shareholder at the forthcoming Annual General Meeting. The Board has also determined the dividend reinvestment plan ("DRP"), which provides the shareholders of the Company with the option to elect to reinvest their dividend in new ordinary shares in the Company, would apply to this First and Final dividend.

**B10. Status of audit qualification**

There was no audit qualification in the annual financial statements for the preceding financial year ended 31 December 2022.

**BY ORDER OF THE BOARD**

Cynthia Gloria Louis  
**Joint Secretary**  
26 February 2024

Chew Mei Ling  
**Joint Secretary**