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Mission

Decisions made easier. Lives made better.

Strategic Priorities



Portfolio Optimisation



Expense Efficiency



Accelerate Growth



Digital, Customer Leader



High Performing Team

Our Values

Obsess about customers

We predict their needs and do everything in our power to satisfy them.

Think big

Anything is possible. We can always find a better way.

Do the right thing

We act with integrity and do what we say.

Own it

We feel empowered to make decisions and take action to deliver our Mission.

Get it done together

We're surrounded by an amazing team. We can do it better by working together.

Share your humanity

We build a supportive, diverse and thriving workplace.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh Annual General Meeting of Manulife Holdings Berhad ("**the Company**") will be held on a virtual basis at the Broadcast venue at the Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Friday, 23 June 2023 at 2:30 p.m. for the following purposes:

AGENDA

- 1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon.
- 2. To approve the declaration of a First and Final Single-Tier Dividend of 7.0 sen per share for the financial year ended 31 December 2022.

(Resolution 1)

- 3. To re-elect the following Directors who retire pursuant to Clause 123 of the Company's Constitution:
 - (a) Mr. Renzo Christopher Viegas

(b) Ms. Vibha Hamsi Coburn

(Resolution 2) (Resolution 3)

- 4. To approve the payment of Directors' fees from 24 June 2023 until the next Annual General Meeting of the Company to be held in year 2024, payable quarterly in arrears after each quarter of completed service of the Directors of the Company to the following Directors:
 - (a) Dato' Dr. Zaha Rina Binti Zahari, Independent Non-Executive Chairman;

(Resolution 4) (Resolution 5)

(b) Mrs. Vijayam A/P Nadarajah, Independent Non-Executive Director;(c) Mr. Renzo Christopher Viegas, Independent Non-Executive Director;

(Resolution 6)

(d) Mr. Matthew Edward Lawrence, Non-Independent Non-Executive Director; and

- (Resolution 7)
 (Resolution 8)
- (e) such person(s) to be appointed as Non-Executive Director(s) of the Company, based on the amount as stated under explanatory note no. 3 of the Notice of Meeting.

(Resolution 9)

- 5. To approve the payment of Directors' benefits of up to an amount of RM100,000.00 from 24 June 2023 until the next Annual General Meeting of the Company to be held in year 2024.
- 6. To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.

(Resolution 10)

AS SPECIAL BUSINESS

- 7. To consider and if thought fit, with or without modifications, to pass the following resolutions:
 - (a) ORDINARY RESOLUTION 1

(Resolution 11)

- AUTHORITY TO ISSUE SHARES

"THAT subject always to the Companies Act 2016 ("the Act"), the Company's Constitution and approvals from Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") and any other governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price to such persons and upon such terms and conditions, for such purposes as the Directors of the Company may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;



THAT pursuant to Section 85 of the Act to be read together with Clause 58 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the first Annual General Meeting of the Company following the general meeting at which such approval was given."

(b) ORDINARY RESOLUTION 2

 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the provisions of Bursa Malaysia Securities Berhad Main Market Listing Requirements, a renewal of existing shareholders' mandate be and is hereby granted to Manulife Holdings Berhad and its subsidiary companies to enter into the recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions") as described in the circular to shareholders dated 28 April 2023 with the related parties mentioned therein PROVIDED THAT:

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and
- (ii) disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

AND THAT the authority conferred by such mandate shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the first Annual General Meeting ("**AGM**") of the Company following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT, the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

(Resolution 12)

(c) ORDINARY RESOLUTION 3

(Resolution 13)

- PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the provisions of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, a shareholders' mandate be and is hereby granted to Manulife Holdings Berhad and its subsidiary companies to enter into the recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions") as described in the circular to shareholders dated 28 April 2023 with the related parties mentioned therein PROVIDED THAT:

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on terms not more favourable than those generally available to the public; and
- (ii) disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year;

AND THAT the authority conferred by such mandate shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the first Annual General Meeting ("AGM") of the Company following the general meeting, at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (c) revoked or varied by resolution passed by the shareholders of the Company in general meeting;

whichever is the earlier;

AND THAT, the Directors of the Company be authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution."

(d) ORDINARY RESOLUTION 4

(Resolution 14)

PROPOSED RENEWAL OF AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN MANULIFE HOLDINGS BERHAD ("MANULIFE" OR "THE COMPANY") ("MANULIFE SHARES"), FOR THE PURPOSE OF THE DIVIDEND REINVESTMENT PLAN ("DRP") OF MANULIFE WHICH WILL PROVIDE THE SHAREHOLDERS OF MANULIFE WITH THE OPTION TO ELECT TO REINVEST THEIR DIVIDENDS IN NEW MANULIFE SHARES

"THAT pursuant to the DRP as approved by the shareholders at the Extraordinary General Meeting of the Company held on 26 June 2020 and renewed at the Annual General Meeting of the Company held on 10 June 2022, and subject to the approval of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given to the Directors of the Company to allot and issue such number of new Manulife Shares from time to time as may be required to be allotted and issued pursuant to the DRP ("New Shares") until the next Annual General Meeting of the Company, upon such terms and conditions and to such persons as the Directors of the Company may, in their absolute discretion, deem fit and in the best interest of the Company;



THAT pursuant to Section 85 of the Act to be read together with Clause 58 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered New Shares ranking equally to the existing issued shares arising from the DRP;

THAT the issue price of the New Shares, which will be determined and fixed by the Board of Directors on the price-fixing date to be determined, shall not be at more than ten per centum (10%) discount to the five (5)-day volume weighted average market price ("**VWAP**") of Manulife Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted exdividend before applying the aforementioned discount in fixing the issue price at the material time;

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds and undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the issuance of New Shares pursuant to the DRP, with full power to assent to any conditions, modifications, variations and/or amendments including amendments, modifications, suspension and termination of the DRP as the Directors of the Company may, in their absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any other relevant authorities."

(e) ORDINARY RESOLUTION 5

 RETENTION OF DATO' DR. ZAHA RINA BINTI ZAHARI AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT approval be and is hereby given to Dato' Dr. Zaha Rina Binti Zahari who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to be retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."

(f) SPECIAL RESOLUTION

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT approval be and is hereby given for the Company to amend its Constitution in the form and manner as set out in Appendix I of the Annual Report 2022;

AND THAT the Directors be and are hereby authorised to assent to any variations as may be required by any relevant authorities and to do all acts and take all such steps as may be considered necessary to give effect to the foregoing."

9. To transact any other ordinary business for which due notice has been given.

By Order of the Board

CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689) **CHIN MUN YEE** (SSM PC NO. 201908002785) (MAICSA 7019243) Company Secretaries

Kuala Lumpur Dated: 28 April 2023 (Resolution 15)

(Resolution 16)

Notice of Annual General Meeting

NOTES:

- 1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 June 2023 shall be eligible to attend the Meeting.
- 2. A member, who is entitled to attend, speak and vote at the Meeting, is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- 3. A proxy may but does not need to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of an officer or attorney duly authorised.
- 4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 5. Appointment of proxy and registration for remote participation and voting
 The instrument appointing a proxy and the power of attorney or a certified copy thereof shall be deposited at Securities Services
 (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala
 Lumpur, Wilayah Persekutuan or lodged electronically via Securities Services e-Portal at https://sshsb.net.my/ not less than forty-

Any notice of termination of authority to act as proxy must be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via email to eservices@sshsb.com.my not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof.

Should you wish to personally participate and vote at the Meeting remotely, please register electronically via Securities Services e-Portal at https://sshsb.net.my/ by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting for further details.

The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at www.manulife.com.my.

6. All resolutions set out in this notice of meeting are to be voted by poll.

eight (48) hours before the time for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES

(1) Resolution 1 - Dividend payment

Dividend declaration may be limited in the event the Company's wholly-owned subsidiary, Manulife Insurance Berhad is unable to meet its Internal Capital Adequacy Ratio target set pursuant to regulatory requirements.

(2) Resolutions 2 and 3 - Re-election of Directors who retire by rotation pursuant to Clause 123 of the Company's Constitution

Pursuant to Clause 123 of the Company's Constitution, one-third (1/3) of the Directors [or if the number is not a multiple of three (3), the number nearest to one-third (1/3)] at the time being of whom have been longest in office shall retire from office by rotation at the Annual General Meeting of the Company and be eligible for re-election.

Both Mr. Renzo Christopher Viegas and Ms. Vibha Hamsi Coburn (each referred to as "retiring Director") retain the full confidence of the Board of Directors ("Board") and both are unanimously recommended by the Board for re-election. Both retiring Directors were able to meet the Board's expectation in terms of experience, expertise, integrity, competency, participation and contribution. Each retiring Director demonstrates commitment to the role and has sufficient time to meet his/her commitment to the Company. Both retiring Directors have also provided their declaration of fitness and propriety in February 2023. These two (2) retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the Board and Group Nominating/Remuneration Committee ("GNRC") meetings. The profiles of the Retiring Directors are available in the Annual Report 2022.



(3) Resolutions 4 to 8 - Directors' Fees

The payment of Directors' fees shall be payable quarterly in arrears after each quarter of completed service of the Directors of the Company as follows:

Independent Non-Executive Chairman of the Board : RM26,562.50 per quarter* Each Independent Non-Executive Director : RM21,875.00 per quarter* Each Non-Independent Non-Executive Director : RM18,375.00 per quarter

Notes:

* Directors' fees exclude additional fee of RM5,000.00 per meeting payable to Independent Non-Executive Directors/Chairman of the Board for attending the Board Strategy Day meeting, and RM1,000.00 per quarter for the role as Chair of the Board Committees.

(4) Resolution 11 - Authority to issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to the Companies Act 2016 at the Forty-Seventh Annual General Meeting of the Company ("General Mandate"). The Company had been granted a general mandate by its shareholders at the Forty-Sixth Annual General Meeting of the Company held on 10 June 2022 (hereinafter referred to as the "Previous Mandate"). The Previous Mandate granted by the shareholders had not been utilised and hence, no proceed was raised therefrom.

The purpose to seek the General Mandate is to provide flexibility to the Company for allotment of shares for any possible fundraising activities in an expeditious manner for the purpose of funding investment(s), working capital and/or acquisitions(s).

(5) Resolutions 12 and 13 - Proposed renewal of shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Recurrent Related Party Transactions")

The proposed Resolutions 12 and 13, if approved, will enable the Company and its subsidiary companies ("**the Group**") to enter into the Recurrent Related Party Transactions which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. The shareholders' mandate is subject to annual renewal.

(6) Resolution 14 - Proposed renewal of Dividend Reinvestment Plan ("DRP") authority

The proposed Resolution 14, if approved, will give authority to the Board to allot and issue new ordinary shares in the Company under the DRP, until the conclusion of the next Annual General Meeting of the Company. A renewal of this authority will be sought at subsequent Annual General Meeting of the Company on an annual basis, where applicable.

(7) Resolution 15 - Retention of Dato' Dr. Zaha Rina Binti Zahari ("Dato' Dr. Zaha Rina") as an Independent Non-Executive

Dato' Dr. Zaha Rina has served the Board as an Independent Non-Executive Director and Chairman of the Board of the Company since 12 December 2013 and was re-elected in year 2022. Her experience and expertise have provided the Board with a diverse set of experience, expertise, skill and competence. She has good understanding of the industry and business operation of the Company which enable her to participate actively and contribute while maintaining her independence and objective judgement. She has fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board through the GNRC, after having assessed the independence of Dato' Dr. Zaha Rina, considers her to be independent and recommends her to be retained as an Independent Non-Executive Director of the Company subject to the approval of the shareholders of the Company.

(8) Resolution 16 - Proposed amendments to the Constitution of the Company

The proposed Resolution 16 is to provide greater clarity in the Constitution of the Company and to be aligned with the relevant regulatory requirements.

Corporate Information

Board of Directors

01

Dato' Dr. Zaha Rina Binti Zahari

Chairman/Independent Non-Executive Director

02

Mrs. Vijayam A/P Nadarajah

Independent Non-Executive Director

04

Ms. Vibha Hamsi Coburn

Group Chief Executive Officer/Executive Director

03

Mr. Matthew Edward Lawrence

Non-Independent Non-Executive Director

05

Mr. Renzo Christopher Viegas

Independent Non-Executive Director

SECRETARIES

Chua Siew Chuan

(SSM PC No. 201908002648) (MAICSA 0777689)

Chin Mun Yee

(SSM PC No. 201908002785) (MAICSA 7019243)

REGISTERED OFFICE

16th Floor, Menara Manulife 6 Jalan Gelenggang Damansara Heights 50490 Kuala Lumpur Tel: 03 2719 9228 Fax: 03 2095 3804 www.manulife.com.my

AUDITORS

Ernst & Young PLT (202006000003) (LLP0022760-LCA & AF0039) Chartered Accountants Level 23A, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur

INVESTOR RELATIONS

Tel: 03 2719 9228 ext: 609740

COMMITTEES OF THE BOARD

• Group Audit Committee

Mr. Renzo Christopher Viegas (Chairman) Mrs. Vijayam A/P Nadarajah Mr. Matthew Edward Lawrence

Group Risk Management Committee

Mrs. Vijayam A/P Nadarajah (Chairman) Mr. Matthew Edward Lawrence Mr. Renzo Christopher Viegas

Group Nominating/ Remuneration Committee

Mr. Renzo Christopher Viegas (Chairman) Mrs. Vijayam A/P Nadarajah Mr. Matthew Edward Lawrence

REGISTRAR

Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Tel: 03 2084 9000 Fax: 03 2094 9940

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad – Main Market

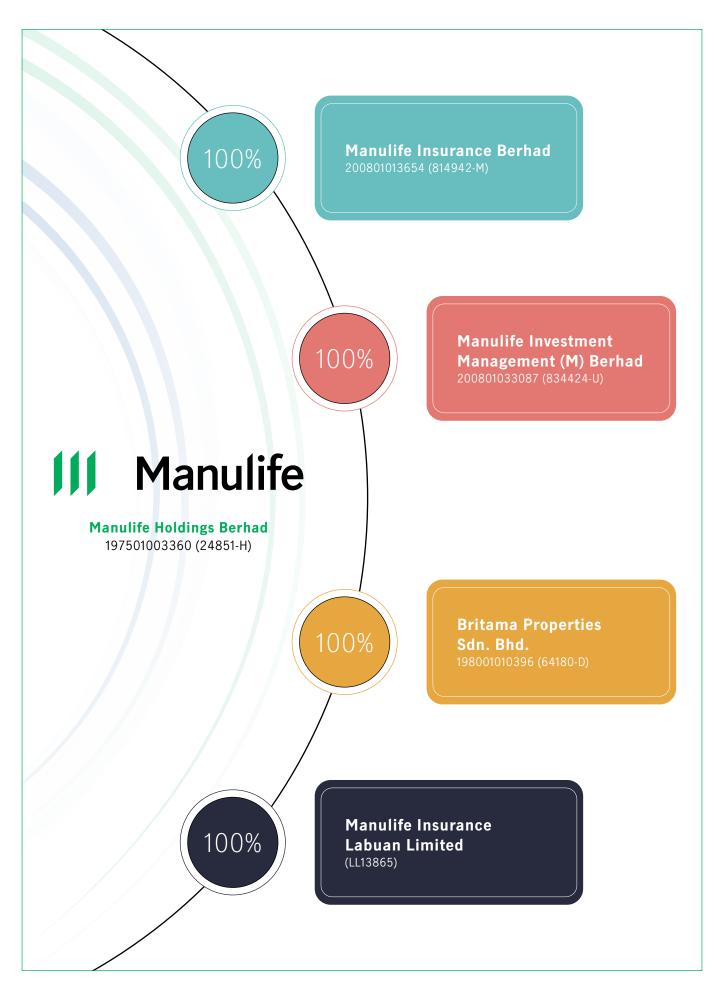
Email: Eza Dzulkarnain@manulife.com

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad
OCBC Bank (Malaysia) Berhad
Citibank Berhad
HSBC Bank Malaysia Berhad
Alliance Bank Malaysia Berhad
Standard Chartered Bank Malaysia
Berhad
United Overseas Bank Malaysia Berhad
DBS Bank Limited

Corporate Structure





▶ Five-Year Group Financial Highlights

	2018	2019	2020	2021	2022
OPERATING RESULTS					
For the financial year ended 31 December (RM'million)					
Group Premiums	913.4	988.0	1,014.0	1,071.0	1,178.6
Fee Income	106.7	109.7	109.5	150.3	119.1
Net Investment Gains/Losses ¹	18.8	329.8	340.4	346.5	42.5
Policyowners Benefit Paid and Payable	657.3	711.6	805.6	776.4	753.3
Group Profit Before Taxation	38.2	38.4	45.8	105.5	29.9
Group Net Profit Attributable To Shareholders	26.3	26.1	38.8	87.0	18.9
KEY BALANCE SHEET DATA					
As at 31 December (RM'million)					
Life Fund Assets	4,705.4	5,073.4	5,599.5	5,763.0	5,795.3
General/Shareholder Fund Assets	829.5	881.7	904.3	886.1	907.3
Total Assets	5,534.9	5,955.1	6,503.8	6,649.1	6,702.6
Total Liabilities	4,713.0	5,117.5	5,596.4	5,695.5	5,747.3
Shareholders' Equity	821.9	837.6	907.4	953.6	955.3
SHARE INFORMATION					
Group Basic Earnings Per Share (sen)	13.0	12.9	19.0	41.6	8.9
Net Dividend Per Share (sen)	7.0	7.0	7.0	7.0	7.0
Group Net Asset Per Share (RM)	4.05	4.14	4.38	4.51	4.42
Share Price – High (RM)	3.31	2.85	2.46	2.54	2.48
Share Price – Low (RM)	2.30	2.31	1.65	1.95	1.83
Share Price As At 31 December (RM)	2.50	2.48	2.01	2.30	2.01
Market Capitalisation (RM'million)	505.9	501.9	416.0	486.6	434.7
FINANCIAL RATIO (%)					
Return on Equity ²	3.2	3.2	4.4	9.3	2.0
Return on Assets ³	0.5	0.5	0.6	1.3	0.3

¹ Comprises Investment income and Net realised/fair value losses, net off Investment expenses

² Return on Equity = Group Net Profit Attributable To Shareholders / Average Shareholder's Equity

³ Return on Assets = Group Net Profit Attributable To Shareholders / Average Total Assets





Directors' Profile



Date of Appointment: 12 December 2013

Number of Board Meetings Attended in 2022: 5/5

Membership of Board Committees:

Academic/Professional Qualification(s)/Membership(s):

- Bachelor of Arts (Hons.) in Accounting and Finance, Leeds Metropolitan University, UK
- Master in Business Administration, University of Hull, UK
- Doctorate in Business Administration (focus on capital markets research and specialising in derivatives), University of Hull, UK

Present Directorship(s) in Other Public Listed Companies:

- Hibiscus Petroleum Bhd.
- IGB Berhad
- Pacific & Orient Berhad
- Keck Seng (Malaysia) Berhad

Present Directorship(s) in Other Public Companies: • Manulife Investment Management (M) Berhad

- Mizuho Bank (Malaysia) Berhad
- Pacific & Orient Insurance Co. Berhad

Dato' Dr. Zaha Rina Binti Zahari was a Consultant to Financial Technologies Middle East based in Bahrain for the set-up of Bahrain Financial Exchange launched in January 2009. Prior to this, she was with Royal Bank of Scotland Group in Singapore from August 2007 to May 2008. She has more than thirty (30) years of experience in the financial, commodities and securities industry and the development of the Malaysian Capital Market, which includes managing a futures broking company. She was the Chief Executive Officer of RHB Securities Sdn. Bhd. from year 2004 to year 2006. She has previous Board appointments at the Commodity and Monetary Exchange of Malaysia from year 1993 to year 1996, and then as the Chief Operating Officer of Kuala Lumpur Options and Financial Futures Exchange in year 2001, which merged to become Malaysian Derivatives Exchange ("MDEX") in June 2001. She was then appointed Head of Exchanges, managing the operations of Kuala Lumpur Stock Exchange ("KLSE") [now known as Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities")], Malaysia Exchange of Securities Dealings & Automated Quotation (MESDAQ), MDEX and Labuan International Financial Exchanges in September 2003 prior to KLSE's [now known as Bursa Malaysia Securities] demutualisation. She is also a regular speaker at many international conferences and forums. She was a Director of Zurich Insurance Malaysia Bhd. from year 2007 to year 2013 and Hong Leong Industries Bhd. from year 2012 to year 2021. She was a member of Market Participants Committee of Bursa Malaysia Securities. She is currently a member of the Appeals Committee of Bursa Malaysia Securities. Dato' Dr. Zaha Rina is a Divemaster with National Association of Underwater Instructors (NAUI). She was a member of Global Board of Advisers for XBRL until year 2009 and was also on the Board of Trustees for Malaysia AIDS Foundation until May 2010.



Date of Appointment: 1 October 2020

Number of Board Meetings Attended in 2022: 5/5

Membership of Board Committees:

Academic/Professional Qualification(s)/Membership(s):

- Master of Business Administration, University of Western Australia, Australia
- Post graduate diploma from the Securities Institute of Australia [Chartered Financial Analyst (CFA) equivalent]
 Bachelor of Commerce (Hons), Delhi University, India
- Graduate member of Australia Institute of Company Directors (GAICD)

Present Directorship(s) in Other Public Listed Companies:

Present Directorship(s) in Other Public Companies:

- Manulife Insurance Berhad
- Manulife Investment Management (M) Berhad

Ms. Vibha Hamsi Coburn was formerly the Chief Distribution Officer at Manulife Asia, responsible for developing and executing strategy for Manulife distribution across Asia, including championing the adoption of digital channels. Under her leadership, Manulife's agency force grew significantly and became the world's third best amongst international insurers in terms of Million Dollar Round Table membership. At the same time, she has helped to vastly strengthen Manulife's bancassurance capabilities, delivering strong growth to its regional partnerships and, renewing and establishing new partnerships in Vietnam, Indonesia and Myanmar. She has also championed the development and adoption of digital tools throughout all channels in distribution. Prior to joining Manulife, Ms. Vibha Coburn had a wide range of senior roles over thirty (30) years in banking, insurance and management consulting across Asia, Europe and Australia. These included roles in e-business, sales, customer acquisition, finance, wealth management, liabilities, mortgages and credit cards. Ms. Vibha Coburn also sits on the Boards of L.I.A.M. Holding Sdn. Bhd. and L.I.A.M. Property Sdn. Bhd.



Date of Appointment: 19 April 2019

Number of Board Meetings Attended in 2022: 5/5

Membership of Board Committees:

- Chairman, Group Risk Management Committee
- Member, Group Audit Committee
- Member, Group Nominating/Remuneration Committee

Academic/Professional Qualification(s)/Membership(s):

- Master in Business Administration, Monash University in Melbourne, Australia
- Bachelor in Economics (with a major in accounting), Monash University in Melbourne, Australia
- Bachelor of Law, University of London, UK
- Fellow Member of CPA Australia
- Chartered Accountant under the Malaysian Institute of Accountants
- Fellow Member of the Institute of Internal Auditors Malaysia ("IIAM")

Present Directorship(s) in Other Public Listed Companies:

Present Directorship(s) in Other Public Companies:

- Manulife Insurance Berhad ("MIB")
- BNP Paribas Malaysia Berhad

Mrs. Vijayam A/P Nadarajah was the president of the IIAM from year 1996 to year 1997 and was then re-appointed as a governor to the Board of Governors of IIAM in year 2018. She co-chaired the taskforce on Guidance for Effective Internal Audit Function. From year 2013 to year 2016, Mrs. Vijayam Nadarajah served as a Specialist for the Research and Development/Corporate Program of the Financial Accreditation Agency, which is an initiative supported by Bank Negara Malaysia and the Securities Commission Malaysia. She also served as Financial Controller at CIMB Aviva Assurance Berhad and CIMB Aviva Takaful Berhad, Assistant General Manager of Finance at Oriental Capital Assurance Berhad, as well as senior roles in RHB Bank Berhad and Sime Bank Berhad/UMBC Bank Berhad. Mrs. Vijayam Nadarajah is presently the Independent Non-Executive Director of Monash University Sdn Bhd; and was the Independent Non-Executive Director of The Bank of Nova Scotia Berhad and MPI Generali Insurans Berhad. Prior to her appointment to the Board of The Bank of Nova Scotia Berhad, she was a consultant for China Construction Bank Malaysia Berhad on matters related to licensing of the bank and operational readiness audit. She is a consultant and trainer in topics such as risk management, compliance, internal audit and board governance. She is also the Chairman of the Risk Management Committee, and is a member of Audit Committee and Nominating/Remuneration Committee of MIB.



Date of Appointment: 1 November 2020

Number of Board Meetings Attended in 2022: 5/5

Membership of Board Committees:

- Chairman, Group Audit Committee Member, Group Risk Management Committee Chairman, Group Nominating/Remuneration Committee

Academic/Professional Qualification(s)/Membership(s):

- Bachelor of Commerce, University of Bombay, India Chartered Accountant and Fellow Member of the Institute of Chartered
- Accountants of India
 Chartered Accountant under the Malaysian Institute of Accountants
 Advance Management Program in Strategic Marketing Planning, Michigan
 State University, United States of America

Present Directorship(s) in Other Public Listed Companies:

Astro Malaysia Holdings Bhd.

Present Directorship(s) in Other Public Companies:

Manulife Insurance Berhad ("MIB")

Mr. Renzo Christopher Viegas started his career with Citibank in year 1985, where he progressively held senior positions in various Asia Pacific countries including regional responsibilities until year 2008. His last held position was Chief Operating Officer and Chief Financial Officer of Citibank Malaysia. was Chief Operating Officer and Chief Financial Officer of Citibank Malaysia. In year 2008, Mr. Renzo Viegas joined RHB Bank Berhad as Director of Retail Banking where he managed the consumer, insurance, hire purchase, and small and medium enterprises businesses. In year 2011, he was appointed as the Principal Officer overseeing overall operations of RHB Bank Berhad. His last held position was Deputy Chief Executive Officer ("CEO") of the bank with direct responsibility in the Consumer and International businesses. Mr. Renzo Viegas was the Deputy CEO and Executive Director of CIMB Bank from year 2012 to year 2015 with direct oversight over the Consumer and Commercial businesses and CEO of Group Consumer Banking from year 2015 to year 2016. He was responsible for the development of overall business strategies of consumer banking for the smooth implementation of the strategies and transformed the consumer bank of the Group to become its growth engine by leveraging on the regional platform to better reap tits growth engine by leveraging on the regional platform to better reap synergies and accelerate business delivery. He also served as Adviser to the Group CEO of CIMB Bank – where he was responsible for the development of overall Group business strategies until March 2019 with direct oversight of overall Group business strategies until March 2019 with direct oversight of the overall Group business strategies – and was also the Chairman of the CIMB Group Information and Technology Steering Committee. He was also a Non-Independent Director for CIMB Bank (Vietnam) Ltd. from August 2018 to July 2019, and Non-Independent Director for CIMB Cambodia Bank PLC from November 2017 to July 2019. He served as Non-Executive Director of Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad from May 2013 to July 2017. He is the Chairman of Audit and Risk Committee, Chairman of Strategy and Business Transformation Committee and member of the Nomination, Remuneration and Corporate Governance Committee of Astro Malaysia Holdings Bhd. He also sits on the Board of Ujjivan Financial Services Limited, a company listed on the National Stock Exchange of India and the holding company of Ujjivan Small Finance Bank. He is the Chairman of the Audit Committee and is a member of the Risk Management Committee and Nominating/Remuneration Committee of MIB.

Directors' Profile



Date of Appointment: 1 January 2020

Number of Board Meetings Attended in 2022: 5/5

Membership of Board Committees:

- Member, Group Audit CommitteeMember, Group Risk Management Committee
- Member, Group Nominating/Remuneration Committee

Academic/Professional Qualification(s)/Membership(s):

- Bachelor of Science in Economics, London School of Economics and Political Science, UK
- Member and Fellow of the Institute of Chartered Accountants in England and Wales

Present Directorship(s) in Other Public Listed Companies:

Present Directorship(s) in Other Public Companies:

Mr. Matthew Edward Lawrence has over twenty (20) years of experience in the insurance industry, holding leadership positions in both the corporate and professional services fields that span across North America, Europe and Asia. He joined Manulife as Regional Controller, Asia in year 2019. In this role, he is responsible for the Asia regional finance team, overseeing financial planning and analysis, management reporting, expense management and accounting policy. Prior to joining Manulife, Mr. Lawrence worked at Prudential where he held a series of progressive roles; his last held position was Finance Director of Prudential Assurance Company Singapore, where he was responsible for strategic planning and analysis, financial reporting, finance operations, and finance innovation. Prior to his time with Prudential, he spent many years at KPMG and has experience that covers accounting advisory, audit, and transaction services. He speaks frequently at industry events on the subject of accounting change for insurance.

Save as disclosed, none of Directors have any:

- family relationship with any Director and/or major shareholder of the Company;
- · conflict of interest with the Company; and
- conviction of offence within the past five (5) years nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022 other than traffic offences.

Manulife

Senior Key Management Profile



Tan Chue Chau

Chief Financial Officer (until 30 April 2023)

Malaysian 46 years old

Mr. Tan Chue Chau was appointed as Chief Actuary and Pricing Officer of Manulife Insurance Berhad ("MIB") in February 2019. He was also the interim Appointed Actuary of MIB and Manulife Insurance Labuan Limited ("MILL") until end of year 2019. He was subsequently appointed as Chief Financial Officer of MIB in March 2020. He is currently a Director of MILL and Britama Properties Sdn. Bhd. He will be assuming another role within Manulife w.e.f. 1 May 2023.

Mr. Tan built his career in Sun Life Malaysia before moving on to Tokio Marine Life as Actuarial Manager. He then moved on joining MIB as Appointed Actuary. He then joined Prudential BSN Takaful Berhad as the Chief Actuary. He was a member of the Executive Committee of Prudential BSN Takaful Berhad who was responsible collectively with other members in forming and executing business strategies. At industry level, he was a member of Family Takaful Sub-Committee of Malaysian Takaful Association.

Mr. Tan graduated from Malaya University with Bachelor of Science in Mathematics. He is a fellow member of Society of Actuaries and Actuarial Society of Malaysia.



Ng Chun Nam

Chief Financial Officer (effective from 1 May 2023)

Malaysian 45 years old



Jason Chong Soon Min

Chief Executive Officer & **Executive Director**

Malaysian 56 years old

Mr. Ng will be joining Manulife Insurance Berhad ("MIB") as Chief Financial Officer on 1 May 2023. In this role, he is responsible for the overall financial management of MIB including Accounting, Actuarial, Financial Controls and Tax functions.

Mr. Ng has more than twenty (20) years' experience within the financial services sector across Asia. Since becoming employed by Manulife in 2012, Mr. Ng has held various senior positions within Manulife including Chief Actuary, Chief Product and Pricing Officer, and then Chief Financial Officer of Manulife Cambodia. Prior to his appointment as the Chief Financial Officer of MIB, he was the Chief Financial Officer of Manulife Vietnam from 2019 to 2023. Before joining Manulife, he was a VP within the Royal Bank of Scotland ("RBS") Cross Asset Solution Group based in Singapore, serving primarily financial institutions in the SEA region. Before joining RBS, Mr. Ng was the Regional Manager, Asset Liability Management in the Strategic Finance team based in Hong Kong. He started his career with Great Eastern Malaysia.

Mr. Ng graduated from the London School of Economics with Bachelor of Science in Actuarial Science, and Cass Business School with Master of Science in Actuarial Management. He is fellow member of Institute of Actuaries, UK.

Mr. Jason Chong Soon Min joined Manulife Holdings Berhad's ("MHB") asset management arm in February 2010 as Chief Executive Officer/ Executive Director. Following the merger of Manulife Malaysia's asset management and unit trust businesses in July 2012, known today as Manulife Investment Management (M) Berhad ("MIMMB"), Mr. Chong was the Chief Investment Officer/Managing Director. In May 2017, he was promoted to Chief Executive Officer/Executive Director of MIMMB

Mr. Chong has more than thirty-three (33) years of experience in the investment industry. Before joining Manulife, he was the Chief Investment Officer of another asset management company where he was responsible for the management of Malaysian and regional funds totaling approximately RM5 billion. Prior to that, he spent fifteen (15) years as an investment analyst covering both local and foreign equities, with his last position as Head of Research at Merrill Lynch/Smith Zain Securities.

Mr. Chong holds a Bachelor of Science degree in Economics and Finance (Honors) from the University of Southern New Hampshire, USA as well as a Capital Markets and Services Representative License in Fund Management and Financial Planning in Malaysia.

Senior Key Management Profile



Jasbender Kaur

Chief Counsel & Corporate Services Officer

Malaysian 52 years old



Alex Tan Cheng Leong

Chief Agency Officer

Malaysian 46 years old



Jonathan Yen

Chief Commercial Officer

Singaporean 41 years old

Ms. Jasbender Kaur is the Chief Counsel & Corporate Services Officer of Manulife Holdings Berhad ("MHB"). In her role, she is directly responsible for all legal matters including corporate governance, and oversees regulatory compliance and risk management matters within MHB and its subsidiaries excluding Manulife Investment Management (M) Berhad. Additionally, she was appointed as the Principal Officer of Manulife Insurance Labuan Limited in April 2019 and Director of Britama Properties Sdn. Bhd. in September 2015. She graduated from the University of London, UK with a Bachelor of Law (Hons) and was called to the Malaysian Bar in year 1996. She is also a certified Company Secretary and alongside her other roles, serves as Company Secretary to several local subsidiaries of MHB.

Ms. Kaur joined Manulife in year 2005 and was appointed as the Head of Legal, Compliance and Corporate Secretariat in year 2011. In addition to her role, she has headed up several different departments from time to time in the course of her tenure with Manulife.

Ms. Kaur has almost twenty-two (22) years of experience in the life insurance industry in Malaysia. Prior to joining Manulife, she served as Legal Officer with a large multinational insurer in Malaysia before being appointed Managing Editor with a world-leading provider of professional information solutions.

Mr. Alex Tan Cheng Leong is the Chief Agency Officer of Manulife Insurance Berhad. In this role, he oversees all aspects of agency growth, including developing and implementing dynamic initiatives to heighten agency productivity and achieve profitability objectives.

Prior to his appointment in January 2019, Mr. Tan served as the Head of Retail & Retirement Funds (Malaysia and International) for AmFunds Management Berhad, a role in which he led the company's efforts to provide best-in-industry investment solutions to retail unit trust advisors and bank distribution partners.

Mr. Tan has more than two (2) decades of experience in the financial sector and has held several senior leadership roles including Chief Marketing Officer of Syarikat Takaful Malaysia, and Director of Alliance Management, Communication, STAR CLUB and Training (Malaysia and Singapore) for CIMB Principal Asset Management Berhad.

Mr. Tan holds a degree in Accounting from La Trobe University, Australia. He is also a Fellow of the Life Management Institute of USA and Registered Financial Planner of Malaysia's Financial Planning Council.

Mr. Jonathan Yen was appointed as the Chief Commercial Officer of Manulife Insurance Berhad on 1 March 2023. In this role, he is responsible for overseeing and driving key enterprisewide priorities as well as leading partnership businesses.

Prior to this appointment, Mr. Yen was the Regional Chief Bancassurance Officer for Manulife, where he led Manulife's partnership teams across ten (10) markets in Asia. Before joining Manulife, Jonathan held leadership positions in consulting and in-country roles, including Distribution, Actuarial, Product Management, as well as Strategy and Mergers and Acquisitions.

Mr. Yen holds a Bachelor and Master of Actuarial Studies from the Australian National University. He is a Fellow of the Institute of Actuaries, UK and Singapore Actuarial Society.



Marilyn Wang

Chief Marketing Officer

Malaysian 47 years old

Ms. Marilyn Wang joined Manulife Insurance Berhad as the Chief Marketing Officer on 15 February 2023. In this role, she oversees Brand and Proposition Management, Corporate Communication, Digital Marketing, Customer Experience and Advance Analytics. She works closely with regional marketing leads across Asia to enable excellence in marketing execution for Malaysia.

Ms. Wang brings with her more than twenty (20) years of experience in the consumer goods (FMCG), hospitality and life insurance sectors. Her most recent role was with Manulife Vietnam, where she was the Chief Marketing Officer with an exceptional track record in driving digital and customer leader transformation agenda.

Ms. Wang is a Chartered Marketer with the Chartered Institute of Marketing, UK.



Bernard Sia

Chief Information Officer

Malaysian 46 years old



Aiza Aryati Binti Kasim

Chief Human Resources Officer

Malaysian 45 years old

Mr. Bernard Sia joined Manulife Insurance Berhad ("MIB") as the Chief Information Officer on 1 November 2021. In this role, he oversees both MIB's digital transformation and information technology operations.

Prior to joining MIB, Mr. Sia served eight (8) years with MetLife, holding regional leadership roles that span across Asia; most recently as Head of Global Product Configuration and prior to that as Chief Information Officer for MetLife Hong Kong, MetLife Bangladesh's interim IT Head and Head of Business Enablement, and formerly the Lead Architect for Asia encompassing nine (9) markets.

Mr. Sia has over twenty-four (24) years of experience and began his career as a software developer for retail banking and securities investments and subsequently embarked on a multi-industry journey into eCommerce, eLogistics, Oil and Gas, and IT Outsourcing as a vendor. Through that journey, Mr. Sia held Project Management, Departmental Head and Enterprise Architecture roles, serving iPerintis Sdn. Bhd., a captive IT outsourcer for Petronas Nasional Berhad for six (6) years before joining Malayan Banking Berhad as a Technology Director. Prior to joining the insurance industry, Mr. Sia was the Head of Strategy for Mesiniaga Alliances Sdn. Bhd.

Mr. Sia holds a Master's degree in Business Administration from Nottingham Business School, University of Nottingham, UK, and a Bachelor's degree in Information Technology from Universiti Kebangsaan Malaysia. He is also a Certified Human Centric Design Practitioner from the LUMA Institute.

Ms. Aiza Aryati Kasim joined Manulife Holdings Berhad ("MHB") as the Chief Human Resources ("HR") Officer in year 2018.

Prior to joining MHB, Ms. Aiza Kasim served as Head of HR, Business Banking, Wholesale Banking & AmInvestment Bank at AmBank Berhad ("AmBank"). She has more than twenty-two (22) years of experience across the whole spectrum of HR functions such as HR Transformation, change management, business partnering, employee engagement, talent management and succession, recruitment, leadership and learning development. Apart from AmBank, she has worked in established financial institutions such as OCBC Bank (M) Berhad, HSBC Bank (M) Berhad, RHB Bank Berhad and Citibank (M) Berhad as well as an information technology company known as Petronas ICT Sdn. Bhd.

Ms. Aiza Kasim holds a Bachelor of Science degree in Business Management from the University of Bradford, UK.

Senior Key Management Profile





Mr. Lee Tat Fatt was appointed as the Chief Operations Officer of Manulife Insurance Berhad ("MIB") in October 2020, overseeing MIB's Operations portfolio.

Mr. Lee joined MIB in September 2019 as the Head of Customer Solutions responsible for New Business Underwriting, Claims and Operational Excellence. Prior to joining MIB, he was the Chief Underwriter of AIA Malaysia, and has more than twenty-six (26) years of experience in the life insurance industry in Malaysia managing the new business underwriting in multi-national companies such as ING, Great Eastern Life and AIA. He started his career in AIA Malaysia as Management Trainee before moving on to ING Insurance Berhad as Underwriting Manager. He then moved on joining Great Eastern Life as Vice President and Chief Underwriter. He rejoined AIA $Berhad\ as\ the\ Director\ and\ Chief\ Underwriter\ and$ played an important role during the integration of AIA-ING in year 2013.

Mr. Lee holds a Bachelor's degree in Political Science and the Fellow, Life Management Institute (FLMI) designation from the Life Office Management Association.



Rahulan Vamadeva Head of Operations Canadian 54 years old Male

Mr. Rahulan Vamadeva ("Mr. Ragu") joined Manulife Investment Management (M) Berhad ("MIMMB") in June 2020 as the Head of Operations. Mr. Ragu oversees the daily operations of unit trust and private retirement scheme, fund accounting and investment operations, and customer service.

Mr. Ragu has more than twenty-six (26) years of experience in securities services and asset management covering operations and customer service with product knowledge in transfer agency, fund accounting, alternative investments and global custody. Prior to joining MIMMB, he was Director and Head of Client Services and Operations APAC for Citi Group Transaction Services. He also held the position of Global Head of Reconciliations and Control at RBC Investor Services and various executive roles at CIBC/BNY Mellon Securities Services globally having worked in Canada, Cayman Islands, Luxembourg and Japan before moving to Malaysia.

Mr. Ragu earned a Bachelor of Science in Finance at Arkansas State University, USA and a Master of Business Administration in Accounting at Wharton School of Business, University of Pennsylvania, USA.



Ricky Lim Soon Joo
Chief Product Officer

Malaysian 50 years old Male

Mr. Ricky Lim Soon Joo joined Manulife Insurance Berhad ("MIB") as the Chief Product Officer in October 2021. In this role, he oversees Product and Pricing portfolios.

Mr. Lim has more than twenty-six (26) years of experience in the life insurance and reinsurance industry (both conventional and takaful), developing innovative products and propositions for agency, bancassurance, direct marketing and digital channels. Prior to joining MIB, he was a Director of Business Development for Pacific Life Re, Singapore supporting Malaysia direct insurers.

Mr. Lim graduated from Heriot-Watt University, Scotland, UK with a Bachelor's degree in Actuarial Mathematics and Statistics.



Ng Chze How

Head of Retail Wealth Distribution

Malaysian 50 years old

Mr. Ng Chze How joined Manulife Investment Management (M) Berhad ("MIMMB") in January 2019 as the Head of Retail Wealth Distribution. He currently holds the Capital Market Services Representative License, and his key functional area includes strategic business development with the agency force, financial advisors and partnership distribution.

Mr. Ng has more than twenty-two (22) years of experience in asset management, banking and life insurance industry in Malaysia. Prior to joining MIMMB, he was a General Manager and Director of AIA Pension and Asset Management Sdn. Bhd. He was subsequently appointed as a Chief Agency Officer of AIA Bhd. He has also held several senior leadership roles in AmFunds Management Berhad, Prudential Funds Management Berhad and Standard Chartered Bank (Malaysia) Berhad.

Mr. Ng is a graduate with Bachelor of Art from University of Strathclyde, UK.



Yooi Foong Hing

Head of Legal & Compliance

Malaysian 55 years old

Ms. Yooi Foong Hing is the Head of Legal & Compliance of Manulife Investment Management (M) Berhad ("MIMMB"). She joined MIMMB in September 2014. She is the designated person responsible for all legal and compliance matters of MIMMB.

Ms. Yooi has more than thirty (30) years of experience in legal, corporate and financial services industry. Prior to joining MIMMB, she was the Head of Compliance of MAAKL Mutual Bhd and prior to that the Compliance Manager of MBF Unit Trust Management Berhad.

Before joining the unit trust industry, Ms. Yooi was with a public-listed company involved in property development as a Manager in the Legal and Secretarial Department. She started her career as a practicing lawyer before joining the corporate sectors.

Ms. Yooi holds an Honours degree in Law from University of Malaya. She is also a certified member of Financial Planning Association of Malaysia (FPAM).

Save as disclosed, none of the Senior Management have any:

- directorships in public companies and/or listed issuers;
- family relationship with any Director and/or major shareholders of the Company;
- · conflict of interest with the Company; and
- conviction of offence within the past 5 years nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022 other than traffic offences.

CEO's Report & Management Discussion and Analysis

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As we head into 2023 and celebrate our 60-year presence in Malaysia, Manulife Malaysia is ready to supercharge our Scale Up ambition to greater heights in 2023.



Vibha Hamsi Coburn

Group Chief Executive Officer

Dear Shareholders,

I am pleased to report that the Group recorded a 6.6% growth in operating revenue to RM1,529.5 million, mainly contributed by the growth in life insurance gross premium and higher investment income. The Group reported a lower profit before tax of RM29.9 million, a decrease of RM75.6 million compared to previous financial year as a result of recent market volatility which saw significant increase in interest rates and a drop in equity markets.

The Group's total assets stood at RM6,702.6 million while total equity stood at RM955.3 million, delivering a net asset per share of RM4.42 as of 31 December 2022.

There was no capital expenditure commitment and no significant changes to the Group's capital structure and capital resources in 2022, other than those disclosed in the financial statements.

The Group's five-year financial highlights are set out on pages 10 to 11 of this Annual Report.



OPERATIONS REVIEW

Insurance Business

Our agency channel recorded new business sales of RM124.5 million, contributing 74% to the overall Manulife Insurance Berhad ("**MIB**") new business. The average ticket size recorded a 22% growth year-on-year ("**YoY**").

We are pleased to have recorded a 3% YoY growth in our total Million Dollar Round Table ("MDRT") qualifiers. We achieved 1 Top of the Table ("TOT"), 5 Court of Table ("COTs") and 88 MDRTs. Agents from this pool contributed to 36% of the overall agency business.

Agency headcount recorded a 11% YoY growth, closing the year with an overall agency headcount of 3,449. This was mainly contributed by our *intensified on-the-ground recruitment initiatives via the Manulife Career Carnival Programme.* The active leader-recruiter ratio moved in an upward trend and improved by 22%.

We stepped up our focused on attracting Agency and MDRT producers from the financial services to drive business growth. This is aligned with our ambition to build a team of elite producers and leaders. As at Q4 2022, we recorded a significant 54% increase of new recruits from the Banking and Financial industry. We also successfully established 6 new agency groups and 2 new emerging Agency Leader Corporation ("ALC") groups.

Our Bancassurance channel recorded RM43.8 million in new business sales, with a 17% growth from 2021. Markets sentiments improved with strong loan momentum as banks resumed their lending activities. Demand for insurance had also amplified with the increase of Malaysians' understanding of the need for insurance protection following COVID-19.

Manulife Insurance Labuan Limited ("MILL") recorded RM8.9 million in new business, with a growth of 28% from 2021. Currently, MILL has two Bancassurance partners and continues to onboard other banks as referral partners. We are also working on expanding our product offerings to meet other different insurance needs of our customers going into 2023.

Unit Trust and Asset Management Business

2022 had been a very challenging year, with the global economy continuing to be weighed down by significant macroeconomic and geopolitical uncertainties. While the Morgan Stanley Capital International ("MSCI") World Index was down 19.5% during the year, Malaysia fared better with our local stock market index – FTSE Bursa Malaysia ("FBM") 100 Index - only declining by 5.4%.

Although the weak market sentiment affected our unit trust Assets Under Management ("AUM"), we performed relatively better than the industry average and saw an increase in market share.

During the year, Manulife Investment Management (M) Berhad ("MIMMB") also strengthened our foundations to position for further growth, launching 2 new unique foreign funds to provide more choices and diversification for our customers and continued our recruitment drive initiatives.

CUSTOMER CENTRICITY

Customer Satisfaction:

At Manulife Malaysia, we remain committed to leading the way in digital customer experience, as it is a key driver in achieving our purpose, fulfilling our promises, and fostering lasting loyalty among our customers.

We continue to utilise the Net Promoter Score ("NPS") to measure and enhance our customer experience. In 2022, we made significant strides in narrowing the customer experience gap with our top competitors. Our company's relationship Net Promoter Score ("rNPS") reached a record high score of +26, compared to +21 in 2021. We maintained high scores for brand promise, products, payment, and corporate correspondence throughout the year. We also made notable improvements in social media and customer service, which positively impacted our overall rating.

We are proud of these achievements and remain committed to delivering exceptional customer experience through continued investment in digital technology, innovative solutions, and customer-centric initiatives. Our goal is to set the standard for customer satisfaction in the industry and establish ourselves as the preferred choice for customers seeking quality financial solutions.

Our Product Achievements:

In our commitment to continuously improve our customer experience, we have undertaken several product initiatives in 2022. These include:

- Enhancing our medical product offerings to provide coverage for hospitalisation treatment for COVID-19 and other potential pandemics.
- Improving our Manulife Health Saver Benefit ("MHSB") product by extending medical claims coverage for the top 5 critical illnesses and hospital admissions, enabling customers to continue enjoying no-claim discounts.
- Providing an additional annual limit of RM1 million to our medical policyholders at no additional cost. This added protection offers a safety net against the rising cost of medical treatments and gives our customers peace of mind.

We are thrilled to announce that our prenatal product, Manulife Precious Gift ("MPG"), has been awarded the "Best Child Coverage Plan" by the prestigious Motherhood Choice Awards 2022. MPG is the most comprehensive coverage plan in the market, offering the highest coverage for child development disorders, including Autism Spectrum Disorder, Attention Deficit Hyperactivity Disorder, Dyslexia, Tourette Syndrome, Juvenile Huntington Disease, and Type 1 Juvenile Spinal Amyotrophy.

We recognise the importance of mental wellness for mothers during and after pregnancy and are committed to providing the support they need. In addition to health coverage like pregnancy complications and maternal cancer, MPG comprises emotional health support benefits for mothers too.

This accolade is a testament to our unwavering commitment to delivering innovative products that meet the evolving needs of our customers. We will continue to strive for excellence in all that we do and provide the best possible solutions for our valued clients.

CEO's Report & Management Discussion and Analysis

CORPORATE BRANDING

As Malaysia transitioned to the endemic phase in 2022, the Manulife brand demonstrated agility and resilience in adapting to the new normal. Leveraging Manulife's 59-year legacy in Malaysia, a two-phase digital brand awareness campaign was launched to enhance our brand relevance, as well as establishing our credibility as one of the leading international insurers in the country. The campaign, which reached more than 8.9 million Malaysians, also highlighted product offerings to better meet the needs of our customers.

In addition to our brand awareness campaign, we continued to engage our stakeholders through social media channels, utilising a targeted content strategy based on audience segmentation. Our efforts culminated in the release of our corporate video in Q4 2022, which conveyed the Manulife Malaysia story, demonstrating the significant value Manulife Malaysia creates for our customers, employees, and shareholders.

As we look ahead to 2023, we remain committed to enhancing our brand presence and delivering value to our stakeholders. We continue to develop and execute awareness campaigns and products in line with our aspiration to empower the community through financial education, which addresses savings, retirement and health gaps.

DIGITISATION

Aligned with Manulife's digital customer leader roadmap, our digital transformation initiatives have continued to make significant progress. We have enhanced the non-face-to-face capabilities of our distribution digital sales solution, electronic point of sales ("ePOS"), enabling safe and secure virtual meetings with potential customers. Additionally, our Virtual Agent eBooking services have made insurance case follow-ups faster and more convenient for both our agency force and customers. By the end of 2022, 99% of all new business was transacted through ePOS, resulting in significant reductions in manual processes, improved turnaround times, enhanced agency productivity, and ultimately, better customer experiences and faster protection.

As our distribution force continues to grow, professionalising our agents remains a top priority. We are currently developing a new Mobile eLearning capability within our ManuLearn training platform, which will enable our agency force to always access learning and training materials conveniently. This supports our agents in keeping their knowledge and skills upto-date; and allows them to continuously provide professional and quality consultation to our customers.

During the year, MIMMB continued to prioritise our digital transformation strategy roadmap, focusing on the development of pragmatic and simplified digital solutions for our investors. With the online investment platform, Manulife iFUNDS, our investors can now manage their portfolios seamlessly, anytime, and anywhere.

Further focus on security against external cybersecurity threats and potential internal data leakages were in place with the goal to better protect Manulife Malaysia.

RISK MANAGEMENT

Effective risk management is fundamental to the business activities of the group. We remain committed to increasing shareholder value by developing and growing our business within our board-determined risk appetite. We seek to achieve an appropriate balance between risk and reward in our business and continue to build and enhance the risk management capabilities that assist in delivering our growth plans in a controlled environment.

Our risk management processes continued to prove its effectiveness throughout 2022. Executive Management remained closely involved in important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, and effectively managing other risk areas within the context of its enterprise risk management. Responsibility and accountability for risk management resides at all levels within the group, from the board down through the organisation structure to each business manager within the company.

For the financial year under review, Manulife Malaysia emphasised the importance of addressing strategic, market, information, technology, and operational risks and where required, has put in place specific plans for action.

SUSTAINABILITY

At Manulife, we have been progressive in embedding sustainability into our business, ensuring that it remains profitable and responsible. We aspire to create and deliver long-term shareholder value, care for the well-being of our employees, enrich our communities, and minimise our impact on the environment for the sake of future generations.





In 2022, Manulife Malaysia launched its inaugural Volunteer Week to encourage our people to step out of the office and "give back" to our communities by contributing their time and effort in support of meaningful community-outreach programmes which stretched over the course of 6 days. Through this impactful initiative, Manulifers accumulated more than 300 volunteer-hours across the week, and positively aided more than 400 beneficiaries in the process.

The opening up of the economy also meant that our employees could travel and physically step out and volunteer in the community; an important element to ensure support was distributed effectively.

We are extremely proud of the level of employee engagement in the Stakeholder Engagement & Materiality Assessment ("SEMA"), which has helped us to develop our sustainability roadmap and gain a better understanding of our sustainability landscape in the years to come.

From a global perspective, 2022 also marked the resounding launch of our Impact Agenda. Through this unifying framework, we will continue investing in our communities to empower sustained health and wellbeing, drive inclusive economic opportunity, and accelerate a sustainable future.

AWARDS AND RECOGNITION

The Group was awarded several accolades in recognition of its performance in 2022:

Recognition/ Award	Achievement
HR Asia Best Companies to Work for in Asia Awards 2022 (Malaysia Edition)	These awards recognise Manulife Malaysia as an employer of choice which focuses on workplace excellence that promotes greater employee engagement.
HR Excellence Awards 2022 – Excellence in Corporate Wellness (Bronze Winner)	
Motherhood Choice Awards 2022 Best Child Coverage Plan – Manulife Precious	This award is a testament that Manulife Malaysia continues to identify gaps and create products that are relevant and customer focused.
Gift	
Refinitiv Lipper Fund Awards 2022	Equity Malaysia Diversified - Malaysia Provident Funds, 10 years, Manulife Investment Shariah Progress Fund
FSMOne Recommended Unit Trusts Awards 2022/23	Core Portfolio (Equity) Core Equity-Global, Manulife Global Thematic Fund
	Core Portfolio (Fixed Income) Core Fixed Income-Malaysia, Manulife Investment Bond Fund
	Supplementary Portfolio Single Country Equity-US, Manulife Investment U.S. Equity Fund Sector Equity-Global ESG (Water theme), Manulife Global Aqua Fund Sector Equity-Global Healthcare, Manulife Global Healthcare Fund
	Private Retirement Scheme Moderate (Islamic), Manulife Shariah PRS-Moderate Fund Growth (Islamic), Manulife Shariah PRS-Growth Fund

CURRENT ECONOMIC SITUATION AND OUTLOOK

Malaysia's economy grew cumulatively at 8.7% in 2022, surpassing full year official gross domestic product ("GDP") growth forecast of 6.5% - 7.0%. This was the highest annual growth in 22 years (2000: 8.9%) In terms of quarterly attainment, GDP growth YoY was Q1 2022: +5.0%, Q2 2022: +8.9%, Q3 2022: +14.2% and Q4 2022: +7.0%. This strong GDP growth performance was contributed mainly by domestic and external demand as well as improved labour market conditions. The services sector (YoY Q4 2022: +8.9%) was the primary contributor to GDP growth supported by favourable performance in wholesale and retail trade, transportation, food and beverage and hospitality.

Manufacturing sector (YoY Q4 2022: +3.9%) grew moderately supported by electrical and electronic products, transport equipment and other manufacturing and repair products. On a quarter-on-quarter basis, services, manufacturing, mining, agriculture, and construction all showed a decline indicative of more moderate growth outcomes in 2023.

Malaysia's labour market maintained its full employment level with the unemployment rate maintained at 3.6% in December 2022, after attaining that level in November 2022 (2021: 4.6%). Notwithstanding the general robust achievement in the course of 2022, Manufacturing PMI declined to 47.8 in December 2022 from 47.9 in November 2022 in a steady declining trend since September 2022. The external environment appears challenging as we enter 2023 with projected economic slowdowns in our major trading partners such as the US and China.

CEO's Report & Management Discussion and Analysis

With the Overnight Policy Rate ("**OPR**") currently at 2.75%, we anticipate Bank Negara Malaysia ("**BNM**") will continue to ensure balance between price stability and support for economic growth. The inflation rate in 2022 was 3.3% (2021: 2.5%), driven primarily by food and beverage, transportation and household equipment and furnishing. Inflation is expected to range between 2.8% - 3.8% in 2023.

INSURANCE AND ASSET MANAGEMENT BUSINESS OUTLOOK

MIB

The transition to endemic phase and the reopening of Malaysia's borders have provided a positive impact on the national economy. Malaysians are resuming their pre-pandemic lifestyles and regaining their spending power, seeing a boost in morale. The market outlook is promising with the increase in awareness on health, wealth preservation and preparedness for retirement post-pandemic. With significant potential in the market, the Group remains committed to deliver our Scale Up agenda to achieve our ambition:

- Strengthen growth via robust growth in productive and professional agency force; expansion in bancassurance and institutional clients; and alternative partnerships with a focus on new customer acquisition
- Focus on customer centricity by establishing strong value proposition/offerings to suit different segment needs and continue improving customer experience
- Accelerate digitisation with continuous investment to build a digitally enabled salesforce with simpler and easier customer journey
- 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 with efficient expense management, in force management and optimising resource utilisation

We aspire to build-to-last by continually fostering a strong risk culture with effective governance in place; with more focus on embedding ESG considerations in all our initiatives.

MIMMB

Looking ahead to 2023, despite prevailing challenges and uncertainties in the geopolitical and economic environment, we are cautiously optimistic that financial markets should fare better than 2022, especially in the second half of the year.

Our key focus areas will be to continue to strengthen our foundation for stronger growth in the future. This will involve driving advisor recruitment, onboarding differentiated best-inclass funds that will provide greater choice and diversification for our investors, enhancing Manulife iFunds features, and seeking further opportunities in the institutional space.

We will also continue building MIMMB as a regional Centre of Excellence ("COE") for Manulife Malaysia, capitalising on our strengths – a highly competent educated and multi-lingual workforce. COE efforts started in 2020 for Operations and IT departments, with further expansion efforts for the Compliance department in 2023.

DIVIDEND

I am pleased to inform that the Board of Directors has recommended, subject to shareholders' approval at the forthcoming Annual General Meeting, a First and Final dividend of 7.0 sen per share amount approximately to RM15,138,000 for the financial year ended 31 December 2022.

A Dividend Reinvestment Plan ("**DRP**") with relation to this will also be offered subject to approval, hence giving shareholders an option to elect to reinvest cash dividend in new ordinary shares of Manulife Holdings Berhad. The recommendation is made in accordance with the nature of profits arising in 2022.

APPRECIATION

Despite the challenging economic landscape, Manulife Malaysia has established a firm foundation and achieved significant progress in delivering our promise to our customers, as well as made a positive impact in the communities we serve.

Our customer-centric approach and focus on digitalisation have enabled us to strengthen our customer relationships and attract new customers. Their support has been integral to our success, and we remain dedicated to providing them with outstanding products and services that meet their evolving needs. Our partnerships with customers are essential to our growth, and we look forward to deepening these relationships in the upcoming year.

As we head into 2023 and celebrate our 60-year presence in Malaysia, Manulife Malaysia is ready to supercharge our Scale Up ambition to greater heights in 2023 – as we aspire to expand our partnerships, scale our Agency force and improve our margins. We will continue to invest in our people, processes, and technology to deliver sustainable growth.

I am optimistic about the Group's future and confident that we are well-positioned to capitalise on the opportunities that lie ahead. With a strong leadership team, a dedicated workforce, and a sound business strategy, we are poised to navigate the challenges of the future.

I would like to express my gratitude to our customers, shareholders, and business associates for their unwavering support and confidence in our business strategy. Your partnership has been instrumental in our growth and success. We remain committed to delivering long-term value to our shareholders and upholding the highest standards of corporate governance.

I also extend my appreciation to the Board of Directors for their guidance and support throughout the past year. Their steadfast commitment to our company's success has been a constant source of inspiration and motivation for our team.

Last but not least, I would like to acknowledge our agency force, business partners, and employees for their dedication and hard work. Our accomplishments in 2022 would not have been possible without their constant tenacity and commitment. I am confident that we will continue to earn the support and confidence of our stakeholders, enabling us to deliver long-term value to them.

VIBHA HAMSI COBURN

Group Chief Executive Officer Manulife Holdings Berhad

111 Manulife

Sustainability Statement

At Manulife, we have been progressive in embedding sustainability into our business, ensuring that it remains profitable and responsible. We aspire to create and deliver long-term shareholder value, care for the well-being of our employees, enrich our communities, and minimise our impact on the environment for the sake of future generations.

About this Report

Reporting period

This annual report covers Manulife Malaysia's sustainability-related performance for the calendar year i.e., 1 January to 31 December 2022, unless otherwise specified.

Reference & guidelines

As per the previous year, our sustainability-related disclosures are in accordance with Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements relating to the Sustainability Statement in Annual Reports, as well as the Sustainability Reporting Guide issued by Bursa Malaysia. We have also reviewed how our sustainability framework aligns with the United Nations Sustainable Development Goals ("SDGs"). This widely utilised reporting framework allows the structure of our sustainability report to be presented in a clear and transparent manner.

An additional reference we utilised, is the <u>Manulife Financial</u> <u>Corporation's 2021 Environmental, Social & Governance (ESG)</u> Report.

Coverage

The scope of our sustainability disclosures covers Manulife Holdings Berhad ("MHB"); a public-listed entity on Bursa Malaysia, and its subsidiaries; Manulife Insurance Berhad ("MIB"), Manulife Investment Management (Malaysia) Berhad ("Manulife Investment Management (Malaysia)") and Manulife Insurance Labuan Limited ("MILL").

References to 'Manulife', 'Manulife Malaysia', the 'organisation', the 'Company', 'Group', 'we' or 'our' refer to Manulife Holdings Berhad and/or its subsidiaries.

Process

In our effort to identify matters that are important to our business and stakeholders, we proactively engage our stakeholders throughout the year to prioritise and reaffirm our material matters, as well as manage our ESG risks and opportunities, effectively.

Assurance

We have not sought external assurance for this sustainability statement but will consider it in the future as our reporting develops over time.

Cautionary note regarding forward-looking statements

The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. The forward-looking statements in this report are presented for the purpose of assisting investors and others in understanding our objectives and strategic priorities and may not be appropriate for other purposes. The Company assumes no obligation to update any forward-looking statements except as required by law.

Feedback

As part of our efforts to continuously improve our reporting journey, we welcome all feedback and inquiries from our stakeholders and readers. Kindly direct them to:

Brand & Communications Department

Manulife Insurance Berhad 16th Floor, Menara Manulife, Jalan Gelenggang, Damansara Heights, 50490 Kuala Lumpur, Malaysia

Tel: +603 2719 9228

Email: MY_Sustainability@manulife.com.

Emerging Stronger in 2022

"From the very outset, we have demonstrated that business can and should be a force for good. We believe the measure of a great business is the positive impact it has on people's lives, which is why we work tirelessly to ensure our products and services better society, and the planet we inhabit."

- Vibha Hamsi Coburn

Group Chief Executive Officer, Manulife Holdings Berhad

2022 marked the beginning of the global recovery from the COVID-19 pandemic. In Malaysia, Movement Control Order (MCO) restrictions had already been lifted the year prior, effectively shifting the nation into an endemic phase. This turning point necessitated a fresh approach to Manulife's operational strategy, as businesses nationwide began kicking into full gear as part of the country's steady return to normalcy.

Inspired by our clear and compelling mission — 'Decisions made easier, lives made better' — we embraced our responsibilities as a leading financial institution with tremendous commitment and perseverance. This helped us emerge stronger from the pandemic and position ourselves for continued growth in 2023 and beyond. We made important decisions that streamlined our business, enhanced the way we work as an organisation, and helped tailor our efforts to make every day better for our stakeholders. Despite facing the uncertainties of an evolving corporate landscape, we continued to entrench our environmental, social, and governance (ESG) priorities into our business and into the way we operate.

Although we have achieved considerable progress over the course of the year through our ESG initiatives, we recognise that there is more to be done to achieve the high aspirations that we have set for ourselves, in order to achieve our ambition of becoming a significant player in the insurance industry.

Below, our sustainability statement for 2022 discloses in detail Manulife Malaysia's economic, environmental, and social ("EES") performance across the calendar year, and highlights performance successes as well as learning points for future improvement. Besides continuing to align the reporting framework to our Company values, this year's report will also provide some insight on Manulife's newly launched Impact Agenda and how this will bring about sustained change for the business.

As we look ahead to 2023, we will continue to build on our efforts of integrating sustainability throughout the organisation, ensuring there is heightened focus on growing the business, reducing our environmental impact, maintaining first-in-class customer and employee practices, and exemplary governance, to drive greater impact in the years to come. This would not be possible without the strong foundations we have put in place with all our stakeholders, who are people who work for us, insure and invest with us, own us, regulate us, and live in communities where we operate in. In reading this year's sustainability statement, we hope that you will be invigorated by our sustainability agenda, and how this positively contributes towards nation-building here in Malaysia.

Performance Highlights in 2022





Sustainability Governance Structure

Manulife conducts business ethically, honestly, and in compliance with applicable laws and regulations. We believe that upholding the highest standards of corporate governance is critical to our long-term success. Our corporate governance structure has been set up to promote a strong culture of integrity and ethical behaviour throughout our entire organisation, so that the interests of shareholders are being served.

ESG matters are overseen and managed at multiple levels within Manulife. MHB's Board of Directors ("Board") is the ultimate authority over the Group's sustainability governance and strategy, overseeing and reviewing all sustainability-related performances and agendas. Setting the tone from the top, the Board enforces strong governance practices in all our business dealings to drive long-term value creation. Serving as the 'Executive Arm' of the Board, the Group CEO ("GCEO") is central to our corporate governance structure and represents the figurehead for leading the organisation's sustainability agenda.

The ESG Committee, comprising key senior management personnel from various key functions is primarily responsible for executing MHB's sustainability plan, including targets and performance indicators, as well as overseeing the implementation of sustainability-related strategies. Additionally, in the past year, our Climate Change Working Group was established to respond to Bank Negara Malaysia's ("BNM") requirements on climate risk management.

The governance structure we have in place also allows the organisation to be accountable to its stakeholders on how it manages its EES risks and opportunities. This setup also ensures that all our sustainability initiatives are tabled and discussed at the highest level. As a result, decision-making and action items are clearly transpired across the organisation.

Manulife Malaysia Sustainability Governance Structure

Board of Directors

Roles & Responsibilities

- Provides strategic oversight and advice on ESG matters
- Reviews and approves Manulife Malaysia's annual Sustainability Statement
- Endorses the organisation's material sustainability matters
- Advises on the organisation's corporate governance practices and processes to manage and mitigate challenges posed by the evolving operational landscape.

Oversight role

Manulife Global Sustainability Team

Group CEO

Roles & Responsibilities

- Approves sustainability strategy, policies, and initiatives
- Reviews and approves internal sustainability-related guidelines
- Drives the organisation's sustainability agenda
- Links ESG Committee to the Board

ESG Committee

Roles & Responsibilities

- Ideates and develops sustainability strategy, policies, and initiatives
- Oversees implementation of sustainability-related initiatives
- Develops sustainability-related guidance documents for internal use
- Reports progress to the Executive Committee (EXCO)
- Effectively manage climate-related risks and opportunities, whilst developing and implementing a comprehensive strategy to facilitate the transition to a low carbon economy
- Reports on various ESG-related disclosures to regulators

Sustainability Statement

Our approach to sustainability

Sustainability is at the core of Manulife's mission of making decisions easier, and lives better. Our values flow through the products and investments we make, and how we care for people, and the planet we share. In addition to guiding us on how we operate, these values are also central to our ESG approach. As a global financial services provider conscious of the economic, environmental, and social challenges in our industry, we are committed to driving sustainable development that benefits all stakeholders. We endeavour to continuously work towards growing the business sustainably and making every day better for our customers, employees, and communities.

This year, we launched Manulife's **Impact Agenda** to signify our intent to build a better business, to better the world. This globally unifying framework benefits our business while benefitting our planet and the people who call it home. Through our Impact Agenda, we've committed ourselves and our resources to continue making lives better, through three interconnected areas of focus:



Empowering sustained health & well-being to support the journey towards a better life.



Driving inclusive economic opportunities to create a more even playing field for all.



Accelerating a sustainable future to preserve the planet we all share.



Own it is one of our corporate values, and it defines how we address critical topics that are material to the business and to stakeholders. From our commitment to employee health and wellness, to our 2035 environment-related goals, our ESG topics are deeply interconnected. We also believe in democratising our sustainability journey, ensuring that the priorities of our entire stakeholder chain — including our customers, employees, shareholders, communities, and regulators —are incorporated into our decision-making matrix. In this, our Senior Leadership Team (SLT) plays an important role in integrating these ESG priorities into functions across the organisation.



Furthermore, where possible, we measure our ESG progress across our business to concretise our efforts and guide us in achieving our goals. Above all, we maintain our intention to get it done together, another core value that determines our approach to executing our vision. We believe that only through collaboration — with our extensive network of colleagues, advocates, and community partners — can we further our efforts of solving global challenges like climate change.

Manulife Malaysia's sustainability-reporting framework below highlights our approach, where our newly launched Impact Agenda plays a central and unifying role in determining how we create long-term value for our business, our communities, and the planet. It's how we all win. Guided by Manulife's corporate values, mission, and Impact Agenda, our efforts are executed in tangent with the Sustainable Development Goals (SDGs), ensuring that we accelerate a shared, prosperous, and sustained future for all.

Mission

Decisions made easier. Lives made better.

Company Values



Obsess About Customers

We predict their needs and do everything in our power to satisfy them.



Do The Right Thing

We act with integrity and do what we say.



Think Big

Anything is possible. We can always find a better way.



Own It

We feel empowered to make decisions and take action to deliver our Mission.



Get It Done Together

We're surrounded by an amazing team. We can do it better by working together.



Share Your Humanity

We build a supportive, diverse and thriving workplace.

Impact Agenda

Empowering sustained health & well-being



Driving inclusive economic opportunity



Accelerating a sustainable future



Manulife Malaysia's Sustainability Reporting Pillars



Elevating our Business



Preserving the Environment



Nurturing a Winning Team



Touching Lives in the Community

Aligned to the following SDGs





























Manulife Malaysia's sustainability reporting framework

Sustainability Statement

Our commitment to sustainability

In 2021, Manulife launched the first phase of its Climate Action Plan, a robust and long-term commitment to reducing our environmental footprint, supporting the transition to a net-zero future, and investing in climate change mitigation and resilience. Already net zero in our operations globally, we continue to actively incorporate climate change considerations into our decision-making, including how best to reduce greenhouse gas ("GHG") emissions through our operations, how we invest for a sustainable future, and how we develop and offer financial products and services for all.

In Malaysia, Manulife continues to support the government's vision of becoming a carbon-neutral nation by 2050. Our sustainability strategy centres on our own Journey to Net Zero, by bringing our environmental commitments to life through our business operations and by making impact-focused investments and solutions.

Our *Journey to Net Zero* revolves around various commitments made under 3 key focus areas:

1) Operations:

To be an active contributor in the transition to a world where net zero carbon emissions is a reality, we will continue to take action to reduce the carbon footprint of our operations.



- We are proud to share we are net zero in our operations, uniquely positioned due to the carbon removals from our substantial owned and operated forests and farmland outweighing emissions.
- Manulife is committing to reduce absolute scope 1 and 2 emissions by 35%, by 2035. We will take steps such as enhanced efficiency measures, fuel switching, and use of onsite renewables in our buildings to achieve this target.

2) Investments:

We acknowledge the important role continued progress on financed emissions will have on our enterprise-wide climate impact.



- We are committed to a net zero financed emission investment portfolio within our General Account by 2050.
- We will continue to grow our \$39.8B in green investments, such as renewable energy and energy-efficient real estate.
- We are taking a sector-based approach to set short-term targets, focusing first on heavy emitting industries like power generation.
- Manulife has committed to the Science Based Targets initiative, which will guide target setting, measurement, and progress reporting.

3) Products & Services:

As a global life insurer and asset manager, we understand the connection between our environment and human health. We're in a unique position to provide nature-based solutions to mitigate climate change. That's why we are accelerating the pace of innovation around developing products that both solve investor needs and help create a more sustainable future.

- Manulife Investment Management will continue to give clients sustainable investing options such as the Sustainable Asia Bond strategy and Global Climate Pooled strategy.
- Through our capabilities in timberland and agriculture, we will accelerate development of investment strategies for those interested in nature-based solutions that capture even more carbon per dollar invested.
- We are dedicating significant resources to further analyse the impact of climate on morbidity and mortality.

Manulife Malaysia is also proud to be part of a global franchise that is at the forefront of corporate sustainability in its sector. We take guidance and inspiration from our Global Sustainability Team in developing our response to climate change, and more importantly, our sustainability strategy. In 2022, we have aligned our initiatives with twelve SDGs in total, reflecting our unwavering commitment to sustainable development.



Ensure sustainable consumption and production patterns

- Reduced paper usage by 35% between 2020 - when our 'Paperless' initiative was launched - and 2022
- **2,290 kg** of waste diverted from entering the landfill
- 136 electronic devices disposed of in an environmentally responsible manner
- Continuation of Manulife's Procurement Digital Transformation Programme



Reduce inequality within and among countries

 Championing of diversity, equity, and inclusion (DEI) agenda across the organisation via
 Manulife's Employee Resource Group (ERG)



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

 The Manulife Global Energy Transition Fund invests at least 95% of its NAV in energy infrastructure (decentralising).



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

- Provided employment to a total of 505 people in 2022 (with 83 new hires the same year).
- The Manulife Career Carnival, our agency's nationwide recruiting event, reached more than 500 potential recruits, with a conversion rate of 49%.
- A monetary grant amounting to RM500,000 was offered to support enterprising insurance partners and industry professionals to expand their network and recruitment drive.



 The Manulife Global Energy Transition Fund invests at least 95% of its NAV in technologies that decarbonise the way we consume energy across the economy.



Take urgent action to combat climate change and its impacts

- 78 metric tons of carbon dioxide (CO₂) saved from being emitted into the atmosphere, through reduced consumption of electricity in Menara Manulife between 2020 and 2022.
- On-going climate-related disclosures with regulatory bodies via Manulife Malaysia's climate change working group



Strengthen
the means of
implementation
and revitalise
the global
partnership
for sustainable
development

 Continuous engagement with internal and external stakeholders and partners to effect sustainable change within our areas of influence.



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

- Approximately RM158.000 invested in MY
 Community Garden, a programme centred on providing food security through the development of edible gardens to three communities in the state of Selangor.
- Participation in Kechara Soup Kitchen's (KSK)
 Surplus Food Collection and Food Bank
 Delivery initiatives to feed underprivileged families
- Development of an edible Science Garden for the community of SK Bukit Tadom (Asli).



UNSDGs

We support the SDGs by

aligning our initiatives with

twelve of the seventeen

goals.

Ensure healthy lives and promote well-being for all, at all ages

- Continuation of Fuel Up Fridays and the launch of Manulife's Mental Health Month.
- COVID-19 vaccination support programme to support employees and their family members during the pandemic.
- Continuation of Manulife's 'Thank You Day' and 5 additional personal off days for employees to recuperate and obtain optimal health.
- Organised Menara Manulife Climbathon to raise awareness on the importance of cardiovascular diseases and heart health
- Collaboration with Doc2Us, an online platform that supports virtual consultations with a doctor.
- Organised Dignity Sports Day with more than 120 students participating from Dignity for Children



Ensure availability and sustainable management of water and sanitation for all

 The Manulife Global Aqua Fund, a sustainable and responsible investment (SRI) fund, invests 95% of the fund's net asset value (NAV) in the BNP Paribas Funds Aqua.



Achieve gender equality and empower all women and girls

- **60%** of our Board of Directors are women.
- 52% of our Senior Management (Vice Presidents and Head of Departments) are women.
- Celebrated Women's Heritage Month.



Ensure inclusive and equitable quality education, and promote lifelong learning opportunities for all

- Capacity building opportunities for employees are provided through
- Pursuit or LinkedIn Learning.

 4,728 training-hours accumulated by our talent across 2022.
- Dale Carnegie Leadership and Emerging Markets Learning Week programmes on offer in 2022.
- Participated in FINCO's Good SENS programme, from which more than 1,000 students have positively benefited.



Sustainability Statement

Stakeholder engagement

At Manulife, we engage with a multitude of internal and external stakeholders as part of our commitment to advance meaningful change. Their feedback informs our approach to various initiatives, reporting, regulatory-related disclosures, and guides our materiality assessment process. As one of the world's largest financial institutions, we have a responsibility to use our size and scale to take on global challenges that require broad collective action, such as tacking the climate crisis and driving inclusive economic opportunities for all. Organisations like ours play a vital role in creating the systemic change that is required to achieve a healthier planet and a more inclusive and sustainable economy.

At all levels of the organisation, our teams interact with a variety of stakeholders on a daily basis to obtain their insights on issues that are important to them and our business, share our progress, and promote best practices. As a global company that operates locally, this is a crucial process as we look to continuously develop our strategy and programmes to drive further impact on the issues we care about. The engagement we have carried out with key stakeholder groups, as well as initiatives catering to these respective groups are set out in the following pages.

Stakeholder Group Areas of Interest

Engagement Channels

How We Respond

CUSTOMERS



- Protecting customer data and privacy
- Enhance customer service with fast, simple, secure, and convenient transactions/ dealings
- Providing financial solutions to meet customer needs
- Helping customers make informed decisions
- Employ measures to ensure safety at physical touchpoints
- Digital touchpoints (e.g. eLITE, iFUNDS, Manulife corporate website, etc.)
- Physical branches
- Call centres, customer service counters, sales representatives (i.e. agents)
- Social media platforms (Instagram, Facebook, etc.)
- Customer satisfaction surveys (NPS)
- Stringent information security measures and controls in place to protect our customers' data and privacy
- Accelerated our digitalisation agenda through the provision of various platforms (Manulife Assist You [MAY], eLITE, iFUNDS, etc.) for better customer experience
- · Provide innovative products and services to meet customers' needs
- Promoting health & safety efforts in our offices in response to COVID-19

EMPLOYEES



- Corporate priorities, mission, core values and ethical conduct
- Business strategy and direction
- Employee well-being and benefits
- Leadership and talent development
- Reward and recognition
- Human rights
- Diversity, equity, and inclusion (DEI)
- Workplace health and safety
- · Continuous development and learning opportunities

- Annual global employee engagement survey
- Annual mid-year engagement action check-in survey
- MFCentral global employee intranet and resource centre
- · Executive-led Townhalls and 'Ask Me Anything' sessions
- Employee Resource Groups
- PODIUM Global recognition programme
- Trainings and Leadership Conferences
- Annual performance appraisals
- · Recreational and team-building sessions

- Frequent employee engagement programmes i.e. Company townhalls, volunteer week, etc.
- Comprehensive benefits and remuneration packages to optimise employee well-being
- Organising of events to raise awareness on the importance of DEI in the workplace
- Strict occupational safety and health procedures
- Capacity building programmes to support career growth and personal development

SHAREHOLDERS/ INVESTORS



- Economic performance
- · Company growth and value
- Business strategy and direction
- Financial results
- Compliance and governance
- ESG integration into business and operations
- · Annual General Meeting
- Reports and circulars
- Stock exchange announcements, website updates
- Investor relations events, analyst briefings
- · Regular meetings, networking functions
- Strengthen corporate governance by establishing/reaffirming internal processes and policies e.g. anti-bribery and anticorruption, whistleblowing, board diversity, etc.
- · Production of financial statements, annual report, sustainability statement, etc.

Stakeholder Group Areas of Interest **Engagement Channels How We Respond REGULATORS** • Compliance with legislation, Official meetings and visits • Ensure compliance with regulatory rules, and regulations requirements, including but not • Industry dialogues, events, and • Opportunities for business limited to various disclosure seminars investment • Industry consultations exercises Participation in industry Trainings • Establish policies to ensure working/advisory groups Working and advisory groups compliance with relevant Climate change legislation · Participation in industry working Community investment Anti-corruption groups SUPPLIER/ • Fair and mutually agreeable • Supplier selection through • Integration of risk/vendor **VENDORS** contract terms pre-qualification and tendering assessments into Manulife's Compliance with company process procurement system (Ivalua) policies, industry best Regular meetings, site visits and Streamlining of internal practices, legislation, rules, and networking functions procurement processes to regulations • Product launches and roadshows drive "buying better" within the Health and safety organisation • Ethical and responsible conduct Organising of procurement Opportunities for business roadshows and delivery of collaboration employee communications to ensure strong collaboration between Manulife and external vendors for the procurement of goods and services. Ensure a fair and transparent tender process, and conduct extensive vendor evaluations **BUSINESS** Adequate training for Manulife • Internal publications Increased frequency of capacity **PARTNERS** agency members CAO Channel building programmes for Manulife Digital tools and services for · Agency-wide meetings and agency members Conferences and incentivised trips optimum customer experience recognition events Training and development abroad Agency recruitment and functions development Career progression and performance-based incentives COMMUNITY • Community investments · Collaborations with civil society Delivery of various community including donations, corporate organisations and enterprises outreach programmes, supporting volunteering programmes, etc. Corporate social responsibility a diverse range of causes COVID-19 and disaster relief and and volunteering programmes Enhancement of medical plans

Materiality assessment

response

• Awareness-raising campaigns

At Manulife, our material ESG topics were primarily identified through stakeholder engagement and desktop research. These topics were recognised as areas of strategic and operational importance for the organisation to manage, due to their current or emerging trends and ultimately, links to our core business. In 2022, we completed the first phase of our materiality assessment involving our employees and Senior Leadership Team (SLT), to support the development of MHB's ESG strategy for the coming years. Looking ahead, we acknowledge the need to expand our scope to include key external stakeholder groups in the next phase of our materiality assessment. In this respect, the materiality assessment will allow us to comprehensively identify risks that need to be addressed, as well as opportunities for us to create a positive impact on our business and stakeholders.

media

Charitable contributions

· Corporate website and social

to provide coverage for COVID-19

· Awareness-raising campaigns on

and all future pandemics

social media

Sustainability Statement



In support of:











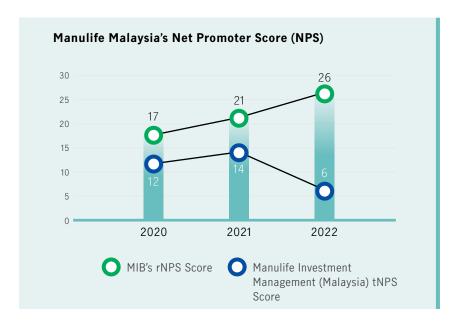


Putting Customers at the Forefront of our Business

In 2022, we persisted in our efforts to ensure that we continued to make *every day better* for our customers. During this stage of recovery, "business as usual" was no longer an option for us. Instead, we actively harnessed opportunities to amplify business value and build strategic resilience in this rapidly evolving corporate landscape. Throughout this process — of rethinking and pivoting our business as competition and customer expectations continue to grow — we have kept our promise to make decisions easier, and lives better.

Prioritising customer experience for success

Manulife Malaysia continues to measure our customers' experience through Net Promoter Score (NPS), as it provides the best metrics to anchor our customers' loyalty towards the brand and the Company. NPS serves as a touchstone for engaging our customer experience through first-hand feedback, which is then used to find solutions and quick wins, as well as improve the product and services we offer.



Our 2022 priority to deliver a superior customer experience, intensify customer engagement, and gain deeper insight into our overall customer journey remained at the forefront of all our efforts, as we embraced the core principles of NPS: Listen, Learn and Act. This is then reflected in our relationship Net Promoter Score (rNPS) for 2022, which reached a record-high score of +26 in comparison to +21 the previous year. We have continued to preserve the scores for brand promise, products, payment, and corporate correspondence in 2022, and have also seen improvements in social media and customer service, which has positively shifted the overall rating.

Under Manulife Investment Management (Malaysia), we continued to elevate customer experience to meet their primary needs, such as safety, security, and everyday convenience. Our digital transformation strategy with Manulife iFUNDS has rapidly accelerated from convenience to a necessity with enhanced features. Due to market volatility arising from the COVID-19 pandemic and geopolitical implication from the Russia-Ukraine conflict, our tNPS score experienced a decline from +14 to +6 between 2021 and 2022.

We will continue to be professional and serve with top notch quality in our industry while facilitating extraordinary growth and sustainable profitability with cutting edge standards.

In addition to ensuring first-in-class customer experience, we also endeavour to promote exemplary Customer Portfolio Management to proactively manage our clients' portfolios. We deliver this by engaging with them at opportune timeframes, offering needs-based products and services, and fostering loyalty throughout the customer's life cycle. This ultimately optimises business performance and ensures that our consumers are protected throughout their life's journey, which has, and continues to be, our number one priority.

Accelerating innovative digital solutions to support our customers

In February, we launched 'Chat with MAY', the virtual servicing assistance to Manulife Malaysia's agency force. At the same time, our Operations' Frequently Asked Questions (FAQ) repository 'Manulife Assist You' (MAY), which is available on the CAO channel, was diligently and periodically reviewed and updated. This enables us to support our distribution channel through an enhanced level of servicing, which, with the advancement of technology regardless of the location, can provide a faster response to our customers.



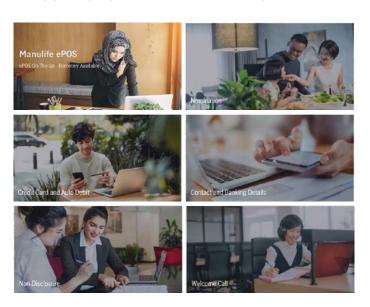


In keeping our services swift and effective, SMS and email have become the preferred channel of communication with our customers and distributors. As the majority of notifications are sent through these channels to provide our customers with immediate updates, this will be one of the initiatives that we commit to improving continuously.

Under our existing ePOS platform, the digital submission journey is further enhanced by including Non-Face-to-Face submissions. The manual follow-up for customers' signature has been officially discontinued and provides a secure platform for them to complete the premium payment transaction. Customers can now enjoy a fully digitalised customer onboarding experience.

We published the online customer education programme through our corporate website to highlight the importance of nomination, updating bank and contact details, customer duty on full disclosure and the benefits of conducting welcome calls to protect our customers' rights.

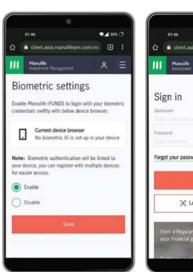
As part of the initiative to accelerate our customers' digital journey, our new customer portal will be introduced in 2023. Replacing the existing eLITE platform, it will be a user-friendly portal for our customers to easily manage their policies online. This new customer portal will be the key digital touchpoint where customers may log in to view product portfolios, payment history, view and change personal information, make online payments, perform specific policy changes, as well as download policy documents.



Transforming customer engagements in a digital age

In line with our digital transformation strategy in 2020, Manulife Investment Management (Malaysia) launched Manulife iFUNDS, a one-stop online fund investment platform that empowers ownership by allowing customers to seamlessly manage their portfolios at their convenience. This brought innovation in investor on-boarding and supplemented our unit trust advisors ("advisors") with digital assets to accelerate growth. Manulife iFUNDS has been instrumental in improving our operational efficiency and enabling us to create meaningful engagements with our customers.

In 2022, responding to the changing dynamics in the industry, Manulife Investment Management (Malaysia) introduced new innovative features in Manulife iFUNDS and Manulife iFUNDS Advisor. The new Biometric feature in Manulife iFUNDS leverages on the progression of technology to reduce cybersecurity risks, whilst providing users a safer space when they carry out transactions online. This feature also allows users to conveniently access their portfolio and approve transactions with fingerprint or facial recognition, capitalising on the individual's unique biometric data.







Furthermore, the 'Customer Report' feature added to Manulife iFUNDS provides flexibility for users to generate digital reports according to their analysis requirements, reducing the need for paper reports. Customers can analyse their investments by account, account type, portfolio, or asset class, as required.

Manulife iFUNDS Advisor also launched the new 'Customer Listing' feature to assist advisors to view, search and filter customers' investment account information. Advisors can now monitor their customers' investments digitally, providing them with the ability to analyse customers' investments from anywhere, effectively providing financial advisory to their customers anytime. Among the key functions supported by this new feature is the ability to view total number of customers, their Manulife Privilege Club eligibility status, customer account and portfolio in a graph or table format, and transaction listing by fund.

Manulife Investment Management (Malaysia)'s digitalisation positioning reinforced Manulife iFUNDS as a platform of choice, with total customers adopting the platform rising to 21,936 as at end-September 2022. New fund subscriptions completed using the platform also rose to RM85.5million during this period. New unit trust and Private Retirement Scheme accounts opened through Manulife iFUNDS were recorded at 2,810 which translated to 63% of the new accounts opened during the review period.

Closing the Protection Gap via Innovative Products & Services



Making our customers' every day better through optimum health and protection

In March, we launched 'Manulife Precious Gift', a new comprehensive maternity and childcare early protection plan, developed specifically to support mothers and their babies. Manulife Precious Gift was carefully curated to *make decisions easier and lives better* for expectant mothers, by covering some of the most common pregnancy-related and newborn unexpected medical needs. The plan offers protection for both the mother and the baby during the pregnancy, and even shortly after birth.

Parents can also secure additional medical (Manulife Health Saver Benefit – Baby) and/or critical illness coverage (Beyond Critical Cover + Baby) for their baby before birth from as early as 13 weeks to 35 weeks into pregnancy. As we continuously reinforce our commitment to stand by our customers, we have further enhanced the 'discount benefit' feature for our flagship medical plan, the 'Manulife Health Saver Benefit' (MHSB). MHSB carries a No Claim Discount (NCD) feature where up to 40% of the insurance charges are given when no claims are made, or if the treatment is carried out at any government hospital or clinic. Our latest enhancement expands this list to include treatment in private hospitals for any approved diagnosis or admission based on any of the following covered events:

- Hospital, surgical, and out-patient benefits that are related to diagnosis of cancer, stroke, heart attack, kidney failure and coronary artery surgery; or
- b) Admission to Intensive Care Unit (ICU) for a continuous period of 7 days or more.

Living with COVID-19

The COVID-19 pandemic has evolved our understanding in providing necessary, relevant support and protection solutions to our customers. As part of our commitment to continuously provide needs-based life insurance options to our customers, we have enhanced our medical plans to provide coverage not only for the treatment of COVID-19, but to include all future pandemics; effective from 17 June 2022.

This benefit is also open to existing medical policyholders. Policyholders may participate in this coverage by opting-in to our Manulife Medical Coverage Campaign which runs from 7 October 2022 to 30 September 2023.

Be *extra* ready!
Our medical plans cover
COVID-19 & future pandemics!

Manulife Health Saver Benefit A medical plan that rewards you with 30% discount from the very start

Enhancing life's protection through investment-linked plans

We launched 'Manulife Value Enhancer', a first-of-its-kind investment solution in September; aiming to give policyholders an opportunity to benefit from the volatility of an investment linked plan (ILP) through enhancing the life protection by locking in the highest investment performance throughout the policy term.

An ILP is constantly subjected to market performance and volatility. With the 'Manulife Value Enhancer' rider, policyholders benefit from total life protection by locking in the Highest Net Asset Value in the policy, giving peace of mind during market uncertainties.

Policyholders also get to enjoy the Wellness Reward, where up to 30% of the total insurance charges on 'Manulife Value Enhancer' will be reinvested back into the policy, allowing for potential growth acceleration via the policy's account value.



Manulife Value Enhancer

Enhance your life protection with the highest investment performance at all times



Enhance your life protection

In the event of death or Total and Permanent Disability (TPD), your total life protection will be enhanced regardless of the market conditions.



Wellness Reward

Get rewarded with up to 30% of the total Insurance Charges which will be reinvested into the policy. This allows for potential growth acceleration on your policy's Account Value.

Making your every day better.

Creating Shared Value for our Stakeholders

Building key strategic partnerships

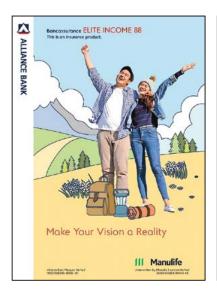
Over the course of the year, we continued to grow our Bancassurance business in partnership with Alliance Bank, focusing on pushing the momentum post-Covid.

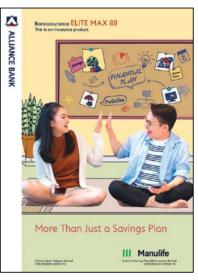
We launched the 'Elite 88 Series' — a first-in-the-market insurance savings product — in mid-2022. Both *Elite Income* 88 and *Elite Max 88* are short premium payment term and flexible coverage term products, providing a variety of financial options for alternative savings that can be used for general savings, retirement, or a child's education.

Both plans are practical and can be adapted to the financial needs of individuals, which tend to change in the span of 10 to 15 years. It offers customers opportunities to grow their savings, while providing protection and insurance coverage for death, total and permanent disability (TPD), and accidental death. Both products are distributed by Alliance Bank, our bancassurance partner since 2013.

Furthermore, from an alternative distribution perspective, Manulife Malaysia secured its first digital partnership with MediSavers to offer digital insurance solutions to selected customers as part of our customer acquisition strategy, for re-marketing activities to further grow our non-traditional partnerships.

In 2022, MILL launched its latest universal life series product, 'Signature Heirloom (VII)', a US Dollar-denominated plan that offers high insurance coverage for the whole of life and wealth creation. This new product offers a better Current Crediting Rate and Guaranteed Crediting Rate to help clients grow their cash value faster and offers better assurance on the sustainability of their policies. This product also gives high-net-worth individuals an opportunity to diversify their insurance coverage in different currencies.







Enforcing sound financial practices through strategic cost management

Throughout 2022, we continued to aspire towards achieving expense efficiency and a continuous CostFit mindset instilled at all levels of the organisation. Promoting a sound strategic cost management approach was integral in allowing us to focus our efforts to ensure sustainable growth for the organisation in the years ahead. The primary intent was to sustainably enhance our cost competitiveness through improved economies of scale, effective utilisation and strategically investing our available resources, yielding maximum value and benefits for the organisation over the longer-term period.

As part of our resource optimisation initiative, we constantly streamlined our processes and leveraged the use of analytical tools to facilitate sales, expense monitoring and reporting. Moreover, we continued to outsource more routine tasks to free up our resources for more value-added responsibilities.

Vigorous pre and post project launches, campaign reviews, and cost and benefit assessments were executed to assess the realisation of the benefits expected from future improvements and enhancements.

The savings that resulted from the strategic cost management exercise continue to create opportunities and additional funds for reinvestment as we maintain our digitalisation transformation journey, without significantly increasing our overall expenses. This exercise continues to create available resources in supporting our journey in enhancing our digital capabilities from the point-of-sale to the back-end reporting system, whilst also freeing up funds to meet other strategic priorities for business growth and expansion.

Optimising our investments

2022 turned out to be a year defying expectation. While the investment community and the markets expected a buoyant upturn and rise in investment performance with the much-awaited global economic re-opening following the pandemic in 2020/21, the Russia-Ukraine conflict added further stress to the global supply chain bottleneck leading to higher commodity prices. With the onset of historically high inflation rates in many countries, central banks responded with a series of tightening measures that took interest rates from zero to close to pre-pandemic levels.

From a macroeconomic perspective, the economic re-opening had led to near full employment and robust domestic demand. Volatility was supported by incessant inflation and the consequent rate tightening besides the ongoing Ukraine conflict. Malaysia's 2022 YoY GDP saw a significant upsurge growing by 5.0% in Q1, 8.9% in Q2 and 14.2% in Q3. Full year GDP growth is expected to surpass official estimates of 6.5% - 7.0%.

Amidst the anticipated rate hike cycle, from Q3 2021 onwards, we had decided to keep fixed income duration below benchmark to ride out the yield hikes. Selectively, positions were taken in the primary market and secondary market only if yields were fair. By Q3 2022, the fixed income markets had already priced in the overnight policy rate (OPR) at 3.5%. We have completed the setup of the private debt mandate which is expected to be allocated to from 2023.

Our equity portfolios were managed at target (neutral) level actively and gained from stock and sector allocation returning in economic value added (EVA) terms the best performances among business units in the region with YTD Sept-22 EVA of 2.9% or CAD\$ 6.4 million. 2022 also saw the continued emphasis on alternative assets, especially private market assets, where we committed to two more private equity (PE) funds for the non-Par segment and finalised a novel structure investment initiative.

Investing for the future

With the rise in both the world population and global standards of living, the reliance on water has continued to expand. In the last 30 years, the global consumption of water has doubled, while the annual demand is expected to climb 10–12% on average, over the next 20 years. Every year, millions of people worldwide fall victim to diseases associated with inadequate water supply, sanitation, and hygiene. This situation is exacerbated by climate change, which is responsible in part for more frequent and intense droughts. The United Nations estimate that by 2050, 25% of the world's population will live in a country affected by chronic or recurring shortages of fresh water.

To support the water industry, The Manulife Global Aqua Fund was launched in October 2021 as a qualified Sustainable and Responsible Investment (SRI) fund under the Securities Commission (SC) Malaysia's Guidelines on SRI Funds. It invests at least 95% of the fund's net asset value (NAV) in the BNP Paribas Funds Aqua (the "BNP Aqua Fund'). The BNP Aqua Fund aims to support the water industry in all parts of the world, enabling investors to buy shares in companies active across the entire water sector value chain; spanning treatment and purification; installation, maintenance, and renovation of water conveyance networks; and management of these networks (pumping, treatment before use, purification of wastewater, decontamination, and recycling).





We are firm believers that energy transition is one of the most effective methods for investors to take part in the global push for net-zero. In August 2021, we launched the 'Manulife Global Energy Transition Fund', a feeder fund that invests at least 95% of the NAV in the BNP Paribas Funds Energy Transition ("BNP ET Fund'). The BNP ET Fund invests in technologies that decarbonise the way we consume energy across the economy, including in buildings, transport, electricity use, manufacturing, and industry.

Adoption of low-carbon technology is forecasted to grow exponentially over the next few decades, requiring an estimated 275 trillion dollars' worth of investment by 2050. The BNP ET Fund has a strong alignment to the environmental field to capture thematic alpha over the longer term and outperform broader markets. The portfolio has a strong environmental bias to benefit from the full force of regulatory support, consumer demand, declining clean energy costs and scientific advances. As of 30 June 2022, all holdings within the strategy are at least 20% aligned to the UNSDGs, via revenue operating expenses or capital expenditure.

Managing Risks and Safeguarding our Customers' Interest

Protection through cyber-security and data privacy

In recent years, data breaches have occurred almost every day, making it a focus area for many organisations, including Manulife. We take customer data privacy seriously and are committed to safeguarding it through an extensive information risk management process guided by policies and standards, in areas such as network security, data encryption, operational security, application security, vulnerability management and logical access control. The information security measures and controls in these areas help Manulife identify, assess, and manage cyber risk and security effectively.

Staying abreast of our Business Continuity Plan (BCP)

Our Business Continuity Management programme is developed to comprehensively reflect changes; not only in the operating environment through careful planning and arrangements of key resources and procedures, but also through full corporate support and commitment to ensure resiliency across an extensive range of interruptions. This way, we can swiftly respond and continue to operate mission-critical functions to ensure all our customers are well taken care of during any crisis.

Managing ESG risks for fund management companies (FMCs)

In June 2022, the Securities Commission Malaysia (SC) issued the Guidance Note for FMCs to manage their ESG risks. Additionally, this also provided guidance to establish a responsible investment framework by setting expectations on the development and implementation of practices, policies, and procedures in managing material ESG risks, facilitate meaningful disclosures, and drive positive impact and change through stewardship activities.

Manulife Investment Management (Malaysia)'s investment team has established the relevant investment framework including documentary evidence showing the incorporation of ESG factors in the investment process, whereas its Risk department has established policies and procedures to identify material ESG risks that are present at securities level and on portfolio basis to ensure consistency with any disclosed sustainable investment objective on an on-going basis.

Driving procurement efficiency

As one of the key enablers to drive business growth, we focused on 3 key areas: deliver high procurement impact; early engagement with business functions; and digital transformation towards a globally consistent and streamlined process to make buying better within the organisation. Procurement roadshows, updated communications and catch-up sessions with business functions were organised throughout the year, providing a forum to collaborate strongly in the procurement of goods and services from external vendors.



As a result, buying was made easier and faster with the streamlining of procurement processes, including the implementation of new Purchase Order terms to protect Manulife's interest, and the Asia Procurement Catalogue which has significantly improved our turnaround time to acquire frequently purchase items required to support the business.

In Q1 2022, we successfully rolled out Wave 1 of our new Global Procurement System, with one single contract repository. The pilot for Wave 2 is currently ongoing, incorporating the 'Intake-to-Contract' and 'Intake-to-Sourcing' functions as part of procurement's digital transformation programme to streamline and digitise our procurement system and processes to achieve two of Manulife's strategic priorities: expense efficiency and digitisation. Manulife's new procurement system, 'Ivalua', represents a single platform where all procurement-related requirements may be processed, including:

Sourcing and contracting intake form

Risk/vendor assessments

Sourcing of projects managed by Procurement (RFx included)

Awarding of sourcing events to Suppliers

Processing of Contracts' signature

Completion of due diligence checklist

Mitigating financial crime

Financial crime can undermine social-security systems and destabilise a country's economy, politics, and society. It has a profound impact on everyday life as it threatens the safety of financial systems. The risk and compliance culture of the Manulife Group is driven by a strong tone from the top, complemented by the tone from the middle, to embed the expected values and principles of conduct that shape the behaviour and attitude of employees across the organisation. At Manulife Malaysia, we have a robust governance and control framework that incorporates training, advisory, enforcement and compliance with policies and procedures around antimoney laundering (AML), combating the financing of terrorism (CFT), proliferation financing, sanctions, fraud, bribery, and corruption.

The governance and control framework consists of the following:

Anti-Bribery and Anti-Corruption

We are committed to conducting our business free from any form of bribery or corruption. Our business depends on a sound relationship with customers, the community, other organisations, and stakeholders, leveraging on 3 of our values to maintain the highest level of compliance:

(i) Do the right thing

Manulife is strongly committed to doing business in an honest, ethical, and legally compliant manner. Manulife has zero tolerance for bribery and corruption in any form.

(ii) Own it

Manulife has implemented the Anti-Bribery and Anti-Corruption (ABAC) requirements and control designed to address the risks that Manulife may face in the real world which are diligently implemented, followed, and enforced because of the strong commitment from our senior management.

(iii) Get it done together

Every employee within the Group is working together to ensure Manulife's requirements on ABAC are strictly adhered to. This includes working together with our business partners to ensure they understand our strong commitment to ABAC.

AML/CFT Policy and Standard

MHB is committed to enforcing an effective internal control system for AML/CFT in compliance with all related laws, regulations, guidelines, and industry-leading practices. Proceeds from financial crime and unlawful activities pose a continuous threat to the financial system. The Group's global policy is to comply with and apply relevant AML/CFT practice in all markets and jurisdictions in which it operates and to comply with both the specific provisions and the spirit of all relevant laws and regulations.

Our employees undergo continuous mandatory training, with customer related and control personnel completing annual training via e-learning, targeted training, and external professional and regulatory seminars. The training enables our employees to interact and communicate with our customers, counterparties, and relevant stakeholders in relation to their transactions.

The ongoing assessment of AML/CFT controls is a regulatory expectation and a critical part of an AML/CFT programme. A quality assurance testing is conducted annually to ensure that the AML/CFT controls are operating effectively and that risks are effectively mitigated.

Compliance Training Performance in 2022

In 2022, we achieved a completion rate of 100% amongst Manulife Malaysia's employees for our AML/CFT compliance training courses. In addition, all members of our Board, Management Executive Committee and Management Committee, received relevant training on AML/CFT and sanctions, fraud awareness, anti-bribery, and anti-corruption.



Increasing our Reach and Distribution Capabilities

Since 2019, we have embarked on a digital transformation journey to reimagine and digitise our distribution capabilities. Initiated via our ePOS and eRecruitment platforms, our digital transformation journey has since equipped our agents and customers with end-to-end digital solutions, futureproofing the way we manage our services. In 2022, this meant enhancing our eRecruitment platform with LIMRA's career profiling tool to help our leaders identify the best candidates to embark on a career in the insurance industry. With the employment of this simple online recruitment process, we are ensuring that we develop only the best professionals to serve our customers in the future, whilst also allowing us to penetrate a wider reach of potential recruits.

Growing our million dollar round table (MDRT) base

As we look ahead to ensure sustainability remains central to all that we do, we launched the 'Manulife Spartans Programme' in July to facilitate a sustainable growth of mid-tier producers. Through the programme, the agents will go through intensive learning and development modules to upskill themselves and enhance their knowledge, as well as receive a host of customised benefits and recognitions. This is a testament to Manulife's commitment to promoting professionalism and a growth mindset amongst our agency force.

Our focus has always been on the quality of agents and not simply on the sheer number and size of our agency force. Aligned with our ambition to build a team of elite producers and leaders, we scaled up our efforts to attract industry recruits and MDRT producers to drive business growth. To date, 54% of new joiners are industry recruits who were able to start producing sales immediately, enabling us to record 94 new MDRTs - including 1 Top of the Table (TOT) and 5 Court of the Table (COT) - in 2022, and a +3.3% Year on Year (YoY) growth. This pool contributed to 36% of the overall agency business in 2022.

94 New MDRTs recorded in 2022







Celebrating the achievements of our MDRTs and MDRT leaders at the 2022 MDRT Gatsby ARTE Recognition Party

Ambitions for growth

Through our 'Agency Leadership Corporation (ALC) Franchise Business' flagship programme, we offered a start-up grant amounting to RM500,000 to support enterprising insurance partners and industry professionals. These are individuals who aspire to expand their network, accelerate their business, and boost their recruitment drive to bolster Manulife's distributional reach and impact in both Peninsular and East Malaysia. Over the course of the year, we witnessed a +11% YoY growth in our agency force, closing the year with an overall agency headcount of 3,449. This was largely attributed to

more than 50 intensive on-ground recruitment events that were organised throughout 2022, reaching out to over 500 potential recruits in the process.

In the second half of 2022, we launched a mass recruitment initiative, offering up to 10,000 jobs for fresh graduates, working professionals and established members of the financial industry. As at Q42022, 54% of our new recruits were from the financial industry, whilst we also managed to bring in 6 new agency groups and 2 new emerging ALC groups to wrap up an extremely successful recruiting agenda for the year.

As we scale up our operations, training for our agents will follow suit, ensuring they are equipped with the industry's best practices and insurance knowledge. Furthermore, the Manulife Business Academy has affiliated itself with established professional bodies like the International Coach Federation (ICF) and European Institute of Business Administration (INSEAD), to strengthen our coaching competencies, as well as expand our foundation for long-term business fundamentals.

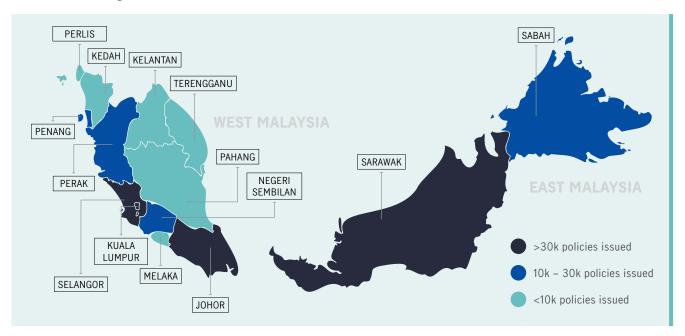




Capitalising on digital leads to drive new business

Extending our reach to provide coverage to as many people as possible in Malaysia remains a key strategic priority of the business. In 2022, improvement measures surrounding our distribution capabilities and internal digitalisation processes to drive new business continued, in which, the generation of digital leads played an integral role. Since the start of the COVID-19 pandemic, digitalisation has become an unnegotiable agenda for organisations around the world. At Manulife, there is a clear strategy in place to improve our digital capabilities, including reaching our customers through online means, as well as equipping our distribution teams with the tools and knowledge to better serve our customers.

As of December 2022, our insurance footprint covered 267,087 policies held by 191,020 customers across Malaysia, as illustrated in the diagram below.



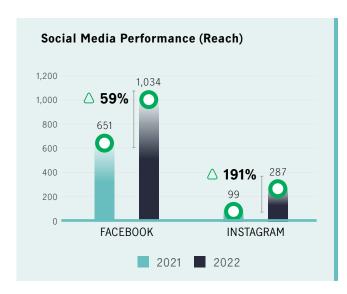
Elevating the Manulife brand

As Malaysia entered the endemic phase in 2022, the Manulife brand remained agile and resilient in navigating transitions to endemicity. We continued to strengthen our brand presence by leveraging on Manulife's strong credential – one of the leading international insurers with 59 years of rooted legacy in Malaysia, as we ran brand awareness campaign on digital platforms in 2 phases throughout the year.

Apart from establishing the brand credentials, product highlights were also weaved in based on the needs of our stakeholders to further improve brand relevance, and we saw a positive campaign total reach of over 8.9 million.

Meanwhile, the Manulife brand remained active on social media channels, with a shift in content strategy in the second half of the year. It enabled us to produce relatable content to our stakeholders based on audience segmentation. Following the strategy shift, we saw a spike in reach for Facebook (10,344,399) and Instagram (2,868,897), while LinkedIn recorded 827,332 impressions.

Our corporate video was produced and released on social media channels in Q4 2022. The video tells the Manulife story and brings the audience on a journey that narrates the significant value the brand is curating for its customers, employees and shareholders.





The theme for the corporate video emphasised sustainability for generations.

The Manulife Malaysia brand is ready to scale greater heights in 2023, as we plan to develop and execute more awareness campaigns that are in line with our aspiration to help make people's decisions easier and lives better.

Investing sustainably

Over the past year, we have accelerated our efforts to integrate ESG into our investment processes and strategies, despite the challenging market environment. The organisation instead views the challenging market environment as one of the key reasons for us to embrace ESG principles holistically so that we can both protect and grow the value of the assets that we manage, as well as create long-term value for our stakeholders.

We have integrated ESG into our investment strategies across asset classes and portfolios in three broad stages, namely due diligence, risk monitoring and active ownership. ESG analysis is embedded into our existing fundamental research processes and ESG is viewed as a natural complement to our strengths as an active investment manager.

Our dedicated in-house ESG Research and Integration Team supports core investment teams in ESG integration research and engage with companies that we invest in to foster greater transparency and awareness about the importance of managing material ESG factors. To a large extent, successful collaboration between the various teams, i.e., investments, ESG research, risk management, proxy voting etc., drive the ESG agenda within the Company.

To this end, Manulife Investment Management (Malaysia) is well-positioned to handle the increasingly stringent ESG requirements by regulators and expanding needs, as well as expectations from clients. Ultimately, we believe that embracing ESG principles is an extension of our commitment to embrace the future and exercise our fiduciary duties to all our clients and stakeholders while enhancing their returns.

Achievements and Awards in 2022

In 2022, Manulife Investment Management (Malaysia) continued to be recognised by leading and independent platforms for fund performance. We won the award for Best Equity Malaysia Diversified - Malaysia Provident Funds in the 10-year category from Refinitiv Lipper Fund Awards 2022; lauded for its independent and uncompromised assessment of performance in over 17 countries worldwide.

In addition, seven (7) of our funds are the proud recipients of seven (7) individual fund awards from FSMOne Recommended Unit Trusts Awards 2022/23. The individual fund awards received in 2022 are:

Refinitiv Lipper Fund Awards 2022

 Equity Malaysia Diversified – Malaysia Provident Funds, 10 years

FSMOne Recommended Unit Trust Awards 2022/23

- Core Equity Global
- Core Fixed Income Malaysia
- Single Country Equity US
- Sector Equity Global ESG (Water Theme)
- Sector Equity Global Healthcare
- Private Retirement Scheme: Moderate (Islamic)
- Private Retirement Scheme: Growth (Islamic)

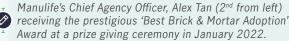
Our 'Manulife Precious Gift' product was also voted by parents as the "Best Child Coverage Plan" at the Motherhood Choice Awards 2022. The prizes and nominations were determined by over 133,864 votes from over 5,000 Malaysian mothers over a period of four months. Being awarded the Best Child Coverage Plan, it has sealed our belief in the journey of creating products that are relevant and customer focused. Through this acknowledgement, we are confident of reaching out to even more mothers and raising awareness on the importance of securing early protection for them and their babies.

In recognising our digital transformation, Malaysiakini and Digital News Asia recently bestowed Manulife Malaysia with the 'Best Brick & Mortar Adoption' Award at the Top in Tech Innovation Awards 2021. The award recognises Brick-and-Mortar companies that have shown exceptional productivity, resilience, and creative thinking in managing their business through the adoption of technology amidst the pandemic.











In support of:







Mindful Consumption of Resources

At Manulife, we recognise the threats posed by climate change to our business, to public health and to the livelihoods of the communities in which we operate. As a financial services company, we endeavour to reduce our environmental footprint, support the transition to a lower carbon economy, and invest in climate change mitigation and resilience. We understand our Company's success is ultimately linked to the long-term health and well-being of people and the planet.

Our effort to combat climate change is embedded across our business strategy. Globally, we are taking steps to significantly reduce our impact on the environment through our operations, investments, and products and services. Here in Malaysia, we continue to focus on minimising our operational footprint to lessen our environmental impact and reduce operating costs, helping prepare our business for a sustainable path forward.

Reducing energy usage

Keeping our building and business operating takes energy. This year, we deepened our commitment to reducing our energy usage through several energy-efficient means, including the maintenance of LED bulbs throughout our offices, as well as the regular upgrading of the air-conditioning system within the building.

Between January to April 2022, Manulife recorded a notable reduction in energy consumption, in contrast to the same period the year before. During these months, employees continued to work largely from home via Manulife's hybrid working arrangement that was implemented due to the government's imposed lockdown. It was only in May that all employees fully returned to the workplace, as part of Manulife's RTO.

Analysing the year's overall energy consumption however, we witnessed an increase in usage this year by 225,577 kWh, up 10% compared to 2021 levels. This can be attributed to the workforce's return to office (RTO) in the second half of the year. Nevertheless, the Company's yearly consumption was still much lower than 2020 levels.

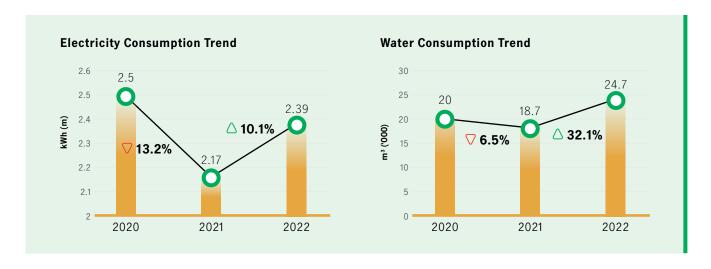
Water, a precious commodity

The demand for clean water continues to grow, but the changes in our climate are putting pressure on water resources in the country. At the same time, our catchment areas and natural bodies of water continue to face pollution risks due to unfettered development activities.

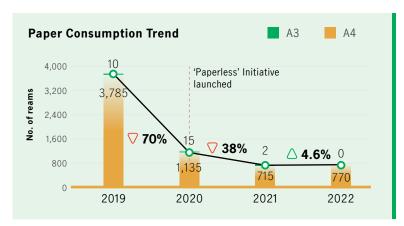
Keeping this in mind, Manulife continues to keep a tab on our water consumption at Menara Manulife, ensuring that our people reduce incidents of water wastage (for example, by placing reminders and signs at tap areas and bathrooms). We have also installed push taps that switch off automatically, removing the risk of taps being accidentally left on.

This year, Manulife Malaysia recorded 24,682 m³ of water usage, an increase of 32% compared to the previous year, but still lower than pre-pandemic levels in 2019. The increase in water usage in 2022 can be attributed to the increase in occupancy in the building, as employees began to RTO in May.

In evaluating the period between January to April however, we note a 14% reduction in water consumption between 2021 and 2022. During these four months across both years, employees worked largely from home in a hybrid approach.



Going paperless for the environment



Manulife's digital transformation extends not only to the way we deliver products and services, but also how we run our business. In 2020, we launched our 'Paperless' initiative across the company and began tracking our paper usage. Our decision to go digital not only delivers sustainable benefits, but allows for more efficient management of documents, while cutting down on unnecessary expenditure in the process.

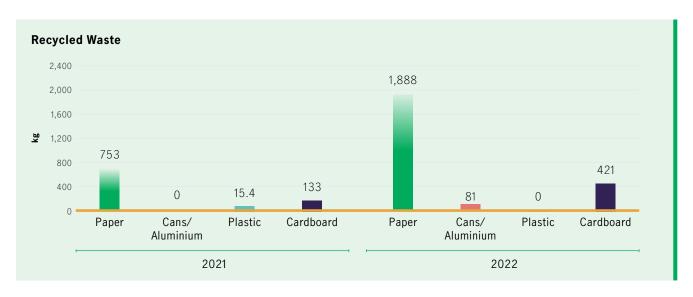
In 2022, our paper consumption trend demonstrated a slight increase from 2021 levels, rising from 717 reams of paper to 770 reams used in the year. We attribute the slight increase to our RTO rollout, which saw a greater number of employees using the

printing facilities in Menara Manulife. Although the figures mark an increase from the year 2021, we consider our figures this year a big success, given that the workforce spent a large part of the year — more than half — working in our headquarters. This is in comparison to the previous year, which saw the employees working from home most of the time.

Disposing our waste, responsibly

Every year, Malaysians generate millions of tons of waste, presenting a growing problem for the country. The practice of recycling has yet to become a norm, with many citizens still unwilling or unaware of how to proactively recycle.

To create a culture of recycling and waste reduction, we began monitoring the amount of recyclable waste that was generated within the confines of our building, Menara Manulife since 2021. In both this and the year prior, the bulk of our recycled waste consisted of paper – a direct result from employee printing and copying.



Looking at 2022 figures, although the amount of recycled trash has increased significantly compared to 2021, we consider the figures a reflection of our RTO initiative, with a greater number of employees using the building's facilities instead of working from home. We also consider the increase in recycled items an achievement and will continue to champion for employees' active participation in helping reduce, reuse, and recycle items at work.

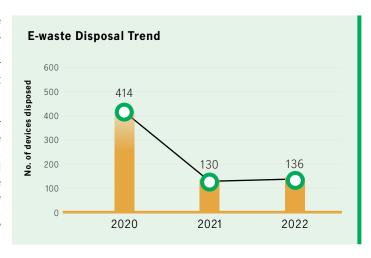
Empowering our employees to dispose of their waste responsibly is also facilitated through the provision of recycling bins throughout our building, where plastic, paper, and aluminium waste are segregated accordingly. Manulife also

engages a licensed waste contractor to collect our recycled waste regularly from our Headquarters, Menara Manulife, on a monthly basis.

In addition to traditional recycling, Manulife has also been engaged in proper electronic waste (e-waste) recycling since 2020. According to The Global E-waste Monitor 2020 report, it is estimated that Malaysians generated 364 kilotons (kt) of e-waste in 2019 or an average of 11.1kg per capita. Managing e-waste requires proper handling, as most devices contain toxic and potentially hazardous materials. Improper management could result in the release of hazardous gases, such as mercury, sulphur, and lead.

Additionally, Manulife is keenly aware of the importance of disposing of e-waste properly. As a financial services company with access to customer data and information, it is of highest importance that the contracted vendor disposes of or destroys the devices properly, so that sensitive information does not fall into the wrong hands.

Therefore, selecting the right partner to execute our e-waste recycling and disposal is crucial: to ensure we adhere to the highest standards of ethical waste disposal, we engaged a vendor that was ISO certified, which qualified them to dispose of electronics in a safe and responsible manner. Manulife also received compensation from the disposal of our e-waste when disposing with this vendor. These funds were then reinvested back into the company to further its 'Scale Up' agenda.



Committed to a Greener Future

Our journey to becoming net zero

As a global financial services company, we are steadfast in our commitment to a net zero future. We acknowledge that climate change poses one of the greatest threats to our business and humanity. Drastic and lasting action is urgently needed to protect our planet and all its inhabitants from the dangers of this global phenomenon.

Humanity's effort to combat the climate crisis continued in 2022, with world leaders gathering at the COP27 summit in Sharm el-Sheikh, Egypt, to agree on a unified approach to limit global warming to 1.5 degree Celsius. The year also saw more natural disasters occurring in Malaysia, with landslides and floods triggered from torrential downpour, a by-product from a changing climate. It is essential now, more than ever, that global Corporations and governments work together to invest in climate change mitigation and resilience.

At Manulife, we have addressed climate change as a material matter of high importance and are incorporating climate change considerations into our decision making, including how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services. Globally, our vast natural resource holdings have enabled us to realise net zero emissions in our operations.

At Group level, we have been a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since 2017. In Malaysia, although we are committed to adopting and aligning our disclosures to the TCFD recommendations, we are still in the process of refining our approach to incorporate this into our reporting from 2023 onwards.

Launching Manulife's Impact Agenda

As part of the launch of our Impact Agenda this year, every market in Asia was tasked with organising an exhibition that uniquely showcased Manulife's new sustainability framework. In Malaysia, the launch was held over two days in October, with the main objective being to raise awareness of the new framework amongst Manulife employees — our most valuable champions. The event represented a momentous milestone in the organisation's history, signifying an intent to build a better business, to better the world.





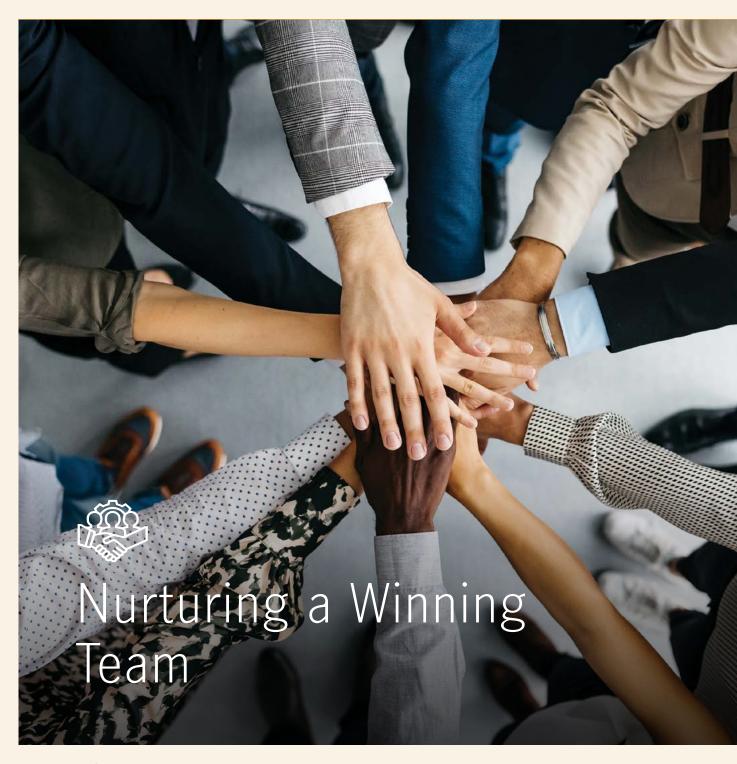


Participating in Earth Hour

On March 26, 2022, Manulife joined scores of other organisations and homes worldwide on Earth Hour, the world's largest grassroots movement for the environment. Over 190 countries and territories are anticipated to have participated in this annual event, reflecting upon the one home we all share.

Manulife joined the likes of other landmarks, including the Petronas Twin Towers, KL Tower, Sydney Opera House, Brandenburg Gate, and the Empire State Building, which had planned to take part in the signature 'switch off' moment. In 2022, Earth Hour returned with a message of solidarity for both people and planet amidst global conflicts and crises plaguing the planet.





In support of:













Taking Care of our People

'Working Better' was our clarion call in 2022, encouraging employees to find synergy and new ways of collaborating as the world slowly returned to normalcy. A hybrid approach to working — where employees worked from home one day a week — was designed, enabling regular in-person collaboration whilst offering the flexibility to balance their personal and professional responsibilities in ways that fit each of their individual needs.

During this time, talent development and pipeline building remained a top priority for us, as we continued to invest in various tools and resources to help our employees scale higher.

We also persisted with engaging employees on various fronts, through our CEO, Human Resources (HR), and Employee Connection Series. Check-in sessions were conducted frequently, with HR roadshows running regularly. A new employee recognition programme, *Scale Up Achiever*, was also launched this past year.

Mental health — an area that Manulife has long championed — continued to inform our employee wellness programmes. We led the year with various initiatives and support resources, including a proud new enhancement to our outpatient policy, which since April 1st, extends to include mental health fees for the first time in our Company's history. With employee morale at an all-time high since the global health crisis hit, Manulifers continued to deliver stellar work this year that helped *make lives better* across the nation.

A safe return to office

In 2022, we aimed to work better, adopting a new working style that balanced the needs of employees and the business, amid the country's transition into an endemic phase. Our RTO policy was rolled out, laying down Manulife's responsibilities (from installing sanitizers at common areas to regular hourly cleaning) as well as standard operating procedures (SOPs) that all staff and employees were required to adhere to.

Great se you back in e!

Launch of 'Working Better'. Employees were treated to a 'Welcome Back' care package on the first day of returning to office.



We understood that after two years of lockdowns, elements of trepidation and concern were inevitably tied to the transition. Hence, with the aim of preparing the workplace for our employees' RTO, and to establish a sense of safety amongst employees, Manulife engaged Dr. Arasu, Founder and Director of Polyclinic Cahaya Group, a chain of primary care clinics in Malaysia, and recently the primary care group at Care Clinics, for a 90-minute educational session on how to live with COVID-19 during the epidemic and taking steps to better manage our health.

Dr. Arasu's session provided the groundwork needed for the 'Working Better' launch in May, during which, employees returned to the office, adopting a hybrid working approach. During this time, Manulife's 'Mental Health Month' kicked off concurrently, serving as an apt and timely supplement to the new working adjustment. Employees were invited to learn more about their mental well-being benefits as well as participate in a range of mental well-being events hosted globally.

Championing mental health

One of our utmost priorities at Manulife is supporting the health and well-being of each one of our 505 employees in Malaysia. One of the proudest additions to our employee benefits this year was the inclusion of mental health care under our outpatient coverage. Under the enhanced policy, employees may seek mental health support, counselling, screenings, and medication starting from 1 April 2022.

On May 26, Manulife's Global Speaker Series event hosted world-renowned author, Shawn Achor, whom over a coffee chat with Manulife's Global Chief Financial Officer, Phil Witherington, spoke about mental well-being and the connection between success and happiness.

III Manulife **Global Speaker Series** With Special Guest: Shawn Achor

Leading by example, Manulife Malaysia's Group CEO, Vibha Coburn, hosted a 'Walk with Vibha' initiative in the same month. Movement being medicine, the session aimed to provide a physically beneficial break via a casual evening walkabout after office hours.

On June 15, we hosted our first Wellness Roadshow of the year. 'Fostering Resilience' was the topic of the workshop, where participants engaged in a self-assessment resilience test before being brought through a motivational and education guidance session. Following the success of our first roadshow, we conducted a second wellness roadshow in October, titled 'Live & Enjoy a Meaningful Life'. The session was attended by 55 participants, during which, the attendees were taught breathing exercises, self-massage skills, and muscle relaxation techniques. The workshop was a success; 95% of attendees found the session relevant, effective, and beneficial.



Our first Wellness Roadshow of the year, where expert trainers and clinical psychologists guided the workshop.



Flexible expense reimbursement

The sedentary nature of

Climbing for cardiac health

office work, exacerbated lockdowns, extended prompted us to initiate an office-wide initiative would not only raise heart rates, but also the awareness of the risk of cardiovascular disease (CVD). In conjunction World Heart Manulife Malaysia organised exhilarating challenge for all employees - one that involved conquering all 16 storeys of Menara Manulife



on foot. Through sweat and tears, individuals in teams of four climbed the primary stairwell of the tower, in a heartpumping trial of strength to celebrate and encourage healthy hearts. This inaugural event was extremely well received by Manulifers, with spots fully booked within 24 hours of the registration opening.

Additional days to recharge

In 2021, and again in 2022, all Manulife employees globally were given five additional personal days to use during the calendar year; in appreciation of the hard work and dedication in making decisions easier and lives better for our customers. Furthermore, an additional "Thank You Day" has been enjoyed by all Manulifers globally for the past two years, whereby they are encouraged to take time off work to recuperate and recharge.

At Manulife, our allocated leaves are above statutory requirements, extending to include parental, childcare, marriage, adoption, study, and exam leave. For the first time in Manulife Malaysia's history, all employees were also entitled to 2 days of volunteer leave, allowing them to step out of the office and support causes in the community which resonate with them most. Mindful of the importance of employee well-being, we continue to ensure work-life balance remains a priority through a broad range of initiatives. This includes giving employees additional time, tools, and financial resources to engage with life outside of work.

We introduced our new Manulife-sponsored Flexible Spending Account (FSA) in January 2022, which allowed employees to claim expenses worth up to MYR1,380 per employee, to facilitate optimum well-being. This includes health and wellness-related expenses, ranging from gym membership and sports gear to art or music classes, as well as holistic medicine and travel-related expenses. The FSA can also be used to cover other types of expenses, such as electricity, water, or internet bills, as well as the premium for Manulife insurance products and private retirement schemes.

The plan is not limited to expenses spent only by the employee; the FSA credits can also be spent on their spouse, children, and parents. All regular full-time employees are eligible to claim this benefit.



Curbing the spread of COVID-19

Continuing from our 2021 vaccination support, we enhanced our programme this year to reflect additions to the Government's nationwide immunisation programme, which included vaccinations for children and a third booster jab.

Under the first enhancement, employees were able to leverage their 5-day personal day leave allotment to accompany their children to their vaccinations. The leave allowances were provided in response to the launch of the Government's immunisation programme for school students aged 12-17 years.

Additional leave support was also extended to employees who were taking their third "booster" vaccination. Under Manulife's vaccination support programme, employees were entitled to take the day off — a leave granted on top of the available list of leaves — and without any workday application required. Employees who felt unwell after their shot could also take unrecorded sick leave of up to two days. The intention of this extensive support was to ensure employees could prioritise their health while contributing to the fight against the COVID-19 pandemic.

"It is a fact that employee wellness is intrinsically linked to business performance. By supporting our employees through the pandemic via our vaccination programme, we helped ensure the health and safety

of our entire team, their families, and everyone whom they come into contact daily."

- Aiza Aryati Kasim Chief Human Resource Officer

Family-friendly benefits

One of our key commitments under our newly launched Impact Agenda is the promise to continue elevating the well-being of our people. We do this by providing family-friendly benefits programmes and running mental health initiatives across the business.

We continued several initiatives from last year, including our collaboration with Doc2Us; an online platform that supports virtual consultations with a doctor. Although the urgency of the pandemic had lessened, many employees still found the virtual access to a medical doctor highly convenient and time-saving, allowing them to seek medical consultation and treatment without having to leave their homes. The digitisation of medical care was also extended to MiCare via its mobile app, enhancing employees' overall experience and convenience in gaining medical attention.

Other benefits that support our wider Manulife family include:



Dedicated nursing facilities



MiCare tool for easy medical claims



Scholastic Incentive Scheme for children



Doc2Us for virtual medical treatment

We also continued to extend additional medical benefits to family members of our employees. This included COVID-19-related hospitalisation and medical expenses, plus fully funded COVID-19 tests. Other benefits that support our wider Manulife family include our 'Scholastic Incentive Scheme' for children of employees who excel in their studies.

Employee protection and care

Every year, Manulife conducts a periodic review of benefits to support employees' needs to ensure it remains current and relevant. The core benefits provided include medical insurance, life, and personal accident coverage via the Employee Group Insurance Scheme (EGIS), as well as Advance Beyond Critical Cover (ABCC), a comprehensive critical illness plan that provides holistic coverage and financial confidence for those suffering from major illnesses and prolonged treatment.

In addition to policy coverage and response to the COVID-19 pandemic, Manulife this year also provided support in response to another occurring natural disaster prevalent to the country: floods. In an effort to help those affected and show that we care, Manulife offered flood victims under our employment RM1,000 cash compensation and 5 days of calamity leave to claim this year.

We also continue to support our employees via our 24/7 Employee Assistance Program, which offers free consulting and life coaching sessions for professional and personal matters by Human Dynamic consultants. In addition, a new email functionality was also launched under our AskHR Contact Centre service, disposing of the old online form-filling procedure, to increase employee experience and overall efficiency.



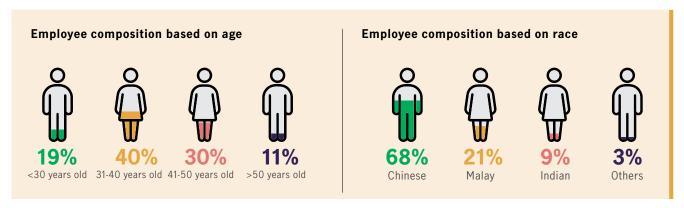
The MediSavers Prime Life 48 programme offered to Manulife employees at discounted rates with upgraded benefits.

Diversity, Equity & Inclusion (DEI)

Promoting DEI in the workplace

Driving inclusive economic opportunity continues to be a significant part of our business, forming the second pillar under our newly launched Impact Agenda. We truly believe that a diverse, equitable and inclusive culture nurtures innovation, as well as attracts and retains the best talent. At Manulife, we approach DEI from three lenses: talent, culture, and community.

Embedding DEI into our operations across all three aspects allows us to help make every day better for our stakeholders. Indeed, we believe that in business and in life, we are stronger when we have a diversity of perspectives. This is why we have worked to ensure a fair and diverse representation of our employees across three demographic spheres: race, age, and gender.

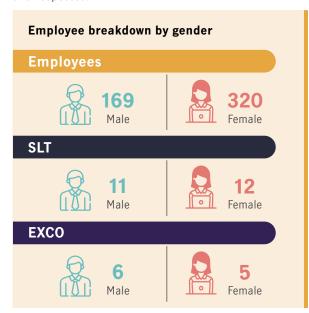


Empowering women

The composition of Manulife's workforce also reflects our emphasis on gender equality. At Manulife, more than half of our employees are women. Those numbers also extend upwards: in 2021, we reported that more than half of our Senior Management (Vice Presidents and Heads of Departments) were women, while half of our Board of Directors were women.

This year, we continue to maintain these figures, with more than half of our SLT and EXCO comprising women. Impressively, 60% of our Board of Directors in 2022 consisted of women.

As the foundation of Manulife's workplace culture, the organisation regards inclusion as everyone's responsibility. All employees are required to complete online 'Unconscious Bias' training modules, aimed at raising awareness on DEI in the workplace. This is to ensure that our people are equally valued, supported, and respected.







In conjunction with Women's Heritage Month in March, Manulife also organised several initiatives. During the month, a #BreakTheBias video series was launched, which encouraged employees to share their support for the cause via social media. On International Women's Day, employees were out in force, wearing purple and standing together in solidarity to #BreakTheBias.

On March 17, we invited popular local comedian, Gajen Nad to perform in a specially curated session titled 'Breaking Stereotypes and Thinking Positively' – to further raise awareness among employees, on this increasingly important agenda. The session was opened by Manulife Malaysia's Group CEO, Vibha Coburn, who led with her thoughts on breaking the bias and females rising up to leadership roles.



Championing DEI through our Employee Resource Group

This year, we launched a self-identification ("**SelfID**") campaign to continue building our DEI aspirations. SelfID provides an avenue for Manulifers to anonymously share their diversity data so that the organisation may implement strategies that support and measure employees' progress towards their diversity goals.

On 21 November 2022, we had the pleasure of hosting Sudesh Thevasenabathy, Manulife's Head of Diversity, Equity, and Inclusion Asia, who held an 'Ask Me Anything' session. Staff were encouraged to participate at the luncheon session, which served as a safe space for employees to speak their mind and raise DEI-related queries. We also celebrated Manulife's Global Diversity Awareness Month in October, where employees were encouraged to come dressed in their traditional attire and celebrate the diversity that makes Malaysia (and workplace) a great place to be.

Supporting working parents in balancing their home and work commitments is another crucial pillar of our equity and inclusion practice. Building on progress made last year, our voluntary, employee-led Employee Resource Group ("MY ERG") spearheaded several initiatives this year that centred on this theme. One such event was a talk on 'Raising a Self-Driven Child' by Dr. Caren Andexer, organised by MY ERG during our Global Afternoon of Reflection & Learning. The talk was open to all employees.

A 'Kids Day at Work' event was also concurrently held a week later, in celebration of Parents' Day on June 24. Children of employees were invited to tour Manulife Malaysia's office and spend half a day enjoying specially curated games and fun activities.





Training & Development

Our people are our most important asset, which is why we continue to invest in high-quality capacity building programmes to future-proof our workforce. We truly believe that to build a successful organisation, we must first develop successful people.

Our talent training strategy focuses on a high-quality learning experience that empowers our employees to learn anytime, anywhere. We focus on offering opportunities for employees to continuously learn whilst at Manulife, enabling them to work innovatively and collaboratively — accelerating our ambition of being the most digital, customer-centric leader in our industry. In 2022, the total number of voluntary learning and training hours accumulated by all staff was 4,728 hours.



The path to personal and professional success is different for everyone, which is why we deploy specially curated tools and programmes to help our people grow into the best version of themselves. From role-based experiences to formal and informal learning structures, we provide opportunities for all employees to enhance their skills, build relationships, and hone their unique talents. In an evolving world, we believe our ethos of constantly pursuing learning will help shape the future of our talent, and that of our Company.



Malaysia Training Policy

Manulife continues to sponsor employee development both within and outside the Company. These include external courses, seminars, ad-hoc training, mentoring, online learning, and short-term stretched assignments.



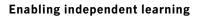
Global Continuous Learning Policy

Manulife encourages our talents to further their studies by providing a subsidy towards their total tuition fees for a diploma, degree, or masters course.



Life Office Management Association (LOMA)

Manulife continues to invest in its employees through LOMA's Insurance Education programmes, where talents acquire relevant industry knowledge within the life, health, and financial services industries.



In 2021, Manulife invested in Pursuit Learning; a one-stop platform for all employees to pursue independent learning and growth. The platform provides expert-led videos, programmes, and tools that allow employees to build skills relevant to their interests and ultimately, career. This year, Manulife presented an enhanced version of Pursuit, one that used artificial intelligence to deliver a powerful, personalised learning experience. With its new features, the new Pursuit serves employees customised content based on their interests, offering a richer experience that makes it easy to learn anytime, anywhere.

The enhanced tool also made it easy for employees to share learning content with their team and colleagues, encouraging a culture of shared growth and innovation. Pursuit also enables micro-learning with bite-sized content tailored to employees' needs and learning goals. This year, we offered 317 programmes on the platform, on topics ranging from functional skills to innovating new ways of working.

Through Pursuit, Manulife provides for on-the-job experience, collaborative projects and digital training sessions supported by mentoring and coaching programmes. By empowering employees to take charge of their development and professional growth, we not only future-proof our workforce, but help employees grow into proactive, decisive, and impactful leaders in their own right.



Did You Know?

In 2022, more than
600 hours
of voluntary training were invested by employees into our Pursuit e-learning platform.





Developing leaders of tomorrow

Confidence, competence, and enthusiasm are key components of a great leader, inspiring others as they lead by example. To help our employees build their persuasive communicator and problem-solver skills, we continued to invest in our Dale Carnegie Leadership programme, an annual offering delivered over 8 consecutive weeks. The programme targets professionals at all levels who wish to optimise their performance, lead with conviction, and positively affect the bottom line. At Manulife Malaysia, 80% of People Leaders participated in the Dale Carnegie Leadership programme.

This year, employees also put in time for the Emerging Markets Learning Week, an entire week dedicated to learning from Manulife's regional and local-market leaders on topics ranging from 'Knowing our Customers Better' to 'Cultivate Learning for Growth'.

Additionally, we also launched the 'Leader Series' on Pursuit, which covered various leadership topics and essentials. The series delivered insight on development and coaching whilst training Manulife leaders to empower colleagues in a respectful and safe manner. In total, 73% of People Leaders in Malaysia completed the first module (Leadership Essentials) which focused on increasing foundation knowledge and skills of being a People Leader. These leaders will continue with Module 2 (Development & Coaching) and Module 3 (Reinforcement Series) in 2023.



Fuel up Fridays

Recharge with professional and personal growth batteries: that's what our talent were encouraged to do every second Friday of the month. Following the initiative's successful launch last year, Fuel Up Fridays continued to be a staple in our development modules in 2022. During the mornings, employees were delivered curated learning programmes via the Pursuit platform or via LinkedIn Learning and in the afternoons, they could pursue an activity of choice that allowed them to rest, recharge, and restore.

The e-learning programmes that were delivered under the initiative were wide and varied: Managing Stress, Navigating Sustainability, Building Agility, and Leading Inclusion were amongst the range of topics that were available.

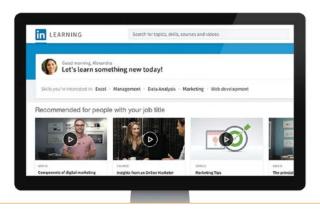


Did You Know?

In 2022, more than

700 hours

of learning and training were invested by employees into LinkedIn Learning.



Employee Engagement & Recognition

Inspiring our people

On March 10, we came together for our third annual global colleague event, Accelerate 2022. This event brought us together to accelerate our learning, and our connectivity to each other and to our mission and values. This year, we heard from Nobel Peace prize winner and global activist Malala Yousafzai. In an inspiring conversation with Roy, we learned about her incredible life story and her passion to fight for girls to have universal rights to education. Her steadfast belief that every single one of us can be a changemaker and to never underestimate the power of one person's voice and actions is a reminder that we can make a difference.



Hosted by Manulife's President and CEO, Roy Gori, Accelerate 2022 brought together Manulife's 35,000 employees across the globe for an inspiring event.



Celebrating our employees

Fresh into the first week of our Return to Office, celebrations were afoot in the form of a Hari Raya Hi-Tea; our first off-site event since the government-enforced Movement Control Order (MCO). Held on May 19 at Eastin Hotel, Manulifers were treated to a delicious local cuisine, prizes, a cultural performance, fun emcee games, and even *duit raya*. Employees were resplendent in their traditional Raya outfits, all vying for the honour of 'Best Dressed'. The celebration was timely to commemorate the workforce's RTO after two long years and was a memorable occasion for many.

The atmosphere was similarly abuzz at our 2022 Annual Dinner, aptly themed 'Passport to Paradise'. Eager to celebrate and connect after months of extended lockdowns, more than 300 Manulifers congregated in their Sunday best at The Royal Chulan Hotel on 5 August. The annual dinner was important for several reasons, most potent being that it allows employees to celebrate and recognise the great work they have done over the year.

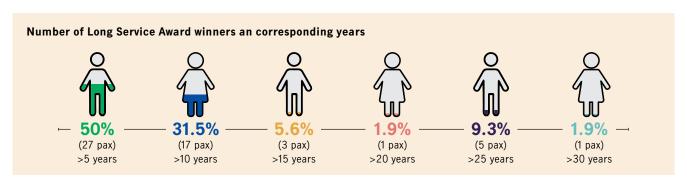
The dinner also provided a platform for Manulife to highlight several notable achievements and celebrate its Star Employees. The Long Service Award - which recognises employees who have worked for the organisation for more than 5 years - were handed to a total 54 recipients at the event.



Employees enjoyed a performance in celebration of Hari Raya, or Eid Mubarak, as it is recognised around the world.









Did You Know?

In 2022, over **1.2 million**Podium points were awarded across our workforce



Bonita Wong, recipient of our global Stars of Excellence award.



Separately, we were also incredibly proud to celebrate our Stars of Excellence this year – individuals and teams who shine brightest amongst our talented global team. As our most prestigious recognition programme, Stars of Excellence acknowledges the exceptional impact of those colleagues who truly stand out amongst our Winning Team.

Against a global roster of excellence, our very own Bonita Wong, Manager of Branch Operations, was chosen as Malaysia's Star. Harnessing her considerable energy and positivity, Bonita engaged staff across three branches for virtual brainstorming and daily performance check-ins. Thanks to her energy and drive, her team was the Number 1 producer in new policy referrals, with a 95% referral rate.

To celebrate our Stars in the communities we serve, Manulife donates \$500CAD (approximately RM1,600) in honour of each award individual or team. For the trust builder and leader that is Bonita, her charity of choice was the National Kidney Foundation of Malaysia. By celebrating and commemorating what our star employees accomplish, our global workforce may continue to learn and be inspired to rise to the challenge.

In addition to *Stars of Excellence*, Manulife utilises a global recognition platform known as 'Podium' to ensure employee appreciation happens across all levels. Podium enables employees around the world to show appreciation for their peers, leaders, and teams, igniting a movement of gratitude within the organisation. In 2022, a total of 532 Podium recognitions were recorded, in comparison to the 499 the year before.

To further recognise employees, our annual Thank You Day was celebrated on March 4. Through Podium, employees were able to extend their gratitude to colleagues by gifting them with a voucher of their choice. All staff were also sponsored with a meal of their choice on the day. Though the nature of the gift was little in nature, its impact was immense. At Manulife, we make it a practice to recognise employees in small ways frequently, because we believe it is the details that define the resulting culture and experience.

As we concluded the final quarter of the year, Manulife was moved to commemorate World Gratitude Day on 21 September 2022. As employee appreciation is directly tied to job satisfaction, workplace happiness, and employee morale, it was important to remind staff to send each other appreciative gestures. When we vocalise and demonstrate care for one another, employees are more willing to invest their energy into work, knowing that their accomplishments will be recognised.



Listening to our employees

Every year, Manulife conducts its annual employee engagement survey globally, supplemented by a mid-year pulse survey. In 2022, the questions we asked directly related to employee engagement across a variety of topics, including leadership effectiveness, employee satisfaction, accountability, diversity and inclusion, and sustainability.

This year, 94% of our employees participated in the survey. We also achieved our best results yet — a mean score of 4.48 out of 5, up from 4.44 last year. Thanks to our solid results, we have increased our percentile from 76 to 85 against Gallup's financial and insurance company benchmark, securing our place strongly in the top quartile for engagement scores.







Did You Know?

The higher the percentile, the stronger the engagement and how Manulife's results compare to internal and external workgroups based on Gallup's Overall database.

85% shows that Manulife's mean is greater than **85%** of those in the Gallup Overall database.

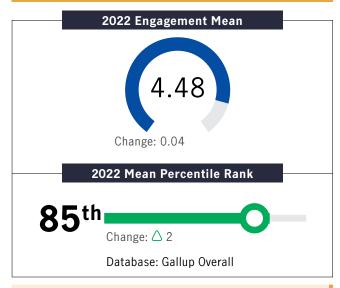
We attribute our progress to developing a good base for the Gallup survey, with significant improvement on basic needs-related questions, indicating that we have a clearer understanding of what success in our role looks like as this helps us prioritise our activities and deliverables for maximum business impact. We also continue to create an environment where employees have the opportunity to do their best and offer plenty of opportunities for learning and development.

While we consider this year's results a big win, Manulife continues to pay attention to employee feedback and strive for improvement in areas highlighted in the survey. Overall, the year's results marked great progress, providing impetus for leaders and employees to keep the momentum going for the company and for each other.

Awards received in 2022

Putting our employees at the forefront of our business was an effort that did not go unnoticed. In 2022, Manulife managed to garner several industry accolades for our peoplecentric approach. We emerged as a Bronze Winner under the 'Corporate Wellness' category, in the HR Excellence Awards 2022, as well as Overall Winner of HR Asia's 'Best Companies to Work for in Asia 2022' (Malaysia Chapter)' Award.

Manulife Malaysia's Employee Engagement Scores











In support of:









Investing in our Communities

This year, we continued to positively impact the communities where we operate, Sharing our Humanity with those around us in the process. Making lives better, everywhere, is at the core of who we are and what we stand for. Not just a box-ticking exercise, giving back to the community is an organisational mandate deeply embedded in our sustainability philosophy. Our giving back constituted not only financial resources, but valuable time and energy on the part of our people.

In 2022, Manulife Malaysia launched its inaugural Volunteer Week to encourage our people to step out of the office and "give back" to our communities by contributing their time and effort in support of meaningful community-outreach programmes which stretched over the course of 6 days. Through this impactful initiative, 87 Manulifers accumulated more than 300 volunteer-hours across the week, and positively benefitting more than 400 beneficiaries in the process. The opening up of the economy also meant that our employees could travel and physically step out and volunteer in the community; an important element to ensure support was distributed effectively.

Collecting and distributing essential items with Kechara Soup Kitchen

Although 2022 saw the effects of the pandemic ease, many communities were still drastically impacted by the economic plunge, with many not even having access to basic necessities.

In response, Manulifers extended a helping hand during our Volunteer Week to KSK, an NGO that has been serving homeless and marginalised communities for 14 years. The initiative took form in two separate programmes: the first; Surplus Food Collection, involved employees collecting surplus food from KSK's community partners, such as bakeries and supermarkets, and delivering it to underprivileged beneficiaries registered with KSK.

Under the second programme, Food Bank Delivery, volunteers collected dried food provisions from KSK's depot, before dropping off these packages to an approved list of low-income families in urban areas.







Promoting an active lifestyle with Dignity for Children

Dignity for Children Foundation is an NGO that provides holistic care and education for urban poor children in Kuala Lumpur, Malaysia. On their annual Sports Day, more than 30 Manulifers volunteered to make the day a success, facilitating a number of activities that engaged the children. The volunteers helped by ideating and developing station games for more than 120 students, turning a one-day event into a fun-filled opportunity for children to develop their leadership, teamwork, and problem-solving skills, while improving their health and fitness.







Building a Science Garden with EcoKnights

Since 2021, Manulife has supported EcoKnights, a renowned environmental NGO, and one of the beneficiaries from our MY Community Grant programme. This year, we continued our collaboration with them, investing in their 'School of Sustainability' pillar to help lead the charge to inspire sustainable living at the community-level in Malaysia.

As part of the on-going collaboration this year, Manulife adopted an Orang Asli (indigenous) school located in Bangi, Selangor. Manulifers came together to develop a Science Garden for the community of SK Bukit Tadom (Asli) who were severely affected by the disastrous floods in December 2021. Volunteers assisted in a myriad of tasks, ranging from raising the garden beds and preparing the composting site, to preparing the garden's signages. Students and teachers alike will benefit tremendously from the use of the garden, especially during their Science Lessons. Having the opportunity to maintain and harvest the fresh produce, the community of SK Bukit Tadom (Asli) will be able to enjoy fresh vegetables and fruits as part of their meals, regularly.











MY Community Garden

We ventured wider and successfully moved the needle with our community investment ideas this year. In partnership with Ecocentric Transitions (ET), Manulife initiated 'MY Community Garden', a programme to provide scalable sustainable farming as a means of income generation for three communities in the State of Selangor. The objective was to scale up community gardens to be financially and environmentally sustainable, as demonstrated in other similar projects in Klang Valley, such as the TTDI Edible Garden and Kebun-Kebun Bangsar. With ET as the implementing partner, the programme was designed to formalise a community-based chilli farming and capacity building model in collaboration with the community.

Despite challenges faced during the programme's implementation, Manulife emerged with key lessons to take forward for all our future initiatives. The project's untimely engagement, which came during a period when many community members were still fearful of COVID-19, ultimately led to the programme being decommissioned before completion. Nevertheless, lessons gleaned will contribute to a better, more phased approach for programmes of such scale.



Cultivating healthy financial habits

Manulife is a proud and active member of Financial Industry Collective Outreach (FINCO), a collaborative initiative pioneered by all financial institutions in Malaysia. FINCO's famed financial literacy programme, Good Sens (Social Enterprise Network for Schools), uses social entrepreneurship as a vehicle to develop healthy financial habits amongst school-going children. This year's cohort saw 7 volunteers from Manulife participate in the year-long programme, amassing more than 112 volunteer hours in the process. Supporting students in generating business ideas and understanding financial literacy concepts were some of the tasks carried out by Manulife volunteers.

The programme wrapped with the FINCO Good SENS: National Dragons Den 2022 where 15 teams had the opportunity to pitch for further investment to a panel of industry professionals. Four winners were announced at the Award Ceremony held on the same day. Each team also received investment funding of RM1,500, a further RM1,500 for their school, and an opportunity to learn a new skill with the award-winning social enterprise Batik Boutique.

Through FINCO, Manulife remains committed to long term investment in sustainable and impactful educational initiatives. As well as funding, our volunteers worked alongside teachers to ensure that students obtained the support needed to develop skills both within and beyond the national curriculum.





Giving our Communities a Helping Hand

Raising funds for the underserved

On October 13, employees from all business units gathered at the Manulife Charity Food Bazaar, where all manner of delicacies were sold to raise funds for charity. Held at the mezzanine floor of Menara Manulife, the event saw employees partake in the 3-hour event, which managed to raise over RM5000 in support of Mental Illness Awareness & Support Association (MIASA), an NGO founded by patients that champions for mental health. From the amount raised, in-kind donations in the form of a large freezer and two kitchen cabinets were contributed to MIASA, to help with storing and distributing food to their beneficiaries in the community.







Donating blood to save lives

According to Malaysia's National Blood Bank, Malaysian hospitals make use of 2,000 units of blood every day, with up to 600 units used in the Klang Valley alone. Donation drives, including mobile collection services, have been established to stress the importance of blood donation. Even a single pint can save up to three lives, with blood transfusions used to treat a wide range of circumstances such as leukaemia, cancer, anaemia, and blood disorders.

Together with the Life Insurance Association of Malaysia (LIAM), and in collaboration with the National Blood Bank, Manulife returned to organising its very own blood donation drive this year within the confines of its headquarters, Menara Manulife. Held over half the day, a total of 42 employees from Manulife lined up to selflessly donate blood. We are extremely proud to have positively contributed towards this 2 monthlong nationwide campaign, which saw all of LIAM's member organisations involved in planning and executing blood drives in more than 40 locations across the country.







Paying it forward through acts of kindness

Capping off another challenging year for individuals, families and communities around the world, Manulife employees were extended the privilege of spreading kindness in a way that is meaningful to them.

The Manulife Act of Kindness initiative returned for the third year running, presenting every one of its 37,000 employees globally with a cash grant amounting to approximately RM160 to perform an act of kindness in their community during the holiday season. At Manulife, we believe our prosperity is synonymously linked to the communities we serve, and by "paying it forward", we can do our part in making the world a better place for all.

In Malaysia, the impact was immediate as our employees made their random acts of kindness, which translated to making our communities' every day better. Whilst some individuals made monetary or in-kind contributions to charities, others pooled together to make a larger donation towards causes of their choosing. *Sharing our Humanity* is a fundamental component of our core values. It represents an avenue for our employees to showcase their humility and compassion, in order to enrich our local community.

Season of Giving

Kindness Impacts



Giving Impacts

Corporate Governance Overview Statement



This Corporate Governance Overview Statement ("CG Statement") provides an overview of the application of the three (3) principles set out in the Malaysian Code on Corporate Governance ("MCCG") by Manulife Holdings Berhad ("MHB" or the "Company") for the financial year ended 31 December 2022.

The MCCG sets out broad principles and specific recommendations on structures and processes which companies may adopt in making good corporate governance as an integral part of business dealings and culture. Unless otherwise stated in the CG Statement, the Board of Directors of the Company ("Board") has adopted the recommendations of the MCCG.

As an investment holding company with financial services subsidiaries, the corporate governance model of MHB has been built and enhanced based on the requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") Main Market Listing Requirements ("Listing Requirements"), the Corporate Governance Code issued by Bank Negara Malaysia, the MCCG, and international best practices and standards.

The Board is committed to observing and upholding the highest standards of corporate governance by ensuring the principles and recommendations in the MCCG are established, adopted and practised throughout the Company and its subsidiaries (the "Group") as a fundamental part of discharging its responsibilities to maximise shareholders' value, at the same time protecting shareholders' interest.

THE BOARD

The Board believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity and maintaining investors' confidence towards achieving the Group's corporate objectives and vision.

The Board is the ultimate decision-making body of the Company, with the exception of matters requiring shareholders' approval. It sets the strategic direction and vision of the Company, ensuring that the necessary resources are in place to support long-term value creation. The Board takes full responsibility for leading, governing, guiding and monitoring the entire performance of the Company and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively.

In particular, the Board assumes the following responsibilities to facilitate the Board in discharging its fiduciary duty and leadership functions:-

- 1. Reviewing and adopting a strategic plan for the Company.
- 2. Overseeing the conduct of the Company's business to determine whether the business is being properly managed.
- 3. Identifying principal risks, setting of risk appetites, and ensuring the implementation of appropriate internal controls and mitigation measures.
- 4. Succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and programmes are in place to provide for the orderly succession of senior management.
- 5. Overseeing the development and implementation of shareholder communications policy for the Company.
- 6. Reviewing the adequacy and integrity of the Company's management information and internal control systems.

Further to the above, the Board is committed to enhancing the Group's sustainability governance and is in the midst of developing the Company's sustainability strategy, priorities and targets in accordance with its inaugural stakeholder engagement and materiality assessment (SEMA) and the Global Impact Agenda. The Company will be engaging with other key stakeholders to gain a holistic view of the Company's key matters, with the aim to ensure optimum understanding and management of the Company's sustainability risks and opportunities.

An effective Board leads and controls the Company. Board meetings are held at least once a quarter, with additional meetings convened as necessary. All Board members bring an independent judgement to bear on issues of strategic planning, which includes strategies on economic, environmental and social considerations underpinning sustainability, performance, resources and standards of conduct. Presently, three (3) out of five (5) Directors are Independent Non-Executive Directors.

For the financial year ended 31 December 2022, five (5) Board meetings were held and the attendance of each Director is recorded in the Directors' profile section. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Corporate Governance Overview Statement

THE BOARD (CONTINUED)

Apart from the aforesaid responsibilities, the Board has also delegated specific responsibilities to three (3) Board Committees, namely, the Group Audit Committee, the Group Risk Management Committee and the Group Nominating/Remuneration Committee. The terms of reference of the Board Committees clearly define the duties and obligations of the Board Committees in assisting and supporting the Board. While the Board Committees have the authority to examine specific issues, they will report to the Board with their decisions and/or recommendations and the ultimate responsibility for making decisions in the best interest of the Company lies with the entire Board.

The Board is fully aware of having the same person assuming the positions of Chairman of the Board and Group Nominating/Remuneration Committee would give rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Group Nominating/Remuneration Committee. As such, the Chairman of the Board, Dato' Dr. Zaha Rina binti Zahari will resign as the Chairman and member of the Group Nominating/Remuneration Committee on 1 April 2023. She will be succeeded by Mr. Renzo Christopher Viegas who will be redesignated as the Chairman of the Group Nominating/Remuneration Committee on 1 April 2023. During Dato' Dr. Zaha Rina binti Zahari's tenure as the Chairman and member of the Group Nominating/Remuneration Committee, Dato' Dr. Zaha Rina binti Zahari has observed a high level of governance and abstained from all deliberations and voting for matters she has an interest in to ensure that there is a proper check and balance as well as objective review by the Board.

In order to facilitate the Board effectiveness, self-evaluations are completed on an annual basis with findings presented to the Group Nominating/Remuneration Committee meeting to address pertinent issues such as leadership, review of existing processes and performance of the Board and Board Committees.

The Board is supported by two (2) Company Secretaries in the discharge of its functions. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislation. The Company Secretaries also ensure that deliberations at the Board and Board Committees meetings are well captured and minuted, and subsequently communicated to Management for necessary action. The Board is updated by the Company Secretaries on the follow-up or implementation of its decisions/recommendations by Management till their closure. All Directors have access to the advice and services of the Company Secretaries.

Board Responsibilities

The Board has overall responsibility for putting in place a framework of good corporate governance within the Company, including the processes for financial reporting, risk management and compliance. Board members bring their independent judgement, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct. The overall principal responsibilities of the Board are as follows:-

- 1. Providing clear objectives and policies within which the senior management of the Company is to operate.
- 2. Ensuring that there are adequate controls and systems in place to facilitate the implementation of the Company's policies.
- 3. Monitoring Management's success in implementing the approved strategies, plans and budget within the approved risk appetites.
- 4. Understanding the principal risks of all aspects of the businesses in which the Group is engaged in, setting of risk appetites, and ensuring that systems are in place to effectively monitor and manage these risks with a view to the long-term viability and success of the Group.
- 5. Monitoring and assessing development which may affect the Group's strategic plans.
- 6. Reviewing the adequacy and the integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
- 7. Avoiding conflicts of interest and ensuring appropriate disclosure of possible conflicts of interest.
- 8. Upholding and observing relevant laws, rules and regulations.



THE BOARD (CONTINUED)

The Board has adopted a schedule of matters specifically reserved for its approval which include, among others, reviewing and approving the following:-

- (i) Strategic/business plans and annual budget.
- (ii) New investments, divestments, mergers and acquisitions and corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad.
- (iii) Acquisition and disposal of significant assets of the Company.
- (iv) Annual financial statements and the quarterly financial results prior to release to Bursa Malaysia Securities.
- (v) Appointment of new Directors, Chief Executive Officer ("CEO") and members of senior management of the Company based on recommendations of the Group Nominating/Remuneration Committee.
- (vi) Related party transactions and capital financing.

Foster Commitment

The Directors are able to devote sufficient time commitment to their role and responsibilities as Directors of the Company. All Directors attended at least 50% of all Board and Board Committees meetings in year 2022. The quorum of all Board meetings was met with attendance of not less than two (2) Directors present for all purposes.

Meeting Attendance

There were five (5) Board Meetings held during the financial year ended 31 December 2022. The details of the attendance of the Directors are as follows:-

Name of Directors	Attendance
Dato' Dr. Zaha Rina binti Zahari	5/5
Mrs. Vijayam A/P Nadarajah	5/5
Mr. Matthew Edward Lawrence	5/5
Ms. Vibha Hamsi Coburn	5/5
Mr. Renzo Christopher Viegas	5/5

This is also evidenced by the attendance record for the financial year ended 31 December 2022 as set out under the Directors' Profile on pages 12 to 14 of this Annual Report.

BOARDROOM DIVERSITY

The Board at all times promotes and welcomes diversity and gender mix in its composition and gives due recognition to the financial, technical and business experience of the Directors. The Board believes the presence of diverse nationalities and gender mix on the Board can widen the Board's perspectives in effectively discharging its duties and responsibilities as well as aid the Board in its decision-making process.

The Board aspires at all times to achieve the right balance in terms of gender and skills mix that best serves the needs of the Group and its shareholders. As at 31 December 2022, three out of five (60%) of the Directors are women Directors.

Corporate Governance Overview Statement

GROUP AUDIT COMMITTEE

The Group Audit Committee has three (3) members, comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Group Audit Committee Report for the financial year under review can be found on pages 88 to 90 of this Annual Report.

Members

- Mr. Renzo Christopher Viegas
 Chairman/Independent Non-Executive Director
- Mrs. Vijayam A/P Nadarajah Member/Independent Non-Executive Director
- Mr. Matthew Edward Lawrence Member/Non-Independent Non-Executive Director

Terms of Reference

The terms of reference of the Group Audit Committee is published in the Company's website at http://www.manulife.com.my.

Meeting Attendance

The attendance of the Group Audit Committee's members for the financial year ended 31 December 2022 is set out under the Group Audit Committee Report on page 88 of this Annual Report.

GROUP RISK MANAGEMENT COMMITTEE

The Group Risk Management Committee has three (3) members, comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Group Risk Management Committee is responsible for:-

- 1. Reviewing and recommending risk management strategies, policies and risk tolerance for the Board's approval;
- 2. Reviewing and assessing the adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks as well as the extent to which these are operating effectively;
- 3. Ensuring adequate infrastructure, resources and systems are in place for effective risk management i.e., ensuring that staff who are responsible for implementing risk management systems, performs these duties independently of the Group's risk-taking activities;
- 4. Reviewing Management's periodic reports on risk exposure, risk portfolio composition and risk management activities. Through the Group Risk Management Committee, the Board oversees the Enterprise Risk Management Framework of the Group; and
- 5. Assist and advise the Board on areas of high risks faced by the Group and the adequacy of compliance and control throughout the organisation. The Group Risk Management Committee reviews the risk management policies formulated by Management and makes relevant recommendations to the Board for approval.

Members

- Mrs. Vijayam A/P Nadarajah
 Chairman/Independent Non-Executive Director
- Mr. Matthew Edward Lawrence Member/Non-Independent Non-Executive Director
- Mr. Renzo Christopher Viegas Member/Independent Non-Executive Director

Terms of Reference

The terms of reference of the Group Risk Management Committee is published in the Company's website at http://www.manulife.com.my.



GROUP RISK MANAGEMENT COMMITTEE (CONTINUED)

Meeting Attendance

The attendance of the Group Risk Management Committee's members for the financial year ended 31 December 2022 are as follows:-

Name of Directors	Attendance
Mrs. Vijayam A/P Nadarajah	4 out of 4
Mr. Matthew Edward Lawrence	4 out of 4
Mr. Renzo Christopher Viegas	4 out of 4

GROUP NOMINATING/REMUNERATION COMMITTEE

The Group Nominating/Remuneration Committee has four (4) members, comprising three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

Members

- Dato' Dr. Zaha Rina binti Zahari (to resign w.e.f. 1 April 2023)
 Chairman/Independent Non-Executive Director
- 2. Mr. Renzo Christopher Viegas (to be redesignated as Chairman w.e.f. 1 April 2023) Member/Independent Non-Executive Director
- 3. Mrs. Vijayam A/P Nadarajah Member/Independent Non-Executive Director
- 4. Mr. Matthew Edward Lawrence
 Member/Non-Independent Non-Executive Director

Terms of Reference

The terms of reference of the Group Nominating/Remuneration Committee is published in the Company's website at http://www.manulife.com.my.

Meeting Attendance

The attendance of the Group Nominating/Remuneration Committee's members for the financial year ended 31 December 2022 are as follows:-

Name of Directors	Attendance
Dato' Dr. Zaha Rina binti Zahari	6 out of 6
Mr. Renzo Christopher Viegas	6 out of 6
Mrs. Vijayam A/P Nadarajah	6 out of 6
Mr. Matthew Edward Lawrence	6 out of 6

For the financial year ended 31 December 2022, the Group Nominating/Remuneration Committee has undertaken the following activities:-

- (i) Reviewed the annual performance bonus and increment for the staff of MHB and its subsidiaries (except for Manulife Insurance Berhad ("MIB"));
- (ii) Reviewed the performance of the Board as a whole and Board Committees including Group Audit Committee;
- (iii) Reviewed the performance of key senior officers of MHB and/or its subsidiaries;
- (iv) Reviewed the succession plan for senior management of MHB and its subsidiaries (except for MIB);
- (v) Reviewed the term of office and performance of the Group Audit Committee and its members;
- (vi) Reviewed and recommended the re-election of the Directors who are due to retire by rotation at the Forty-Sixth Annual General Meeting ("AGM") of the Company; and
- (vii) Reviewed the training programmes (and budget) to be attended by the Board.

Corporate Governance Overview Statement

VARIOUS MANAGEMENT COMMITTEES

Aside from the Board Committees mentioned above, the Company also established various Management Committees to assist the Management. The key Management Committees are the Executive Management Team, Senior Management Team, Asset and Liability Management Committee, Investment Committee, IT Steering Committee, Enterprise Risk Management Committee and Business Continuity Management Committee.

BOARD BALANCE, DUTIES AND RESPONSIBILITIES

Board Composition

The Company's Constitution specifies that the number of Directors shall not be less than five (5) and not more than ten (10). The Board has the authority as governed under the Constitution of the Company to appoint a Director to fill a casual vacancy or as an additional Director. In addition, the Board should comprise at least two (2) Independent Non-Executive Directors or at least one-third (1/3) of the Board should be Independent Non-Executive Directors, whichever is the higher. The Board Charter also specifies that the Chairman must be a non-executive member of the Board; and in the event the Chairman is not an Independent Non-Executive Director, a majority of the Board should comprise Independent Non-Executive Directors to ensure a balance of power and authority on the Board.

The Board currently has five (5) members, comprising three (3) Independent Non-Executive Directors (including the Chairman), a Non-Independent Non-Executive Director and an Executive Director. Together, the Directors bring with them a wealth of experience, and the required mix of skills and core competencies which are necessary to enable the Company to achieve its corporate objectives and fulfil all its fiduciary duties.

Chairman

There is a clear division of responsibility between the Chairman and the Group CEO to ensure that there is a balance of power and authority. The Chairman who is an Independent Non-Executive Director is responsible for the leadership and management of the Board and ensuring the Board and its Committees function effectively while at the same time observing a high level of corporate governance. The Chairman assumes the formal role of a leader and chairs all Board meetings, leads discussions among Directors, allowing dissenting views to be expressed freely and provides leadership to the Board in its oversight of Management.

The Chairman facilitates the flow of information between Management and the Board, and in consultation with Management, sets the agenda for each Board meeting. The Chairman also plays a crucial role in ensuring appropriate steps are taken to provide effective communication with stakeholders of the Company.

Other key roles of the Chairman are to ensure, among others:-

- 1. Smooth functioning of the Board, the governance structure and inculcating positive culture in the Board;
- 2. Guidelines and procedures are in place to govern the Board's operations and conduct;
- 3. All relevant issues are on agenda for Board meeting and all Directors are able to participate in the Board activities;
- 4. The Board debates strategic and critical issues;
- 5. The Board receives the necessary information on a timely basis from Management;
- 6. Avenues are provided for all Directors to participate openly in the discussion;
- 7. He/she provides leadership to the Board and is responsible for the developmental needs of the Board; and
- 8. Leads the Board in oversight of Management.

Dato' Dr. Zaha Rina binti Zahari is the Chairman of the Board and an Independent Non-Executive Director to whom matters concerning the Company may be conveyed.



BOARD BALANCE, DUTIES AND RESPONSIBILITIES (CONTINUED)

Group Chief Executive Officer

The Group CEO assumes the overall responsibility for the implementation of the Group's strategy, carrying out the Board's directions, managing the businesses of the Group, driving performance within strategic goals and commercial objectives and ensuring business sustainability. The Group CEO heads the Executive Management Committee, the highest Management Committee in the Group and leads the Management team in carrying out the corporate strategy and vision of the Group. As Group CEO, she is also accountable to the Board for the day-to-day management and operations of the Group's businesses.

The key roles of the Group CEO include, among others:-

- (i) Developing strategic direction;
- (ii) Ensuring strategies and corporate policies are effectively implemented;
- (iii) Ensuring Board's decisions are implemented and Board's directions are responded to;
- (iv) Providing directions in the implementation of short and long-term business plans;
- (v) Providing strong leadership, that is, effectively communicating a vision, management philosophy and business strategy to the employees;
- (vi) Keeping the Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is disseminated to Board members;
- (vii) Ensuring the day-to-day business affairs of the Group are effectively managed; and
- (viii)Together with the Board sets objectives, visions, targets and strategic direction of the Group.

Non-Executive Directors

The Independent Non-Executive Directors fulfill a pivotal role in corporate accountability by providing an independent and unbiased views, advice and judgement to ensure a balanced and unbiased decision-making process and that the long-term interest of all stakeholders and the community are well protected. The Non-Executive Directors are to deliberate and discuss policies and strategies formulated and proposed by Management with the view of the long-term interest of all stakeholders. They contribute to the formulation of policies and decision-making using their expertise and experience at the same time providing guidance and promoting professionalism to Management.

There is also a balance in the Board with the presence of Independent Non-Executive Directors of the necessary calibre to carry sufficient weight in the Board's decisions. Although all the Directors share equal responsibility for the Company's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by Management are fully discussed and examined objectively, and took into consideration the long-term interests, not only the shareholders but also of the customers, employees, suppliers and the communities in which the Company conducts its businesses.

Whilst the Company has a majority shareholder, the interests of minority shareholders are fairly reflected through the Board's representation.

CODE OF BUSINESS CONDUCT AND ETHICS

The Company's Code of Business Conduct and Ethics governs the standards of ethics and good conduct expected of its Directors and employees respectively. The Code of Business Conduct and Ethics provides standards for ethical behaviour when representing the Company to the public and performing services for and on behalf of the Company. In addition to an annual review and certification, Directors and employees are required to complete a training module of the Code of Business Conduct and Ethics annually.

The Code of Business Conduct and Ethics provides for the reporting of unethical, unprofessional, illegal, fraudulent or other questionable behaviour by way of calling or writing to Ethics Point, an independent third-party ethics hotline service that provides employees with phone and web-based communications tools to confidentially report suspected unethical, unprofessional, illegal or fraudulent activity conducted by others associated with the Company. Anyone reporting concerns about potential or suspected illegal, unprofessional, fraudulent or other unethical behaviour may remain anonymous if he or she so chooses. The Company does not permit retaliation of any kind for good faith reports of illegal or unethical behaviour.

Corporate Governance Overview Statement

CODE OF BUSINESS CONDUCT AND ETHICS (CONTINUED)

In order to achieve its commitment to conduct its business ethically in accordance with the Company's Code of Business Conduct and Ethics and in compliance with the Malaysian Anti-Corruption Commission Act 2009, the Group adopts a zero-tolerance approach against all forms of bribery and corruption. The Group has put in place an Anti-Bribery and Corruption Framework ("ABC Framework") that shall serve to demonstrate the Group's procedures and controls to prevent its directors, officers and employees from undertaking such conduct stipulated under Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The ABC Framework applies to all business dealings involving the Group. It also applies to all directors, officers and employees as well as persons associated with the Group*.

*Persons associated with Manulife Malaysia includes consultants, suppliers, contracts, trainees, agents and sponsors. It includes any person "who performs services for or on behalf of the commercial organisation" – Section 17A(6) of the Malaysian Anti-Corruption Commission Act 2009.

The Company's policy on whistle blowing is enshrined in the Code of Business Conduct and Ethics. Concerns on unethical, unprofessional, illegal, fraudulent or other questionable behaviour may be reported, anonymously or not, without fear of retaliation. The Company absolutely prohibits retaliation of any kind for good faith reports of illegal or unethical behaviour. The Code of Business Conduct and Ethics, ABC Framework and Whistle Blowing Statement are published in the Company's website at http://www.manulife.com.my.

SUPPLY OF INFORMATION

All Directors are provided with the agenda and Board reports within a reasonable time prior to a Board meeting. This is to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

Management provides the Board and Board Committees with information in a form, within an acceptable timeframe and quality which enables them to discharge their duties and responsibilities effectively. Directors are entitled to request and receive additional information they consider necessary in order to make informed decisions, which includes the following:-

- 1. Obtaining full and unrestricted access to any information pertaining to the Company and its subsidiaries;
- 2. Obtaining full and unrestricted access to the advice and services of the Company Secretaries; and
- 3. Obtaining professional independent advice, at the Company's expense.

BOARD APPOINTMENTS AND SUCCESSION PLANNING OF KEY SENIOR MANAGEMENT

The policies and procedures for recruitment and appointment of Directors are set out in the Nomination Process for Board of Directors as approved by the Board.

The Group Nominating/Remuneration Committee identifies and nominates suitable candidates for appointment to the Board for approval, either to fill vacancies or as an addition to meet the changing needs of the Group. The Group Nominating/Remuneration Committee undertakes a thorough and comprehensive evaluation of the candidate. The Group Nominating/Remuneration Committee also takes into account the Group's businesses and matches the capabilities and contributions expected for a particular appointment. In addition, the Fit and Proper Policy also outlines the following criteria for assessment of the suitability of the candidate for appointment:-

- (i) Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness;
- (ii) Competence and capability, where the candidate must have the skills, working experience, capability and commitment necessary to carry out the role; and
- (iii) Financial integrity, where the candidate must manage his/her debts or financial affairs prudently.

The Directors are also assessed in accordance with the procedures set out in the Board Manual.

The Company's Constitution requires all Directors to submit themselves for re-election by shareholders at the AGM of the Company at least once every three (3) years.

The Group Nominating/Remuneration Committee also oversees the succession planning of key senior management across the Group with a view to build and maintain senior leadership bench strength. Diversity at the key senior management level is also taken into consideration.



BOARD CHARTER

A Board Charter was formalised and adopted by the Board on 21 November 2013 and is being reviewed from time to time to ensure that it remains not only consistent with the corporate governance standards but also relevant to the Board's objectives and responsibilities. The Board Charter not only sets out the roles and responsibilities of the Board in accordance with applicable rules and regulations but also provides a clear delineation of the duties of the Chairman and individual Directors. The Board Charter aims to promote ethical behaviour among the members and firmly inculcate good governance in the Board's undertakings.

The Board Charter is published in the Company's website at http://www.manulife.com.my.

DIRECTORS' TRAINING

The Directors have participated in conferences, seminars and training programmes to keep abreast with the development in the business environment, financial sector issues and challenges, sustainability issues as well as the new regulatory and statutory requirements.

During the financial year under review, the Directors attended the following training, conference, seminar or forum:

Name of Director

Training/Conference/Seminar/Forum Attended

Dato' Dr. Zaha Rina binti Zahari

Prevention of Financial Crime and Market Misconduct under Capital Markets and Services Act 2007 hosted/organised by CHK Consultancy Sdn. Bhd.

Environment, Social and Governance ("ESG"), Stakeholder Capitalism and Sustainable and Responsible Investment (SRI) hosted/organised by CHK Consultancy Sdn. Bhd.

MIDF Green Conference 2022 Virtual Event with YB Dato' Sri Mustapa Mohamed (Minister in Prime Minister's Department – Economy) hosted/organised by Malaysian Industrial Development Finance Berhad (MIDF)

Offshore Technology Conference ("OTC") Asia 2022 hosted/organised by OTC

Exploring a Low Emission Pathway for Malaysia hosted/organised by Kuala Lumpur Business Club – Climate Governance Malaysia (CGM) in collaboration with CEO Action Network (CAN)

Islamic Finance for Board of Directors Programme hosted/organised by ISRA Consulting at International Centre for Education In Islamic Finance (INCEIF)

Climate Risk Impacts on the Insurance Industry and ESG Investing in Asset Management hosted/organised by Ernst & Young

Engagement session with Board Members of General Insurers and Takaful Operators on Motor Claims Reforms hosted/organised by FIDE Forum

CGM Conversations with Chairmen: A Standing Item in Board Agendas hosted/organised by FIDE Forum

ESG and Climate Risk Impacts on the Insurance Industry

Pre-Budget 2023 Dialogue with YB Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Finance hosted/organised by Kuala Lumpur Business Club

Dialogue with Hon Lawrence Wong - Singapore Deputy Prime Minister and Minister of Finance: Global Headwinds: A Singapore Perspective hosted/organised by Kuala Lumpur Business Club

Malaysian Banking Conference 2022 - Banking on Change: Turning the ESG Momentum into Action hosted/organised by The Asian Institute of Chartered Bankers (AICB) and The Association of Banks in Malaysia (ABM)

Bursa - Voluntary Carbon Market (VCM) Exchange hosted/organised by Bursa Malaysia Securities

Virtual Invest Malaysia KL Series 2: The Road to Electric Vehicles hosted/organised Bursa Malaysia Securities

Singapore Global Restructuring Initiative Inaugural Conference 2022

Audit Oversight Board's Conversation with Audit Committees hosted/organised by Securities Commission of Malaysia

Virtual Awareness Programme: Anti-Bribery Management System – A tool for Adequate Procedures hosted/organised by Bursa Malaysia Securities

DBA Online Info Session and Research Talk: Self Control in the Face of Multiple Projects by Prof. Qing Ling hosted/organised by HKUST Business School

Corporate Governance Overview Statement

DIRECTORS' TRAINING (CONTINUED)

Name of Director	Training/Conference/Seminar/Forum Attended
Mrs. Vijayam A/P Nadarajah	BNM-FIDE FORUM Dialogue: Licensing Framework for Digital Insurers and Takaful Operators hosted/organised by FIDE Forum
	BNM-FIDE FORUM Dialogue: Climate Risk Management and Scenario Analysis hosted/organised by FIDE Forum
	MetaFinance: The Next Frontier of the Global Economy hosted/organised by Perbadanan Insurans Deposit Malaysia and FIDE Forum
	PIDM Industry Forum 2022 co-organised by FIDE FORUM
	Board Effectiveness Evaluation - Post-launch Workshop (Session 2) hosted/organised by FIDE Forum
Mr. Matthew Edward Lawrence	Climate Risk Impacts on the Insurance Industry and ESG Investing in Asset Management hosted/organised by Ernst & Young
	TCFD102 Climate Disclosure Training Programme hosted/organised by Bursa Malaysia Securities
	TCFD101 Climate Disclosure Training Programme hosted/organised by Bursa Malaysia Securities
Ms. Vibha Hamsi Coburn	Climate Risk Impacts on the Insurance Industry and ESG Investing in Asset Management hosted/organised by Ernst & Young
	Forum: Insurance Industry Outlook 2022 and Beyond hosted/organised by The Malaysian Insurance Institute
	Opportunities in ESG and Sustainable Finance in ASEAN held jointly with Manulife in partnership with the Government of Canada and supported by the 7 Canadian Chambers of Commerce and Business Councils in ASEAN
Mr. Renzo Christopher Viegas	BNM-FIDE FORUM Dialogue: Licensing Framework for Digital Insurers and Takaful Operators hosted/organised by FIDE Forum
	Diplomacy and energy transition hosted/organised by Malaysia Chapter of The Institute of Chartered Accountants of India
	Diversity, equity and inclusion: Elevating Investibility hosted/organised by 30% Club
	TCFD Climate Disclosure Training Programme (Complimentary CPD-Certified programme provided by United Nations Sustainable Stock Exchanges Initiative, International Finance Corporation and Carbon Disclosure Project Worldwide in collaboration with Bursa Malaysia Securities
	Board Meeting Challenges and Management hosted/organised by Malaysia Chapter of The Institute of Chartered Accountants of India
	Navigating through the evolution of Corporate Governance with the introduction of Tax Corporate Governance Framework (TCGF) hosted/organised by KPMG Board Leadership Center Exclusive
	Climate Risk Impacts on the Insurance Industry and ESG Investing in Asset Management hosted/organised by Ernst & Young

Recognising the increasing importance of ESG considerations to the Group's performance and long-term sustainability, ESG has been embedded as part of the Board and Management's development planning.

The Board will continue to undergo other relevant training programmes and seminars to ensure that they remain well-equipped with the relevant knowledge as well as emergent strategic directions and ideas to discharge their duties effectively.



DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

The remuneration of the Directors for the financial year ended 31 December 2022 is set out below:-

					Benefits-in-	Other	
	Fees (RM'000)	Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	kind (RM'000)	emoluments (RM'000)	Total (RM'000)
	(1111 000)	(1111 000)	(1111 000)	(1111 000)	(1111 000)	(1111000)	(1111 000)
COMPANY							
Executive							
Ms. Vibha Hamsi Coburn	-	48	558	353	-	205	1,164
Non-Executive							
Dato' Dr. Zaha Rina Binti Zahari	129	-	-	-	-	-	129
Mrs. Vijayam A/P Nadarajah	97	-	-	-	-	-	97
Mr. Matthew Edward Lawrence	74	-	-	-	-	-	74
Mr. Renzo Christopher Viegas	97	-	-	-	-	-	97
GROUP							
Executive							
Ms. Vibha Hamsi Coburn	-	239	2,789	1,765	-	1,026	5,819
Non-Executive							
Dato' Dr. Zaha Rina Binti Zahari	209	-	-	-	-	-	209
Mrs. Vijayam A/P Nadarajah	198	-	-	-	-	-	198
Mr. Matthew Edward Lawrence	74	-	-	-	-	-	74
Mr. Renzo Christopher Viegas	198	-	-	-	-	-	198

The level of remuneration of the Directors is linked to their level of responsibilities and contributions to the overall effective functioning of the Board. The remuneration of the Board is reviewed annually by the Group Nominating/Remuneration Committee.

The Board has in place policies and procedures to determine the remuneration of its Directors as well as its senior management that take into account the demands, complexities and performance of the Group as well as skills and experience required, and these are periodically reviewed. An explanation of the principles and practice of remuneration is available on the Company's website at http://www.manulife.com.my, and the Board deems this explanation is sufficient disclosure of the Group's policies and procedures.

The Board has further deliberated and taken the decision not to disclose its senior management's remuneration as it deems disclosing this sensitive information will put the Group at a competitive disadvantage.

DIRECTORS' INDEPENDENCE

The Board has initiated an annual assessment on the independence of each of the Independent Non-Executive Directors via the Declaration of Compliance to be made and completed by all Independent Non-Executive Directors based on a set of criteria as per the Companies Act 2016 and Practice Note 13 of the Listing Requirements and adopted by the Group Nominating/Remuneration Committee. The same assessment criteria would be used whenever new Independent Non-Executive Directors are appointed to the Board.

In line with amendment to the definition of independent directors in the Listing Requirements with effect from 1 June 2023, the tenure of service of Independent Non-Executive Directors is capped at the maximum limit of twelve (12) years.

As guided by Practice 5.3 of the MCCG, an Independent Non-Executive Director who has served the Company for nine (9) years may, subject to the Group Nominating/Remuneration Committee's and the Board's recommendation and shareholders' approval, continue to serve the Company in the capacity of Independent Non-Executive Director. The Group Nominating/Remuneration Committee and the Board have assessed the independence of Dato' Dr. Zaha Rina binti Zahari who has served as an Independent Non-Executive Director for more than nine (9) years and recommended the retention of Dato' Dr. Zaha Rina binti Zahari as an Independent Non-Executive Director to the shareholders for approval at the forthcoming Forty-Seventh AGM of the Company.

Corporate Governance Overview Statement

SHAREHOLDERS' COMMUNICATIONS AND INVESTOR RELATIONS POLICY

The Board believes in clear and timely communication with its shareholders. In addition to the various announcements and press releases made during the financial year under review, the Annual Report and the quarterly financial results provide shareholders and the general public with an overview of the Group's business activities and performance.

The Company has been using the AGM as a means of communication with its shareholders. The Forty-Sixth AGM of the Company was held on a virtual basis. Nevertheless, the Board encourages participation from shareholders by having question and answer sessions during the AGM of the Company where members of the Board as well as Management and the external auditors are available remotely to answer questions raised at the AGM of the Company on a real-time basis with the required infrastructure, tools and technology put in place. All resolutions are put to vote on a poll as per the Listing Requirements.

A copy of the Minutes of the Forty-Sixth AGM was published in the Company's website at https://www.manulife.com.my/en/individual/about-us/investor-relations.html.

In addition to the AGM of the Company, the Company also expeditiously addresses enquiries from shareholders from time to time.

The Group has established a website at www.manulife.com.my which shareholders can access for information.

The Company advocates the principle of confidentiality in its Code of Business Conduct and Ethics to ensure that confidential information is properly handled by Directors and employees to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced to Bursa Malaysia Securities immediately.

CORPORATE DISCLOSURE

The Board maintains strict confidentiality and employs best efforts to ensure that no disclosure of material information is made selectively to any individual. The Board is advised by Management, the Company Secretaries and the external and internal auditors on the contents and timing of disclosure requirements of the Listing Requirements on the financial results and various announcements.

FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcements to shareholders, the Board aims to present a balanced and understandable assessment of the Group's position and prospects. This also applies to reports to regulators.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board is required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Board has:-

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence in the foreseeable future.

The Board has the responsibility for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016.

The Board has overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.



RELATIONSHIP WITH AUDITORS

The Group Audit Committee meeting held in February 2023 undertook an annual assessment of the suitability and independence of the external auditors. In its assessment, the Group Audit Committee considered several factors, which included the adequacy of experience and resources of the firm and the professional staff assigned to the audit, the independence of Ernst & Young PLT ("EY") and the level of non-audit services to be rendered by EY to the Company for the financial year 2022. Being satisfied with EY's performance, technical competency and audit independence, the Group Audit Committee recommended the re-appointment of EY as external auditors for the financial year ending 31 December 2023. The Board at its meeting held in February 2023 approved the Group Audit Committee's recommendation for the shareholders' approval to be sought at the Forty-Seventh AGM of the Company on the re-appointment of EY as external auditors of the Company for the financial year 2023.

The Group Audit Committee meets with the external auditors at least twice (2) a year to discuss their audit plan, audit findings and the Company's financial statements without the presence of any Executive Director or member of the Management team.

The Board has always been transparent with its relationship with the Group's external auditors. Provision of non-audit services by the Group's external auditors shall be reviewed and approved by the Group Audit Committee and such a decision made shall be documented in a statement which outlines the Group's Audit Committee's view that the level of provision of non-audit services provided by the Group's external auditors would not at any time impair the independence of the Group's external auditors. The Group Audit Committee also monitors the independence and qualification of external auditors and obtains written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

RECOGNISE AND MANAGE RISK

The Statement on Risk Management and Internal Control, set out on pages 78 to 81 of the Annual Report provides an overview of the management of risks and the state of internal controls within the Group.

INTERNAL AUDIT FUNCTION

The Internal Audit department carries out the internal audit function and reports directly to the Group Audit Committee. The details of the internal audit function are set out on page 90 of the Annual Report.

CORPORATE GOVERNANCE REPORT

This Report is published in the Company's website at http://www.manulife.com.my.

This CG Statement is in accordance with a resolution of the Board dated 31 March 2023.

Statement on Risk Management and Internal Control

for the Year 2022

BOARD'S RESPONSIBILITY

The Board of Directors (the "Board") affirms its overall responsibility for Manulife Holdings Berhad ("MHB" or the "Company") and its subsidiary companies' (the "Group") system of internal controls and risk management practices, and for reviewing the adequacy and integrity of these systems. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and, accordingly, they can only provide reasonable, and not absolute assurance against material misstatement or loss.

The Group adopts an enterprise risk management ("**ERM**") framework whereby enterprise risk-taking activities are undertaken with the understanding that risk-taking and effective risk management are necessary and integral to achieve strategic objectives and manage business operations to support long-term revenue, earnings and shareholders' value growth.

To this end, the Enterprise Risk Policy of the Group (the "Policy") governs all risk-taking and risk management activities in the Group, including risk appetite, risk management accountabilities and risk-taking authorities, risk identification, risk measurement and assessment, risk monitoring and reporting, and risk control and mitigation. The Policy further facilitates the ongoing process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of the Group's business objectives throughout the year under review and up to the date of the Statement on Risk Management and Internal Control ("Statement"). This process is regularly reviewed by the Board to ascertain adequacy and effectiveness of risk management and internal controls.

Management assists and provides assurance to the Board via the Group Audit Committee ("GRMC") and the Group Risk Management Committee ("GRMC") on the implementation of the policies and procedures on risk management and internal control through the implementation of periodic reporting, which contains sufficient information to satisfy them that the Group is in compliance with its risk management policies by identifying, measuring and evaluating the enterprise risk-taking activities undertaken to achieve the strategic objectives and managing business operations.

KEY INTERNAL CONTROLS AND RISK MANAGEMENT PROCESSES

Enterprise Risk Management Framework

The Group has a strong risk management culture which supports its risk management practices. Overall, the Group's Board of Directors is accountable for the oversight of risk management, and delegates this through a governance framework which is centered on the 3 lines of defense model and that includes risk oversight committees, risk managers, and risk policies and practices.

The Board provides stewardship and Management oversight to ensure that the Management is qualified and competent. Organisational and procedural controls, and policies and procedures for major activities are reviewed, approved, and monitored on a periodic basis.

Senior management directs and oversees the effective management of the Group's institutional operations, which includes developing business objectives, strategies, plans, organisational structure and controls and policies for the Board's review and approval. Senior Management executes and monitors the achievement of the Board approved business objectives, strategies, and plans, the effectiveness of the organisational structure and controls and corporate governance practices, culture, and ethics.

The GRMC meets at least quarterly to review both the key risks identified by Management and plans for the mitigation of these risks. The key risk areas examined are strategic risk, insurance risk, market and liquidity risk, credit risk and operational risk. A formalised risk assessment is conducted quarterly by the respective risk managers, comprising the heads of business units. For the key risks identified, Management action plans are formulated and implemented. The results of the risk assessments are reviewed by the Enterprise Risk Management ("**ERM**") Committee before they are reported to the Board via the GRMC, to ensure that the risk management monitoring is independent.

There is a clearly defined assignment of responsibilities to the Committees of the Board and to Management to provide oversight and governance over the Group's activities. The Board, through its GAC and GRMC, is responsible for overseeing the Group's management of its principal risks. The Group Chief Executive officer ("CEO") is directly accountable to the Board for the Group's risk-taking activities and risk management practices. The Board and GRMC delegate accountability for risk taking and risk management to the Group CEO. The Group CEO, supported by the Risk Officers and ERM establish risk policies, guide risk-taking activity, monitor material risk exposures, and develop strategic risk management priorities, thereby continuously shaping and promoting our risk culture throughout the Group.



Internal Audit Services Function

The Charter for Audit Services – Malaysia ("AS-Malaysia") is subject to review and approval by the GAC annually.

The scope of Audit Services Asia - Malaysia' work encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee and Senior Management on the adequacy and effectiveness of Manulife's governance, risk management and internal control processes. Internal audit assessments include evaluating:

- The comprehensiveness, reliability, and integrity of financial and operating information, and the means used to identify, measure, analyse, classify, and report such information;
- The comprehensiveness and appropriateness of policies and procedures;
- The processes that ensure compliance with policies, procedures, laws, and regulations that could have a significant impact on operations, management or financial reporting;
- The means of safeguarding assets against accident, theft, malicious damage or other improper or illegal activities;
- The appropriateness and comprehensiveness of operating standards, the extent to which they are communicated and
 understood, and whether deviations from standards are identified analyzed and communicated; and corrective action taken;
- Consultation and other services related to audit expertise as needs arise.

The annual audit plan is primarily driven by an independent assessment of inherent risk of the functional units across the Group and includes consideration of external information from industry groups, and input from Management, committee members, regulators and other stakeholders. The objective of the inherent risk assessment exercise is to focus annual activity on the most important risks faced by Manulife while providing appropriate audit coverage over other areas over time. The progress of the internal audit plan, a summary of internal audit issues and the status of corrective actions performed to address the internal audit issues are reported to the GAC when it meets.

The GAC reviews audit issues concerning governance, internal controls, and risk management as identified by AS-Malaysia, external auditors and regulatory examiners. The GAC annually reviews and approves the internal audit plan and budget to ensure the AS-Malaysia's function operates effectively. The GAC meets at least quarterly to review the internal audit reports tabled by AS-Malaysia. Also, the GAC has active oversight on AS-Malaysia's independence and objectivity in relation to their scope of work.

Other Key Internal Controls

There is a detailed and formalised annual business and budget planning process to ensure that the Group's business objectives are clearly defined. The Board reviews and approves the Group's business plans. Comprehensive management reports are submitted to the Board on a quarterly basis. The Board monitors the Group's performance closely and Management promptly follows up on any variances identified.

For Manulife Insurance Berhad,

An annual review of the current and expected future financial position of Manulife Insurance Berhad is performed by the Appointed Actuary ("AA"), as guided by policy document issued by Bank Negara Malaysia namely Financial Condition Report (BNM/RH/PD/03-17) and Risk Based Capital Framework for Insurers (BNM/RH/PD/032-12). These include annual assessment on various aspects of the Company's financial condition, quarterly Capital Adequacy Ratio reporting, annual multi-period stress testing and assessing the Company's ability to withstand various adverse scenarios as part of the capital assessment procedures. Generally, the appointment and duties of the AA is in accordance with Appointed Actuary: "Appointment and Duties" (BNM/RH/STD 029-5).

For Manulife Insurance Labuan Limited,

An annual review of the current and expected future financial position of Manulife Insurance Labuan Limited is performed by the Appointed Actuary ("AA"), as guided by policy document issued by Labuan Financial Services Authority namely 'Guidelines on Valuation Basis for Liabilities of Labuan Life Insurance Business' (the "Guidelines"). Generally, the appointment and duties of the AA is in accordance with Section 7.0 Appointed Actuary Requirements of the Guidelines.

Statement on Risk Management and Internal Control

for the Year 2022

The risk and compliance culture of the Group is driven with a strong tone from the top, complemented by the tone from the middle, to embed the expected values and principles of conduct that shape the behaviour and attitude of staff across the Group. Policies and internal standard operating procedures are clearly defined, consistently communicated and continuously reinforced, to embed a culture that cultivates active identification, assessment and mitigation of risk as part of the responsibility of all staff across the Group. As part of the risk and compliance culture, the Group has instilled a compliance culture where the Board, senior management and every employee of the Group is committed to adhere to the requirement of relevant laws, rules, regulations and regulatory guidelines.

The Board recognises that the compliance function forms an integral part of MHB's risk management and internal control framework. The Compliance Department reports independently to the Board with clear reporting lines to the extent permitted by the regulations. The compliance responsibilities include identifying, assessing and monitoring the compliance risk of the entity and advising the Board, Management and the business and support units on relevant laws and regulations.

As it is vital to have a robust and effective compliance framework in place, MHB has in place a Compliance Policy that is driven by the Compliance Department in managing compliance risk within the business. The Compliance Policy requires all entities within the Group to adopt and implement the compliance policies and procedures which are reviewed on a periodic basis or as and when required to reflect current practices and the applicable regulatory requirements.

Under the 3 lines of defense model, all business and support units are required to review, assess and establish the necessary controls to ensure compliance to applicable laws and regulations. The compliance unit, as part of the second line of defense, will also conduct compliance reviews on business and support units to provide assurance on compliance with regulatory requirements. The respective entity Boards, as well as the MHB's Board, are provided with compliance reports on a regular basis to facilitate the Board's to having a holistic and overall view of all compliance matters across the Group.

There are internal policies and procedures in place in relation to recruitment, rewards and benefits, talent management, succession planning and performance management. Line manager and employee are equipped with various initiatives and programs in helping them grow, upskill and contribute effectively. Talent Management review is conducted on an annual basis through a robust process via a Talent Review committee comprises of the CEO and Executive Management team. Succession planning is reviewed on an annual basis leveraging on outcomes of the annual talent review. Successors to key roles are identified in consultation with Senior Management team. Identified high potentials are reflected in the succession plans depending on the role, growth opportunity, personal aspirations and mobility. Several other key initiatives in helping the Company in building high performing team include deploying series of employee engagement, talent development and enhancement on employee value propositions.

A comprehensive business continuity management programme is established and updated continuously to reflect changes in the operating environment to provide enterprise-wide planning and arrangements of key resources and procedures that enable the Group to respond to and continue to operate mission-critical business functions, while considering all functions across a broad spectrum of interruptions to the business arising from internal and external events. Various business continuity tests are performed on an annual basis and covering alternate site tests, tabletop exercises, MIR3 notifications (call tree tests), disaster recovery tests, etc. Results of the tests performed are presented to the Board via the Risk Report for their review as part of its oversight role.

The Information Risk Management function has in place, an existing risk assessment process that covers cyber security risk. The assessment is guided by policies and standards in place, in areas such as network security, encryption standards (for data at rest and in transit), operational security, application security, vulnerability management and logical access control.

There are clearly documented authority limits, policies and procedures that underpin the internal control process, e.g. staff integrity, staff competency, checks and balances, segregation of duties, independent checks and verification processes, system access controls and layers of internal transaction authorization, which are set out in the policies and procedural manuals, guidelines, and directives issued by the Company and its subsidiaries and updated from time to time.

Risk Policies in Place

The Group's Enterprise Risk Policy sets out the overall ERM framework by defining policies and standards of practice related to risk governance, risk identification, risk measurement, risk monitoring, risk control and mitigation. There are various key risk policies in place to guide specific risk taking and Management activities.



ASSURANCE FROM MANAGEMENT

The Board has received full assurance from the Group CEO and CFO that the Group's risk management and internal control system is operating adequately and effectively, in all material respects, based on the risk management framework adopted by the Group.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS - EY

As required by paragraph 15.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, nor is the Statement factually inaccurate. The external auditors are not required by AAPG 3 to consider, whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk management and control procedures.

CONCLUSION

Based on the above, the Board is of the view that the system of internal control and risk management is in place for the year under review, and up to the date of approval of the Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, the interests of customers, regulators, employees and other stakeholders.

For this financial year under review, there were no material failures or adverse compliance events that have directly resulted in any material loss to the Group.

This Statement was made in accordance with a resolution of the Board of Directors dated 22 February 2023.

Additional Compliance Information

1. AUDIT FEES AND NON-STATUTORY AUDIT FEES

The audit fees and non-statutory audit fees for the Group and the Company paid to Ernst & Young PLT, the External Auditors and its affiliated companies for the financial year ended 31 December 2022 are as follows:-

Services	Company (RM'000)	Group (RM'000)
Audit Fees	95	671
Non-statutory audit-related services	57	102
Total	152	773

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and Major Shareholders' interests which are still subsisting as at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

At the Forty-Sixth Annual General Meeting ("AGM") of the Company held on 10 June 2022, the Company had obtained the shareholders' mandate to allow the Company and its subsidiaries ("Group") to enter into RRPTs ("Shareholders' Mandate").

In accordance with Section 3.1.5 of Practice Note No. 12 of Bursa Malaysia Securities Berhad Main Market Listing Requirements, the details of the RRPTs conducted during the financial year ended 31 December 2022 pursuant to the Shareholders' Mandate are disclosed as follows:-

No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
1	Provision of various training, advisory and support services from Manulife Asia headquarters	MHB Group	MFAL^^	826	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHN • MCHN
2	Outsourcing of asset management subsidiary back-office system	МІММВ	MFC Group~	(100)	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNp
3	Provision of treasury system	MHB Group	MFC Group~	-	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHN¤



No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
4	Investment management/ advisory and other related services	МІММВ	MIMSP^^	1,520	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHND
5	Investment management/advisory and other related services	МІММВ	MIMHK^^	2,163	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHN • MCHN
6	Investment management/advisory and other related services	МІММВ	MIMUSø	1,593	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHND
7	Investment management	MILL	MIMPMUSø	211	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHND
8	Manulife Centre of Excellence - Operations and information technology support services	МІММВ	MFC Group~	(3,648)	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNp
9	Provision of social media operational support services	МІММВ	MDSIØ	2	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNP

Additional Compliance Information

No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
10	Provision for actuarial services provided by Manulife's Regional Office	MHB Group	MFC Group~	-	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~
					MLIC#MHBL^MFAL^^MCHN¤
11	Outsourcing of human resource operations including payroll and back-office processing	MHB Group	MFC Group~	699	Interested Director*Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^ • MFAL^^ • MCHNp
12	Accounting and finance support	MHB Group	MFC Group~	158	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNP
13	Provision of application system services and infrastructure support	MHB Group	MFC Group~	23,570	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders
					MFC~ MLIC# MHBL^ MFAL^^ MCHN®
14	Outsourcing of foreign exchange hedging services in respect of foreign currency exposure	MHB Group	MFC Group~	-	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^ • MFAL^^ • MCHNP
15	Provision of regional reinsurance administrative services	MHB Group	MFC Group~	-	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^
					MFAL^^ MCHN¤



No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
16	Provision of the back-office support for staff claims	MHB Group	MFC Group~	34	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^
17	Malaysia Net Promoter System (NPS) dashboard support	MHB Group	MFC Group~	-	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^ • MFAL^^ • MCHN¤
18	Investment management and other related services	MIMMB	MAMI^^	22	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNP
19	Investment management / advisory and other related services	MIMMB	MIM Canadaø	-	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MCHN • MCHN
20	Investment management for private debt	MHB Group	SAGA^^	-	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^ • MFAL^^ • MCHND
21	Investment consulting services	MHB Group	MANGA^^	307	Interested Director* • Matthew Edward Lawrence
					Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNP

Additional Compliance Information

No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
22	Actuarial valuation model run support	MHB Group	MFC Group~	-	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNp
23	Reinsurance Provider	MILL	MIL Bermuda^^	135	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHNP

At the Forty-Fifth AGM of the Company held on 4 June 2021, the Company had obtained the shareholders' mandate to allow the Group to enter into RRPTs ("2021 Shareholders' Mandate"). Despite the following 2021 Shareholders' Mandate not being renewed in the Forty-Sixth AGM of the Company, the details of the RRPTs conducted for the financial period from 1 January 2022 to 10 June 2022 (within the financial year ended 31 December 2022) pursuant to the 2021 Shareholders' Mandate are disclosed as follows:-

No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
1	Provision of reinsurance premium	MILL	MIL Bermuda^^	84	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^
	Dravisian of trade metaking and	MIMMB	MEC Croup		• MFAL^^ • MCHN¤
	Provision of trade matching and settlement services	IMIMIMI	MFC Group~	-	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHN¤
3	Investment management for private equity investment	MHB Group	MANGA^^	148	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHN • MCHN



No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
4	Investment middle and back-office services for private investments	MHB Group	MIMHK^^	-	Interested Director* • Matthew Edward Lawrence Interested Major Shareholders • MFC~ • MLIC# • MHBL^^ • MFAL^^^ • MCHN • MCHN

Denote:-

MAMI - PT Manulife Aset Manajemen Indonesia

MANGA - Manulife General Account Investments (HK) Limited MCHN - Manulife Century Holdings (Netherlands) B.V.

MDSI - Manulife Data Services Inc.
MFC - Manulife Financial Corporation

MFC Group - MFC, its subsidiaries and associate companies

MFAL - Manulife Financial Asia Limited

MHB Group - Manulife Holdings Berhad, its subsidiaries and associate companies

MHBL - Manulife Holdings (Bermuda) Limited
MIM CANADA - Manulife Investment Management Limited

MIL Bermuda - Manulife (International) Limited
MILL - Manulife Insurance Labuan Limited

MIMHK - Manulife Investment Management (Hong Kong) Limited

MIMMB - Manulife Investment Management (M) Berhad

MIMPMUS - Manulife Investment Management Private Markets (US) LLC MIMSP - Manulife Investment Management (Singapore) Pte. Ltd.

MIMUS - Manulife Investment Management (US) LLC MLIC - The Manufacturers Life Insurance Company

SAGA - Manulife General Account Investments (Singapore) Pte. Ltd.

The following disclosures are extracted from the Circular to Shareholders dated 29 April 2022.

Notes:

- * Representing MCHN to the Board.
- ~ MFC is the immediate holding company of MLIC and ultimate holding company of MHBL and MFAL.
- # MLIC is immediate holding company of MHBL.
- ^ MHBL is the immediate holding company of the MFAL.
- ^^ MFAL is the holding company of MCHN, MIL Bermuda, MAMI, MIMHK, MIMSP, MANGA and SAGA
- ø MLIC is the holding company of MIMUS, MIMPMUS, MDSI and MIM Canada.
- MCHN's holding company is MLIC.

Group Audit Committee Report

I. COMPOSITION OF THE GROUP AUDIT COMMITTEE

Mr. Renzo Christopher Viegas (Independent Non-Executive Director) (Chairman) Mrs. Vijayam A/P Nadarajah (Independent Non-Executive Director) Mr. Matthew Edward Lawrence (Non-Independent Non-Executive Director)

The details of attendance of each member at the Group Audit Committee meetings held during the financial year ended 31 December 2022 ("FY2022") are as follows:-

Name of Group Audit Committee member	Attendance
Mr. Renzo Christopher Viegas	5 out of 5
Mrs. Vijayam A/P Nadarajah	5 out of 5
Mr. Matthew Edward Lawrence	5 out of 5

II. MEETINGS

The Group Audit Committee had five (5) meetings during the FY2022 and the details of attendance of each member are stated above. The Group Chief Executive Officer and members of Senior Management attended the meetings upon invitation.

The Group Audit Committee had met up with the External Auditors without the presence of the Executive Board members and employees of the Company twice during the FY2022.

III. SUMMARY OF ACTIVITIES

The Group Audit Committee's activities during the FY2022 comprised the following:-

1.1. Financial Reporting

- (a) In overseeing Manulife's financial reporting, the Group Audit Committee reviewed the quarterly financial statements for the fourth quarter of 2021 and the Audited Group Financial Statements for the financial year ended 31 December 2021 ("FY2021") at its meetings held on 22 February 2022 and 21 March 2022 respectively. The quarterly financial statements for the first, second and third quarters of 2022, which were prepared in compliance with the Malaysian Financial Reporting Standard 134: Interim Financial Reporting, International Accounting Standards 34: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, were reviewed at the Group Audit Committee meetings held on 12 May 2022, 17 August 2022 and 22 November 2022 respectively. All the Group Audit Committee's recommendations were presented for approval at the subsequent Board of Directors' meetings.
- (b) On 17 August 2022, the Group Audit Committee noted the Review Report on the Interim Condensed Consolidated Financial Statements of the Company for the six (6)-month financial period ended 30 June 2022 and Manulife Group's 2022 Audit Plan presented by the External Auditors, Ernst & Young PLT ("**EY**").

1.2. Related Party Transactions

The Group Audit Committee reviewed and verified the related party transactions entered into by the Manulife Group and conflicts of interest situations that may arise within the Company or Manulife Group including any transaction, procedure or conduct that raises questions of Management's integrity and recommended the same to the Board of Directors for review.

Summary of recurrent related party transactions entered between Manulife Group and its affiliated companies were presented to the Group Audit Committee on a quarterly basis for notation.

1.3. External Audit

Meeting with the External Auditors

On 22 February 2022, the External Auditors presented their Audit Results for the FY2021 and discussed significant audit matters with the Group Audit Committee. In addition, the External Auditors also confirmed to the Group Audit Committee that in accordance with relevant professional and regulatory requirements, they had been independent throughout the audit engagement for the FY2021.



The Group Audit Committee deliberated the Audit Results for the FY2021 during the Group Audit Committee meeting held on 22 February 2022. During the meeting, the Group Audit Committee together with the External Auditors discussed the Audit Results and areas of improvement to processes of finance and information technology ("IT") in relation to the FY2021.

On 17 August 2022, the Group Audit Committee reviewed the list of services for the FY2022 presented by EY in the Audit Plan for the FY2022 which comprised audit, audit related services and other services. In the same meeting, the External Auditors also highlighted the areas of audit emphasis for the audit for the FY2022. The External Auditors also presented the review results arising from the limited review performed on the quarterly financial statements for the second quarter of 2022 prior to the announcement of the half yearly financial results during the same meeting.

Annual Evaluation and Review of Independence of External Auditors

Mr. Ahmad Hammami Muhyidin and Ms. Ng Sue Ean were the lead audit engagement partner and the audit concurring partner respectively from the financial year ended 31 December 2018 until the FY2022. Both were rotated off the audit of the Manulife Group after the FY2022 audit as part of the rotation policy of audit partners within the External Auditors team which is guided by regulatory requirements.

In this respect, the Group Audit Committee carries out an annual review of the performance of the External Auditors, including assessment of their independence in performing their obligations. Based on the annual evaluation of their performance and independence conducted by the Group Audit Committee on 22 February 2022, the Group Audit Committee was satisfied with the External Auditors' technical competency and independence for FY2021.

Having evaluated and assessed EY's objectivity, performance and audit independence, the Group Audit Committee recommended to the Board of Directors for approval of the re-appointment of EY as External Auditors for the FY2022 on 22 February 2022.

Auditors' remuneration is disclosed in note 28 to the financial statements.

1.4. Oversight of Internal Audit

The Group Audit Committee reviewed the quarterly report presented by the Internal Audit Department during the Group Audit Committee meetings. The quarterly reports include highlights of key audit activities, status of audits, updates on progress of annual audit plan and key audit issues.

Annually, the Group Audit Committee also reviewed and approved, where applicable, the annual audit plan and budget, revision to audit charter, performance appraisal of the Head of Internal Audit and assessment of the Internal Audit Department. The areas being assessed were:

- (a) Level of understanding of its accountability to and expectations of the Group Audit Committee as well as Manulife Group:
- (b) Annual review of internal audit charter;
- (c) Competency of Internal Audit staff in regard to educational qualification and professional experience, specialist skills and continuing education programme;
- (d) Level of independence of Internal Audit staff;
- (e) Administration such as attendance in Group Audit Committee meetings and other related meetings, timeliness and quality of audit report, updating to the Group Audit Committee on key audit activities and changes to annual audit plan, assistance and support provided to the Group Audit Committee and follow-up on outstanding audit issues; and
- (f) Quality and achievement of annual audit plan.

The assessment was conducted based on a review of the audit charter, Organisational Structure chart, self-assessment by the Internal Audit Department, qualifications and experiences records of the Internal Audit staff, staff turnover record which includes reasons for leaving and impact to the Internal Audit Department, training records, audit plan and its achievement, issues follow-up process, customers survey based on responses from auditees and Management's evaluation.

For the FY2022, the internal audit function was assessed to be effective.

Group Audit Committee Report

IV. GROUP INTERNAL AUDIT FUNCTION

The Group has a well-established Internal Audit Department known as Audit Services – Malaysia ("AS-Malaysia"), which reports directly to the Group Audit Committee. AS-Malaysia comprises six (6) personnel, and is headed by Mr. Vincent Wong. He has accumulated more than fifteen (15) years of experience in both external and internal audits. He graduated from Multimedia University, Malaysia with a Bachelor of Accountancy degree and is a member of Malaysian Institute of Accountants. The mandate of AS-Malaysia is to provide independent, objective assurance and consulting services of sufficient scope to add value, improve the operations of the Company, and enable the Board of Directors to satisfy its fiduciary and legal responsibilities. Accordingly, all AS-Malaysia personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. In addition, the Regional Audit Services Asia team also provides oversights and supports to ensure that AS-Malaysia is staffed and operated to ensure that it is consistent with Manulife's values, in accordance with the code of conduct as well as the other mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the International Standards for the Professional Practice of Internal Auditing (Standards), and the Definition of Internal Auditing.

The Group Audit Committee approves the following year's AS-Malaysia risk-based Internal Audit plan, independence, structure, resources and budget during the last Group Audit Committee meeting each year. Any subsequent significant changes to the audit plan will be submitted to the Group Audit Committee for approval and any resource limitations that impact Manulife Group's internal audit activities are communicated. The Group Audit Committee will also review the skills and qualifications of the AS-Malaysia team during the year.

The scope of AS-Malaysia covers the audits of all units and operations of the Manulife Group. The annual audit plan is primarily driven by an independent assessment of inherent risk of the common units (i.e., business or functional unit most relevant to senior leaders, the 3 Lines of Defense, Board and Regulators) across the Company. The objective of the risk assessment exercise is to focus annual activity on the most important risks faced by the Company while providing appropriate audit coverage over other areas over time. While still very much risk-based, AS-Malaysia does have a cycle element to its coverage methodology whereby AS-Malaysia targets to cover key elements (i.e., auditable entities) of highest risk units within two (2)-year, medium risk over three (3) to five (5)-year, and low risk units on a five (5)+-year cycle (or alternate procedures). The key areas reviewed in the FY2022 covered the following:

- 1. Agency Leader Corporation Governance;
- 2. IT Governance;
- 3. Anti-Money Laundering and Anti-Terrorism Financing;
- 4. Investment Monitoring;
- 5. New Business and Underwriting;
- 6. Outsourcing;
- 7. Sales and Distribution; and
- 8. Finance.

The scope of AS-Malaysia's work encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Group Audit Committee and Senior Management on the adequacy and effectiveness of the Company's governance, risk management and internal control processes. Internal audit assessments include evaluating:

- The comprehensiveness, reliability, and integrity of financial and operating information, and the means used to identify, measure, analyse, classify, and report such information;
- The comprehensiveness and appropriateness of policies and procedures;
- The processes that ensure compliance with policies, procedures, laws, and regulations that could have a significant impact on operations, management or financial reporting;
- The means of safeguarding assets against accident, theft, malicious damage or other improper or illegal activities;
- The appropriateness and comprehensiveness of operating standards, the extent to which they are communicated and understood, and whether deviations from standards are identified, analysed and communicated; and corrective action taken: and
- Consultation and other services related to audit expertise as needs arise.

The Group Audit Committee receives a detailed audit report after the completion of each audit assignment from AS-Malaysia. AS-Malaysia summarises the audit findings for deliberation at each meeting of the Group Audit Committee together with an update on Management's actions taken to-date pertaining to the audit findings reported. AS-Malaysia also follows up and reports to the Group Audit Committee on Management's actions taken pertaining to any audit findings applicable to Manulife Group which were reported by the Regional Auditors.

A number of internal control weaknesses were identified during the FY2022, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the annual report.

The total costs incurred in managing internal audit activities for AS-Malaysia in the FY2022 were RM850,614 (2021: RM801,195).

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Directors' Report

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is engaged principally in investment holding whilst the principal activities and other information of the subsidiaries are as stated in note 7 to the financial statements.

There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year, other than as disclosed in note 7 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit/(loss) for the financial year attributable to:		
Owners of the Company	18,912	(6,504)

DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final single-tier dividend of 7.0 sen per share amounting to RM14,809,146 for the financial year ended 31 December 2021. Out of the total distribution, a total of RM9,687,451 was converted into 4,702,646 new ordinary shares of the Company at the conversion price of RM2.06 per ordinary share under the Dividend Reinvestment Plan.

The directors recommend the payment of a first and final dividend of 7.0 sen per share, amounting to approximately RM15,138,000 for the financial year ended 31 December 2022, which is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting. The directors have also determined that a Dividend Reinvestment Plan would apply to this First and Final dividend.

RESERVES AND PROVISIONS

Material transfers to or from reserves and provisions during the financial year are as disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the Company increased its issued and paid-up share capital from 211,559,224 ordinary shares to 216,261,870 ordinary shares by way of issuance of 4,702,646 new ordinary shares amounting to RM9,687,451 arising from the implementation of Dividend Reinvestment Plan for financial year ended 31 December 2021 First and Final dividend.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts, and satisfied themselves that there were no known bad debts to be written off and that adequate allowance for impairment losses had been made.



BAD AND DOUBTFUL DEBTS (CONTINUED)

At the date of this report, the directors are not aware of any circumstances that would render it necessary to write off any bad debts or the amount of allowance for impairment losses in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that any current assets, which were unlikely to realise their values as shown in the accounting records of the Group and the Company in the ordinary course of business, have been written down to an amount which they might be expected to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet their obligations when they fall due.

For the purpose of this paragraph, contingent or other liabilities do not include liabilities arising from contracts of insurance underwritten in the ordinary course of business of the Group.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

Directors' Report

SIGNIFICANT EVENTS

There are no significant events during the financial year.

PROVISION OF INSURANCE LIABILITIES

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that there was adequate provision for insurance liabilities of the Group's insurance subsidiaries, in accordance with the valuation methods specified in the Risk-Based Capital Framework for Insurers issued by Bank Negara Malaysia and guidelines on Valuation Basis for Liabilities of Labuan Life Insurance Business by Labuan Financial Services Authority.

DIRECTORS

The directors who have held office during the financial year to the date of this report are:

Dato' Dr. Zaha Rina binti Zahari Vibha Hamsi Coburn Renzo Christopher Viegas Matthew Edward Lawrence Vijayam A/P Nadarajah

In accordance with Clause 123 of the Company's Constitution, Mrs Vijayam A/P Nadarajah and Mr Renzo Christopher Viegas shall retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

Other than the Directors of the Company listed above, the following is a list of Directors who held office in the subsidiaries of the Company during the year to the date of this report:

Arthur Jay Belfer
Mary Bernadette James A/P N James
Gianni Fiacco
Wong Boon Choy
Swee Leng Edmond Cheah
Jason Chong Soon Min
Jasbender Kaur A/P Mehar Singh
Tan Chue Chau

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits disclosed as directors' remuneration and benefits in note 35 to the financial statements) by reason of a contract made by the Company or a related company with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the Executive Stock Option Plan of the ultimate holding company.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, particulars of interests of directors who held office at the end of the financial year in shares and options on shares in the ultimate holding company are as follows:

		Number of ordinary shares				
	As at 1.1.2022	Acquired/ reinvested dividends	Disposed	As at 31.12.2022		
Manulife Financial Corporation						
- Direct interest						
Vibha Hamsi Coburn	3,400	3,312	-	6,712		
Matthew Edward Lawrence	1,517	3,800	(3,366)	1,951		
Renzo Christopher Viegas	5,800	-	-	5,800		
	Number of options on ordinary shares					
	As at			As at		
	1.1.2022	Granted	Lapsed	31.12.2022		
Manulife Financial Corporation						
- Direct interest						
Vibha Hamsi Coburn	45,254	-	-	45,254		

Stock options are granted to selected individuals under Manulife Financial Corporation's ("MFC") Executive Stock Option Plan ("ESOP"). These options provide the holder with the right to purchase common shares of MFC at an exercise price equal to the higher of the prior day or prior five day average closing market price of common shares on the Toronto Stock Exchange on the date the options were granted and are valid for 10 years from the grant date.

	Number of de	Number of deferred/restricted/performance share units					
	As at 1.1.2022	Granted/ reinvested dividends	Vested	As at 31.12.2022			
Manulife Financial Corporation							
- Direct interest							
Vibha Hamsi Coburn	29,558	11,809	(10,395)	30,972			
Matthew Edward Lawrence	11,513	5,789	-	17,302			

Deferred, restricted and performance share units granted to certain employees under Manulife Financial Corporation's ESOP entitle the holder to receive cash payment equal to the value of the same number of common shares plus credited dividends upon retirement or termination of employment or as they are vested, subject to any performance conditions.

Other than as disclosed above, no other directors in office at the end of the financial year held any interest in the shares in the Company or its related corporations during the financial year.

By virtue of the above directors' interests in the shares of the ultimate holding company, the said directors are deemed to have an interest in the shares of the Company and its subsidiary companies to the extent that the ultimate holding company has an interest.

Directors' Report

INDEMNITY AND INSURANCE

During the financial year, the indemnity given or insurance effected for any directors and officers of the Group and Company amounts to RM37,500,000 in aggregate with total annual premium of RM247,409 and RM22,716 respectively.

There were no indemnity given to, or insurance effected for auditors of the Group and Company during the financial year.

HOLDING COMPANIES

The directors regard Manulife Century Holdings (Netherlands) BV, a company incorporated in Netherlands, as the Company's immediate holding company, and Manulife Financial Corporation, a corporation incorporated in Canada, as the ultimate holding company.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is disclosed in note 28 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 March 2023.

DATO' DR. ZAHA RINA BINTI ZAHARI Chairman VIBHA HAMSI COBURN
GROUP CHIEF EXECUTIVE OFFICER/
EXECUTIVE DIRECTOR

Kuala Lumpur, Malaysia

Statement By Directors

111 Manulife

Pursuant To Section 251(2) and Section 251(3) of the Companies Act, 2016

We, Dato' Dr. Zaha Rina binti Zahari and Vibha Hamsi Coburn, being two of the directors of Manulife Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 103 to 214 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 March 2023.

DATO' DR. ZAHA RINA BINTI ZAHARI

CHAIRMAN

VIBHA HAMSI COBURN GROUP CHIEF EXECUTIVE OFFICER/ **EXECUTIVE DIRECTOR**

Kuala Lumpur, Malaysia

Statutory Declaration Pursuant to Section 251(1)(B) of the Companies Act, 2016

I, Tan Chue Chau, being the officer primarily responsible for the financial management of Manulife Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 103 to 214 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN CHUE CHAU

Subscribed and solemnly declared by the abovenamed Tan Chue Chau at Kuala Lumpur in Malaysia on 29 March 2023, before me.

COMMISSIONER OF OATHS TAN KIM CHOOL No. W661

Independent Auditors' Report

to the members of Manulife Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Manulife Holdings Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and statements of profit or loss, statements of total comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 103 to 214.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Insurance Contract Liabilities of the Group

The Group's insurance contract liabilities as at 31 December 2022 amounted to RM4.56 billion (as disclosed in Note 15 to the financial statements) or approximately 79% of its total liabilities. These long-term liabilities represent the Group's obligations to policyholders of its insurance subsidiaries, Manulife Insurance Berhad and Manulife Insurance Labuan Limited, and mainly consists of actuarial liabilities and investment-linked policyholders' account.

The actuarial liabilities amounted to RM3.13 billion and has been estimated based on standard actuarial valuation models used in the insurance industry and considering the requirements stipulated under the Risk-based Capital Framework issued by Bank Negara Malaysia and the Guidelines on Valuation Basis for Liabilities of Labuan Life Insurance Business issued by Labuan Financial Services Authority as well as the accounting policy described in Note 2(z) to the financial statements. The investment-linked policyholders' account amounted to RM1.32 billion and represents the Net Asset Value of the investment-linked funds managed by the insurance subsidiary, and is recognised in accordance with the accounting policy described in Note 2(z) to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

1. Insurance Contract Liabilities of the Group (continued)

The complexity of the actuarial valuation models applied to derive the actuarial liabilities may give rise to estimation errors as a result of inadequate or incomplete data, the design and application of the relevant models by the management's expert (i.e. the Appointed Actuary) and the use of inappropriate assumptions. Economic and non-economic assumptions used such as investment yields, discount rates, policyholders' bonus/dividends, expense, mortality/morbidity, critical illnesses and surrenders/lapsation are some of the key inputs used in the valuation models to estimate the actuarial liabilities. Significant professional judgement is applied by the Group in deriving the assumptions (as described in Note 3 to the financial statements) and any significant changes thereon may have a material effect on the insurance contract liabilities.

We have engaged our Actuarial Services professionals in accordance with the requirements of International Standard on Auditing 620: Reliance on the Work of an Auditor's Expert to assist us in performing certain audit procedures on the actuarial liabilities of the Group.

Our audit procedures were focused on the following key areas:

- Understanding and documenting the qualifications, objectivity and independence of the Appointed Actuary tasked with estimating the actuarial liabilities of the insurance subsidiaries;
- Assessing the valuation methodologies applied by the Group to derive the actuarial liabilities in respect of policy benefits promised under life insurance contracts issued by the insurance subsidiaries;
- Assessing the design and testing the operating effectiveness of key internal controls over the actuarial valuation process with respect to financial reporting, including the bases used by the management of the insurance subsidiaries in determining and approving the key assumptions applied;
- Assessing the experience analyses of the insurance subsidiaries used during the setting of the key assumptions to
 derive the actuarial liabilities and challenging the rationale applied by the Appointed Actuary and management in
 deriving those assumptions. In addition and where appropriate, comparisons have also been made against other
 industry constituents;
- Testing the completeness and sufficiency of data used in the valuation of actuarial liabilities including reviewing the
 data extraction process and reconciliations carried out by management of the insurance subsidiaries. These tests
 also included control tests performed on selected samples of insurance policies issued by the insurance subsidiaries
 to ascertain effectiveness of operating controls over quality and accuracy of the underlying data;
- Performing audit tests on the model review process applied by management of the insurance subsidiaries and independently reviewing the results thereon;
- Reviewing the Liability Adequacy Test results performed by the insurance subsidiaries;
- Auditing the fair value of financial assets and adequacy of liabilities of the investment-linked funds;
- Performing control tests over the creation and cancellation of units of the investment-linked funds as well as calculation of Net Asset Values;
- Assessing the adequacy of disclosures made in the financial statements in respect of the insurance contract liabilities of the Group.
- 2. Management Rights of the Group and Investment in Asset Management subsidiary of the Company
 - (a) Management Rights of the Group

Management rights represent the purchase consideration paid to acquire the rights to manage unit trust funds. The carrying value as at 31 December 2022 amounted to RM86.82 million (as disclosed in Note 6 to the financial statements). This asset, which has an indefinite useful life is tested for impairment annually and whenever there is indication that it is impaired.

Independent Auditors' Report

to the members of Manulife Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

- 2. Management Rights of the Group and Investment in Asset Management subsidiary of the Company (continued)
 - (b) Investment in Asset Management subsidiary of the Company

The Company's investment in subsidiaries amounted to RM404.02 million as of 31 December 2022 (as disclosed in Note 7 to the financial statements). Included in investment in subsidiaries is the cost of investment in its wholly owned asset management subsidiary, Manulife Investment Management (M) Berhad.

The Group has performed an impairment assessment to ascertain if the Value-In-Use ("VIU") of the asset management cash generating unit ("CGU") is sufficient to support the carrying values of the management rights of the Group and investment in asset management subsidiary of the Company.

In testing for impairment, the Group estimated the VIU of the asset management CGU using the discounted cash flow ("DCF") method. The DCF method requires the application of assumptions which are subjective in nature and which requires judgement in its application. The application of such assumptions has impact on the estimated VIU and thus may affect the impairment decisions to be made for the CGU. The key assumptions used in deriving the VIU of the asset management CGU include assets-under-management, gross and net sales growth, terminal value estimates, expenses growth and discount rates. These key assumptions are disclosed in Note 6 to the financial statements and the policy for impairment of non-financial assets is disclosed in Note 2(m).

Our audit procedures were focused on the following key areas:

- Understanding the rationale and considerations used by management in deriving the relevant assumptions underlying the DCF and related VIU estimates;
- b. Challenging the key assumptions which would have the most significant effects on the estimated VIU calculated by the Group and benchmarking these against industry and historical experiences of the Group;
- c. Performing mathematical accuracy calculations on the DCF workings performed by the Group;
- d. Performing appropriate stress-tests on the DCF estimated by the Group to estimate the VIU of the asset management CGU;
- e. Assessing the adequacy of disclosures made in respect of the intangible asset management rights of the Group and investment in asset management subsidiary of the Company.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report

to the members of Manulife Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF0039 Chartered Accountants

Kuala Lumpur, Malaysia 29 March 2023 Ahmad Hammami Bin Muhyidin

No. 03313/07/2023 J Chartered Accountant

> Statements of Financial Position

As at 31 December 2022

	Note	Gro	up	Company		
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
ASSETS						
Property and equipment	4	36,085	40,404	12,795	17,979	
Investment property	5	78,902	73,580	32,584	27,868	
Intangible assets	6	126,244	127,993	2	6	
Subsidiaries	7	-	-	404,018	405,873	
Available-for-sale financial assets	8(a)	3,126,332	3,161,038	-	-	
Financial assets at fair value through profit or loss	8(b)	2,380,807	2,315,985	52,648	62,139	
Loans and receivables	9	643,217	632,211	10,482	12,085	
Reinsurance assets	10	10,735	20,220	-	-	
Insurance receivables	11	11,019	14,797	_	-	
Right-of-use assets	21(a)	3,478	1,820	_	-	
Deferred tax assets	18	345	269	_	-	
Current tax assets	19	26,595	22,841	693	596	
Cash and cash equivalents		258,793	237,905	6,742	8,122	
TOTAL ASSETS		6,702,552	6,649,063	519,964	534,668	
EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES						
Share capital	12	131,041	121,353	131,041	121,353	
Retained earnings	13	817,999	813,896	364,391	385,704	
Other reserves		6,210	18,317	6,454	6,613	
OWNERS OF THE COMPANY		955,250	953,566	501,886	513,670	
Insurance contract liabilities	15	4,561,710	4,574,621	-	-	
Insurance claims liabilities	16	88,224	76,164	-	-	
Financial liability at fair value through profit or loss	17	12			_	
Deferred tax liabilities	18	35,187	48,948	253	132	
Current tax liabilities	19	<u>.</u>	4,980	-	-	
Reinsurance liabilities	10	-	1,702	-	-	
Insurance payables	20	814,306	759,823	-	-	
Lease liabilities	21(b)	3,506	1,913	-	-	
Other payables	22	244,357	227,346	17,825	20,866	
TOTAL LIABILITIES		5,747,302	5,695,497	18,078	20,998	
TOTAL EQUITY, POLICYHOLDERS' FUNDS AND LIABILITIES		6,702,552	6,649,063	519,964	534,668	

Statements of Profit or Loss For the Financial Year Ended 31 December 2022

		Grou	p	Company		
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Premium income						
Gross premiums		1,178,639	1,071,038	-	-	
Premiums ceded to reinsurers		(81,406)	(67,896)	-	-	
Net premiums	23	1,097,233	1,003,142	-	-	
Investment income	24	231,717	213,239	5,676	7,204	
Net realised gains/(loss)	25	37,884	139,173	(53)	-	
Net fair value losses	26	(220,187)	(1,716)	(1,737)	(6,686)	
Fee income	27	119,112	150,274	1,914	1,552	
Other operating income		3,711	3,932	2	-	
Total revenue		1,269,470	1,508,044	5,802	2,070	
Gross benefits and claims paid and payable		(800,368)	(817,500)	-	-	
Claims ceded to reinsurers		47,082	41,066	-	-	
Gross change in insurance contract liabilities		(51,317)	(184,814)	-	-	
Change in insurance contract liabilities ceded to reinsurers		(3,279)	4,909	-	-	
Net claims		(807,882)	(956,339)	-	-	
Fee and commission expenses		(199,906)	(211,333)	-	-	
Investment expenses		(6,933)	(4,206)	(1,904)	(1,801)	
Management expenses	28	(226,527)	(212,136)	(9,683)	(9,383)	
Other operating income/(expense)	30	1,629	(18,520)	(598)	(241)	
Other expenses		(431,737)	(446,195)	(12,185)	(11,425)	
Profit/(loss) before taxation		29,851	105,510	(6,383)	(9,355)	
Taxation	31	(10,939)	(18,550)	(121)	(75)	
Net profit/(loss) for the financial year		18,912	86,960	(6,504)	(9,430)	
Net profit/(loss) attributable to:						
Owners of the Company		18,912	86,960	(6,504)	(9,430)	

The accompanying notes are an integral part of these financial statements.

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Statements of Total Comprehensive Income For the Financial Year Ended 31 December 2022

		Gro	up	Company		
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Net profit/(loss) for the financial year		18,912	86,960	(6,504)	(9,430)	
Other comprehensive income/(loss), net of tax:						
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:						
Net (loss)/gain on foreign currency translation		(680)	528	-	-	
Fair value change of available for sale financial assets:						
- Gross fair value change	8(c)	(94,952)	(203,261)	-	-	
- Deferred tax	18	6,516	13,761	-	-	
		(88,436)	(189,500)	-	-	
Change in insurance contract liabilities arising from unrealised net fair value	15	77460	152.700			
change Net loss	15	77,168 (11,268)	153,789 (35,711)	<u>-</u>	-	
be reclassified to profit or loss in subsequent periods Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		(11,948)	(35,183)	-	-	
Surplus/(deficits) from revaluation of property:						
- Gross surplus/(deficits) from revaluation	L	82	(576)	(159)	(284)	
		82	(576)	(159)	(284)	
Changes in insurance contract liabilities arising from revaluation of property	15	(241)	292	_	_	
Net loss	10	(159)	(284)	(159)	(284)	
Net other comprehensive loss not to be reclassified to profit or loss in			(204)			
Subsequent periods		(159)	(284)	(159)	(284)	
Other comprehensive loss for the financial year, net of tax		(12,107)	(35,467)	(159)	(284)	
Total comprehensive income/(loss) for the financial year		6,805	51,493	(6,663)	(9,714)	
Total comprehensive income/(loss) attributable to:						
Owners of the Company		6,805	51,493	(6,663)	(9,714)	

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity For the financial year ended 31 December 2022

			Attribu	ıtable to own	ers of the Co	ompany			
			→ No	on-distributa	ble	Distributable		-	
Group	Note	Share capital RM'000	Asset revaluation reserve RM'000	Currency translation reserve RM'000	Fair value reserve RM'000	Retained earnings* RM'000	Total RM'000	Non- controlling Interests RM'000	Total equity RM'000
At 1 January 2021		111,974	6,897	(324)	47,211	741,519	907,277	78	907,355
Changes in ownership interest in a unit trust fund managed by a subsidiary	14	-	-	-	-	(94)	(94)	(78)	(172)
Net profit for the financial year		-	-	-	-	86,960	86,960	-	86,960
Other comprehensive (loss)/income for the financial year		-	(284)	528	(35,711)	-	(35,467)	-	(35,467)
Total comprehensive (loss)/income for the financial year		-	(284)	528	(35,711)	86,960	51,493	-	51,493
Issuance of shares pursuant to Dividend Reinvestment Plan	12	9,379	-	-	-	-	9,379	-	9,379
Dividend paid	33	-	-	-	-	(14,489)	(14,489)	-	(14,489)
At 31 December 2021/1 January 2022		121,353	6,613	204	11,500	813,896	953,566	-	953,566
Net profit for the financial year		-	-	-	-	18,912	18,912	-	18,912
Other comprehensive loss for the financial year		_	(159)	(680)	(11,268)	_	(12,107)	_	(12,107)
Total comprehensive (loss)/income for the financial year		-	(159)		(11,268)	18,912	6,805	-	6,805
Issuance of shares pursuant to Dividend Reinvestment Plan	12	9,688					9,688		9,688
Dividend paid	33	_	_	_	_	(14,809)	(14,809)	_	(14,809)
At 31 December 2022		131,041	6,454	(476)	232	817,999	955,250		955,250

Included in the retained earnings are surplus from Non-participating life fund of the insurance subsidiaries of the Group (net of deferred tax) of approximately RM 132,810,000 (31 December 2021: RM 137,611,000) as further disclosed in note 13. These amounts are only distributable upon the actual recommended transfer from the Non-participating life fund to the Shareholder's fund of the insurance subsidiaries of the Group by the Appointed Actuary.

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity For the Financial Year Ended 31 December 2022

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			Non- distributable Asset	Distributable	
Company	Note	Share capital RM'000	revaluation reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2021		111,974	6,897	409,623	528,494
Net loss for the financial year		-	-	(9,430)	(9,430)
Other comprehensive loss for the financial year		-	(284)	-	(284)
Total comprehensive loss for the financial year		-	(284)	(9,430)	(9,714)
Issuance of shares pursuant to Dividend Reinvestment Plan	12	9,379	-	-	9,379
Dividend paid	33	-	-	(14,489)	(14,489)
At 31 December 2021/1 January 2022		121,353	6,613	385,704	513,670
Net loss for the financial year		-	-	(6,504)	(6,504)
Other comprehensive loss for the financial year		-	(159)	-	(159)
Total comprehensive loss for the financial year		-	(159)	(6,504)	(6,663)
Issuance of shares pursuant to Dividend Reinvestment Plan	12	9,688	-	-	9,688
Dividend paid	33	-	-	(14,809)	(14,809)
At 31 December 2022		131,041	6,454	364,391	501,886

Statements of Cash Flows For the financial year ended 31 December 2022

		Group		Company		
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
CASH FLOWS FROM OPERATING ACTIVITIES						
Net profit/(loss) for the financial year		18,912	86,960	(6,504)	(9,430)	
Adjustments for non-cash items	34	(38,176)	(308,998)	(2,294)	663	
Operating losses before changes in operating assets and liabilities		(19,264)	(222,038)	(8,798)	(8,767)	
Purchase of investments	8(c)	(2,088,163)	(2,410,045)	-	-	
Proceeds from disposal and maturity of investments		1,785,273	2,354,206	-	-	
Interest income received		175,095	150,199	29	16	
Dividend income received		64,774	69,000	2,108	3,271	
Rental income received		3,295	3,145	3,522	3,904	
Decrease in insurance receivables		2,900	2,080	-	-	
Decrease/(increase) in reinsurance assets		7,783	(10,303)	-	-	
(Increase)/decrease in fixed and call deposits		(28,983)	(132,657)	-	1,175	
Decrease/(increase) in loans receivable		5,167	(3,619)	-	-	
Decrease/(increase) in other receivables		9,310	8,145	1,599	(3,890)	
Increase in insurance contract liabilities		64,016	190,648	-	-	
Increase in insurance claims liabilities		12,060	19,690	-	-	
Increase in insurance payables		54,483	87,102	-	-	
Increase/(decrease) in other payables		9,190	(18,521)	(1,837)	(3,939)	
Cash generated from/(used in) operations		56,936	87,032	(3,377)	(8,230)	
Interest paid	21(b)	(81)	(81)	-	-	
Income tax (paid)/refund		(30,641)	(45,235)	(77)	164	
Net cash inflow/(outflow) from operating activities		26,214	41,716	(3,454)	(8,066)	

	 Note	Grou	р	Company		
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property and equipment	4	(4,129)	(940)	(673)	(313)	
Purchase of intangible assets	6	(1,914)	(1,031)	-	-	
Purchase of investments	8(c)	(11,151)	(19,074)	(11,151)	(19,074)	
Proceeds from disposal of investments		19,019	34,638	19,019	34,638	
Net cash inflow from investing activities		1,825	13,593	7,195	15,251	
CASH FLOWS FROM FINANCING ACTIVITIES Dividend paid to shareholders	33	(5,121)	(5,110)	(5,121)	(5,110)	
Changes in non-controlling interests		-	(172)	-	-	
Payment of principal portion of lease liabilities		(2,030)	(1,614)	-	-	
Net cash outflow from financing activities		(7,151)	(6,896)	(5,121)	(5,110)	
CASH AND CASH EQUIVALENTS						
Net increase/(decrease) during the financial year		20,888	48,413	(1,380)	2,075	
Cash and cash equivalents at 1 January		237,905	189,492	8,122	6,047	
Cash and cash equivalents at 31 December		258,793	237,905	6,742	8,122	

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows and statements of financial position comprise the following:

	Group		Com	Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Cash and bank balances	191,818	207,520	2,717	7,751	
Short-term deposits*	66,975	30,385	4,025	371	
Cash and cash equivalents	258,793	237,905	6,742	8,122	

^{*} Short-term deposits with original maturities of less than 3 months.

31 December 2022

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The immediate holding company is Manulife Century Holdings (Netherlands) BV, a company incorporated in the Netherlands. The ultimate holding company is Manulife Financial Corporation, a corporation incorporated and domiciled in Canada and listed on the Toronto, New York and Hong Kong Stock Exchanges.

Principal activities

The Company is engaged principally in investment holding whilst the principal activities of the subsidiaries are as stated in note 7 to the financial statements.

There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year, other than as disclosed in note 7 to the financial statements.

Registered office and principal place of business

The registered office and principal place of business of the Company is located at 16th Floor, Menara Manulife, 6 Jalan Gelenggang, Damansara Heights, 50490 Kuala Lumpur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements of the Group and the Company have been prepared on a historical cost basis except as disclosed in this summary of significant accounting policies, and in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

(i) Adoption of new pronouncements in the current year

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new pronouncements effective from 1 January 2022 as follows:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018–2020 (Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141)	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>)	1 January 2022
Property, Plant and Equipment—Proceeds before Intended Use (Amendments to MFRS 116 <i>Property, Plant and Equipment</i>)	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 <i>Business Combinations</i>)	1 January 2022

The adoption of the above new pronouncements did not have any significant effect on the disclosures or amounts recognised in the Group and the Company's financial statements.

Effective for annual periods

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards and amendments/improvements to published standards that are issued but not yet effective

The following are new accounting standards and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company. The Group and the Company intend to adopt these new pronouncements, if applicable, when they become effective.

Description	beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	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
Non-current Liabilities with Covenants (Amendments to MFRS 101)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above new pronouncements will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts

MFRS 17 "Insurance Contracts" was issued in August 2017 to be effective for years beginning on 1 January 2021. Amendments to MFRS 17 "Insurance Contracts" were issued in 2020 and include a two-year deferral of the effective date. MFRS 17 as amended, is effective for years beginning on 1 January 2023, to be applied retrospectively. If full retrospective application to a group of contracts is impracticable the modified retrospective or fair value methods may be used. The standard replaced MFRS 4 "Insurance Contracts" and materially changed the recognition and measurement of insurance contracts and the corresponding presentation and disclosures in the Group's financial statements.

Narrow-scope amendments to MFRS 17 "Insurance Contracts" were issued in December 2021 and were effective on initial application of MFRS 17 and MFRS 9 "Financial Instruments" which the Group has adopted on 1 January 2023. The amendments reduce accounting mismatches between insurance contract liabilities and financial assets in scope of MFRS 9 within comparative prior periods when initially applying MFRS 17 and MFRS 9. The amendments allow insurers to present comparative information on financial assets as if MFRS 9 were fully applicable during the comparative period. The amendments do not permit application of MFRS 9 hedge accounting principles to the comparative period.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

(ii) Standards and amendments/improvements to published standards that are issued but not yet effective (continued)

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts (continued)

MFRS 17 Transitional Provisions

The Group will be applying MFRS 17 for the first time in the upcoming financial year ending 31 December 2023. Accordingly, it will restate comparative information for the financial year ended 31 December 2022, including the opening balance as at 1 January 2022, by applying the transition requirements of MFRS 17 as follows:

Full Retrospective Approach

The Group has adopted MFRS 17 retrospectively unless the full retrospective approach was deemed impracticable as allowed under MFRS 17. The Group has applied the full retrospective approach to all contracts issued on or after 1 January 2021.

Fair Value Approach

The Group has applied the fair value approach to all insurance contracts issued prior to 1 January 2021, as obtaining reasonable and supportable information to apply the full retrospective approach was deemed impracticable without undue cost or effort.

Under the fair value approach, the Group has determined the Contractual Service Margin ("CSM") of the General Measurement Model ("GMM") and Variable Fee Approach ("VFA") liabilities for remaining coverage at the transition date as the difference between the fair value of the groups of insurance contracts and the fulfilment cash flows measured at that date. In determining the fair value, the Group has applied the requirements of MFRS 13 "Fair Value Measurement", except for the demand deposit floor requirement. The Group used the income approach to determine the fair value of the insurance contracts at the transition date, in which future cash flows are discounted to a single amount that reflects current market expectations about those future amounts.

Measurement differences

The principles underlying MFRS 17 differ from MFRS 4. While there are many differences, the following outlines some of the key measurement differences:

- Under MFRS 17, new business gains are recorded on the Statements of Financial Position (in the Contractual Service Margin ("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.
 Under MFRS 4, both new business gains and new business losses were recognised in profit or loss immediately.
- Under MFRS 17, the Group aggregates insurance contracts that are subject to similar risks and managed together into portfolios. Since new business gains and losses have different accounting treatments, insurance contracts are further aggregated into groups by profitability and issuance period to limit offsetting of new business gains and losses. Such aggregation of contracts into groups is required on initial recognition and not reassessed subsequently. Under MFRS 4, new business gains and new business losses offset each other in profit or loss.
- Under MFRS 17, the discount rate used to estimate the present value of insurance contract liabilities is based on the characteristics of the liabilities. Under MFRS 4, the rates of returns for current and projected assets supporting insurance contract liabilities were used to value the liabilities with non-guaranteed benefits, while the risk-free yield curve was used to value the guaranteed benefit liabilities.

- (a) Basis of preparation (continued)
 - (ii) Standards and amendments/improvements to published standards that are issued but not yet effective (continued)

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts (continued)

Measurement differences (continued)

- Under MFRS 17, the insurance contract liability discount rate is not related to the expected return
 on Alternative Long-Duration Assets ("ALDA") and public equity assets, and as a result, the earnings
 sensitivity of a change in return assumptions for ALDA and public equity assets will be significantly
 reduced.
- Under MFRS 17, the Group has elected the option to record changes in insurance contract liabilities
 arising from changes in interest rates through other comprehensive income, for most insurance portfolios
 and classify debt instruments supporting these insurance contract liabilities as fair value through other
 comprehensive income ("FVOCI") under MFRS 9. Under MFRS 4 and MFRS139, all changes in insurance
 contract liabilities were recorded in profit or loss and supporting debt instruments were classified as
 either FVTPL or AFS.
- Under MFRS 17, insurance contracts with different features are measured by one of the three measurement models: General Measurement Model ("GMM"), Premium Allocation Approach ("PAA") and Variable Fee Approach ("VFA"). Under MFRS 4, insurance contracts were generally valued using the gross premium valuation (GPV) method, although an unearned premium reserve method similar to PAA was allowed and used by the Group for certain short duration / annually renewable business.

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) as well as certain policies with contract boundaries greater than 1 year which are able to pass Premium Allocation Approach ("PAA") eligibility test are measured using 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.

Presentation and disclosure differences

There are significant changes to presentation and disclosure of the financial statements upon the adoption of MFRS 17. the following outlines some of the key presentation and disclosure changes:

- Statements of Financial Position:
 - 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.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (a) Basis of preparation (continued)
 - (ii) Standards and amendments/improvements to published standards that are issued but not yet effective (continued)

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts (continued)

Presentation and disclosure differences (continued)

- Statements of Financial Position: (continued)
 - (ii) Under MFRS 17, 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 MFRS 4, these Unallocated Surplus were recognised as part of the Insurance Contract Liabilities.
 - (iii) Under MFRS 17, 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 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 MFRS 17, the Group will no longer consolidate and report the Statement of Profit or Loss of Investment-linked funds together with the Total Income and Total Expense of the Group on a line-byline basis; instead, the Investment-linked funds will be reported as two separate lines on the Group's Statements of Comprehensive Income as "total Investment Income from Segregated Funds" and "Change in Segregated Funds Insurance Liabilities".
- MFRS 17 will also require more extensive disclosure requirements compared to MFRS 4. The Group will provide both qualitative and quantitative disclosures about insurance contracts in three main areas:
 - Explanation of the amounts recognised in the Group's financial statements arising from insurance contracts;
 - Significant judgements, and changes in those judgements, when applying MFRS 17; and
 - The nature and extent of risks that arise from contracts within the scope of MFRS 17.

The Group continues to assess the overall impact of MFRS 17, on the timing of earnings recognition, as well as presentation and disclosure, of its insurance contracts.

(a) Basis of preparation (continued)

(ii) Standards and amendments/improvements to published standards that are issued but not yet effective (continued)

MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts (continued)

Other impacts

The impacts of adopting MFRS 17 to opening balances as at 1 January 2022 and the comparatives as at and for the year ended 31 December 2022 are currently being finalised after having considered all technical requirements, the relevance of the measurement approaches and transition considerations, amongst others during the implementation period.

There are no significant impacts expected on pricing and product strategies at this juncture. It is also expected that there will be no significant impacts to the capital strength, claims paying ability, or dividend paying capacity of the Group. Accordingly, it is anticipated that at this juncture, there will not be any significant changes to the business strategies of the Group. The Group will continue to monitor this matter.

At this juncture, the Group expects that there will not be any impacts to the capital requirements of the insurance subsidiaries. It is also understood that the regulators will keep the current valuation guidelines and risk-based capital requirements at least for the next few years.

MFRS 9 Financial Instruments

MFRS 9 "Financial Instruments" was issued in November 2009 and amended in October 2010, November 2013 and July 2014, and is effective for years beginning on or after 1 January 2018, to be applied retrospectively, or on a modified retrospective basis. Additionally, the IASB issued amendments in October 2017 that are effective for annual periods beginning on or after 1 January 2019. In conjunction with the amendments to MFRS 17 "Insurance Contracts" issued in June 2020, the IASB amended MFRS 4 "Insurance Contracts" to permit eligible insurers to apply MFRS 9 effective from 1 January 2023, alongside MFRS 17. The standard replaced MFRS 139 "Financial Instruments: Recognition and Measurement".

The project has been divided into three phases: classification and measurement, impairment of financial assets, and hedge accounting. MFRS 9's current classification and measurement methodology provides that financial assets are measured at either amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement for financial liabilities remains generally unchanged; however, for a financial liability designated as at fair value through profit or loss, revisions have been made in the accounting for changes in fair value attributable to changes in the credit risk of that liability. Gains or losses caused by changes in an entity's own credit risk on such liabilities are no longer recognised in profit or loss but instead are reflected in other comprehensive income ("OCI").

Revisions to hedge accounting were issued in November 2013 as part of the overall MFRS 9 project. The amendment introduces a new hedge accounting model, together with corresponding disclosures about risk management activity for those applying hedge accounting. The new model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. When MFRS 9 is first adopted, entities have the option to apply the hedge accounting requirements under MFRS 139. Such option will apply to all hedge accounting relationships.

Revisions issued in July 2014 replaced the existing incurred loss model used for measuring the allowance for credit losses with an expected loss model. Changes were also made to the existing classification and measurement model designed primarily to address specific application issues raised by early adopters of the standard. They also addressed the income statement accounting mismatches and short-term volatility issues which have been identified as a result of the insurance contracts project.

(a) Basis of preparation (continued)

(ii) Standards and amendments/improvements to published standards that are issued but not yet effective (continued)

MFRS 9 Financial Instruments (continued)

In November 2014, MASB issued MFRS 9 Financial Instruments. MFRS 9 is equivalent to IFRS 9 Financial Instruments as issued and amended by the International Accounting Standards Board (IASB). The Accounting Policies for Financial Instrument under MFRS 9 are as set out in Note 2(i) to the financial statements.

The Group has adopted MFRS 9 beginning 1 January 2023 together with the adoption of MFRS 17 as permitted under the June 2020 amendments to MFRS 4 "Insurance Contracts" as it meets the predominance criteria. Upon the adoption of MFRS 9, the Group adopted the 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 addition, the Group has reassessed the Financial Instruments for its subsidiaries which has previously adopted MFRS 9 prior to 1 January 2023 as allowed under MFRS 17 Amendments. In addition, the impact of 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, without significant measurement differences. The classification of financial assets and the impact as of 1 January 2022 are set out as follows:

- (i) 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.
- (ii) 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.
- (iii) All debt securities which include Malaysian Government Securities, Government Investment Issues and unquoted 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. 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.

- (iv) 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.
- (v) The Group does not apply hedge accounting and hence, there is no impact to the Group arising from the change in hedge accounting requirements.
- (vi) The adoption of MFRS 9 will also result in changes to the presentation and disclosures of financial instruments in the financial statements of the Group. Under the new requirements, the disclosure of the financial instruments and its related risks will be more extensive.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. A subsidiary is an entity over which the Company has all the following:

- (1) Power over the investee;
- (2) Exposure or rights to variable returns from its investment with the investee; and
- (3) The ability to use its power over the investee to attract its returns.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investment in subsidiaries is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount as set out in note 2(m) on impairment.

Gain or loss on disposal of subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any exchange differences which were not previously recognised in the consolidated statements of profit or loss.

(ii) Business combination

Subsidiaries are consolidated using the acquisition method of accounting from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Goodwill arising on consolidation represents the excess of the purchase consideration over the fair value of identifiable net assets of subsidiaries at the date of acquisition. If the fair value of the net assets acquired is in excess of the consideration transferred, the Group reassesses whether it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedures used to measure the amount to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the loss is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

In respect of subsidiaries acquired before 1 January 2006, goodwill on consolidation was written off against retained earnings in the financial year of acquisition.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

(iii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Group, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Group. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and statement of total comprehensive income as an allocation of the profit or loss for the financial year between non-controlling interests and owners of the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iv) Transactions eliminated on consolidation

All inter-company transactions, balances and unrealised gains or losses on transactions between group of companies are eliminated.

(c) Fair value measurement

Fair value of an asset or a liability is measured at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The valuation techniques and categories of fair values of assets and liabilities are further described in note 4, note 5, note 37(b) and note 37(c).

(d) Property and equipment

Property and equipment are stated at cost or valuation, less accumulated depreciation and accumulated impairment losses, if any.

The cost of property and equipment includes expenditure that is directly attributable to the acquisition of the assets. Dismantlement, removal or restoration costs are included as part of the cost of property and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to the property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Land and building, which are substantially occupied by the Group for its operations, are classified under property and equipment.



(d) Property and equipment (continued)

Land and building are initially stated at cost and subsequently shown at fair value, based on independent valuation of the open market value on the existing use basis carried out by professional valuers less accumulated depreciation and any accumulated impairment losses. These valuations are reviewed annually and a formal valuation by an independent professional valuer is carried out once in every five years or earlier if the carrying values of the revalued asset are materially different from the market values. Professional and qualified external valuer is engaged to perform the formal valuation. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group and the Company decides, after discussions with the external valuer, which valuation techniques and inputs to use. The valuation result is presented to the Board of Directors for approval prior to the adoption of the valuation report.

The Group and the Company analyse the movements in the values of the property on an annual basis. Desktop valuation is performed by the Group and the Company in the interim period to obtain an indicative fair value of the property. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to the valuation report and other relevant documents. The Group and the Company, in conjunction with the external valuers, also compare the change in the fair value of the property with relevant external sources to determine whether the change is reasonable.

When the land and building are revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

The surplus arising on revaluation is credited to the asset revaluation reserve account except that a surplus, to the extent that such surplus is related to and not greater than a deficit arising on revaluation previously recorded as an expense, is credited to the profit or loss. A deficit arising on revaluation is recognised as an expense except that, to the extent that such a deficit is related to a surplus which was previously recorded as a credit to the asset revaluation reserve account and which has not been subsequently reversed or utilised, it is charged directly to that account.

No depreciation is charged on freehold land. Leasehold building is amortised in equal instalments over the period of their respective leases or earlier if the expected useful life is shorter than the leasehold period.

Work in progress is not depreciated until the asset is ready for its intended use.

All other property and equipment are depreciated on a straight-line basis to write off the cost of the assets over their estimated useful lives. The principal annual rates of depreciation used are as follows:

Building - 50 years (subsequent to revaluation, the revalued amounts are depreciated

over the remaining useful lives following the date of the latest valuation)

Furniture, fittings and equipment $$ - $$ 10% to 20%

Motor vehicles - 20% Renovations - 10%

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment of property and equipment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount as set out in note 2(m) on impairment of non-financial assets.

On disposal of property and equipment, the difference between net proceeds and the carrying amount is recognised in profit or loss. On disposal of revalued assets, the amounts of any remaining revaluation surplus relating to those assets are transferred to retained earnings.

Repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment property

Investment property comprises land and building held by the Group and the Company which are held for long term rental yields, for capital appreciation or both and are not substantially occupied by the Group and the Company.

Investment property is initially stated at cost including related and incidental expenditure incurred, and is subsequently carried at fair value by the directors based on independent valuation of the open market values on existing use basis carried out by professional valuer. These valuations are reviewed annually and a formal valuation by an independent professional valuer is carried out once in every three years or earlier if the carrying values of the investment property are materially different from the market value. Professional and qualified external valuer is engaged to perform the formal valuation. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group and the Company decide, after discussions with the external valuer, which valuation techniques and inputs to use. The valuation result is presented to the Board of Directors for approval prior to the adoption of the valuation report.

The Group and the Company analyse the movements in the values of the property on an annual basis. Desktop valuation is performed by the Group and the Company in the interim period to obtain an indicative fair value of the property. For this analysis, the Group and the Company verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to the valuation report and other relevant documents. The Group and the Company, in conjunction with the external valuer, also compare the change in the fair value of the property with relevant external sources to determine whether the change is reasonable.

Any changes in the fair values of investment property are recorded in the profit or loss.

On disposal of investment property, the difference between net proceeds and the carrying amount is recognised in the profit or loss as appropriate.

If an investment property becomes owner-occupied, it is reclassified to property and equipment at its carrying value at the date of transfer.

(f) Intangible assets

(i) Management rights

Management rights, which arose on acquisition of a subsidiary, represent the purchase consideration paid to acquire the rights to manage unit trust funds. Management expects no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The rights are therefore considered to have an indefinite useful life and are not amortised but are instead, tested for impairment annually and whenever there is indication that it is impaired as set out in note 2(m) on impairment.

(ii) Exclusive right

The exclusive right arises from the 10-year exclusive bancassurance agreement entered into between the subsidiary, Manulife Insurance Berhad with Alliance Bank Malaysia Berhad ("ABMB"). The exclusive right is amortised over the duration of the agreement and the annual amortisation amount is calculated with reference to the benefits generated from the partnership (which is defined as the annualised premium equivalent) in which Manulife Insurance Berhad expects to recognise the related revenue.

(iii) Computer software

Cost of software rights acquired or developed are amortised on a straight-line basis over a period of four to five years.

Computer software in progress is not amortised until the asset is ready for its intended use.

At each reporting date, the Group and the Company assess whether there is any indication of impairment of its intangible assets. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount as set out in note 2(m) on impairment of non-financial assets.

(f) Intangible assets (continued)

(iv) Distribution agreement

The distribution agreement arises from the 20-year distribution right entered into between the subsidiary, Manulife Insurance Berhad ("MIB") and an agency leadership corporation. The distribution agreement is amortised over the duration of the agreement and the annual amortisation amount is calculated based on the consumption pattern of the distribution, which is the contracted number of agents.

(g) Leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the right to:

- obtain substantially all of the economic benefits from using the asset; and
- direct the use of the asset.

(i) As Lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made or before the commencement date, any indirect costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment (see note 2(d)). In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured to reflect any lease modifications or reassessments.

The Group presents its right-of-use assets in 'right-of-use assets' and 'lease liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and leases liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As Lessor

The Group and the Company classify all leases for which it is a lessor as operating leases, because each of these leases does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset.

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term and are reported as rental income. The accounting policy for rental income is set out in note 2(p).

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments under MFRS 139

The Group deferred the adoption of MFRS 9 as permitted under Amendment to MFRS 4. Accordingly, the Group continues to apply the following policies under MFRS 139 for both current year and prior year.

(i) Classification, recognition and measurement of financial assets

The Group classifies the financial assets into the following categories: financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM") financial assets, loans and receivables ("LAR") and available-for-sale ("AFS") financial assets.

The classification depends on the purpose for which the investments were acquired or originated. Management determines the classification of its investments at initial recognition.

(1) FVTPL

Financial assets at FVTPL include financial assets held for trading including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held-for-trading. For investments designated at fair value through profit or loss, the following criteria must be met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. Fair value adjustments and realised gains and losses are recognised in profit or loss.

Derivative financial instruments held by the Group are forward foreign exchange contract to hedge its currency risks. Any fair value gains on these derivative financial instruments are recognised as financial assets.

(2) HTM

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Group has the positive intention and ability to hold until maturity. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investments. After initial measurement, HTM financial assets are measured at amortised cost, using the effective yield method, less any allowance for impairment losses. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(3) LAR

LAR are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investments. All transaction costs directly attributable to the acquisition are also included in the cost of the investments. After initial measurement, loans and receivables are measured at amortised cost, using the effective yield method, less any allowance for impairment losses. Gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(h) Financial instruments under MFRS 139 (continued)

(i) Classification, recognition and measurement of financial assets (continued)

(4) AFS

AFS are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investments. After initial measurement, AFS are remeasured at fair value, with gains or losses recognised in other comprehensive income, except for impairment losses.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

On derecognition, the cumulative fair value gains and losses previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received or receivable and any accumulated gains or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(iii) Impairment

All financial assets, except for FVTPL, are subject to review for impairment. The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. The impairment assessment is performed at each reporting date.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced and the impairment loss is recorded in the profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments under MFRS 139 (continued)

(iii) Impairment (continued)

AFS financial assets

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment losses previously recognised in profit or loss, is transferred from equity or insurance contract liabilities for the insurance subsidiaries of the Group to the profit or loss. Reversal of impairment losses on equity instruments classified as AFS financial assets are not recognised in the profit or loss. Reversal of impairment losses on debt instruments classified as AFS financial assets are reversed through the profit or loss if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognised in the profit or loss.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

All the financial assets are recognised using trade date, the date that the Group commits to purchase or sell the assets.

(i) Financial instruments under MFRS 9

The Company has adopted MFRS 9 in the year of 2018. Accordingly, the Company has applied the following policies under MFRS 9 for both current year and prior year.

The Group deferred the adoption of MFRS 9 as permitted under Amendment to MFRS 4 as explained in note 2(h).

(i) Classification and measurement

The classification of financial assets depends on the Company's business model of managing the financial assets in order to generate cashflows ("business model test") and the contractual cashflow charateristics 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.

Financial assets are classified into four categories:

(1) Financial assets at amortised costs

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.

Financial assets at amortised cost are subsequently measured using the effective interest rates and are subject to impairment assessment.

The Company classifies loans and receivables as financial assets measured at amortised cost.

(i) Financial instruments under MFRS 9 (continued)

(i) Classification and measurement (continued)

(2) Financial assets at FVOCI (debt instruments)

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.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

(3) Financial assets at FVOCI (equities)

On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on investment-by-investment basis.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All fair value adjustments are recognised through OCI. All equity instruments designated at FVOCI are not subject to impairment assessment.

As at the date of adoption, the Company did not irrevocably designate any equity investments as FVOCI.

(4) Financial assets at FVTPL

Financial assets are classified as FVTPL if the financial assets are held for trading or are managed on a fair value basis (including derivatives). Other financial assets with contractual cash flow that are not solely payments of principal and interest, regardless of its business model are classified as FVTPL.

Certain financial assets that otherwise meets the requirements to be either measured at amortised cost or at FVOCI, may irrevocably be designated at FVTPL on initial recognition, when such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All subsequent fair value adjustments are recognised through profit or loss.

The Company classifies its equity securities, real estate investment trusts and unit trust funds as financial assets at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for management of the financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments under MFRS 9 (continued)

(ii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of financial assets in its entirety, other than for equity instruments which are FVOCI, all gains and losses, (difference between the carrying amount and the sum of consideration received or receivable), if any, is recognised in the profit or loss. Accumulated fair value gains and losses on debt securities at FVOCI which were recognised within OCI will be reclassified from OCI to profit or loss; whilst accumulated fair value gains and losses on equity instruments at FVOCI which were recognised within OCI are directly transferred to retained earnings.

(iii) Impairment of financial assets

Recognition of Expected Credit Loss ("ECL")

The Company assesses at each reporting date to determine loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost and debt securities at FVOCI based on two different approaches as follows:

General approach - three-stage approach

The general approach impairment recognition requires loss allowance to be recognised based on "three-staging" model which reflects the change in credit quality of the financial instrument since initial recognition:

Stage 1: 12-month ECL

For financial assets that have no significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the 12-month ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months) will be recognised in profit or loss.

Stage 2: Lifetime ECL – Non-credit impaired

For financial assets that have significant increase in credit risks since initial recognition but do not have objective evidence of impairment, a lifetime ECL that results from all possible default events over the expected life of the financial assets will be recognised in profit or loss. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Stage 3: Impairment – Credit impaired

Financial assets are assessed as credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit impaired, impairment will be recognised in profit or loss.

The Company uses the general approach to measure loss allowances for the following:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company considers debt security to have low credit risk when its credit risk rating is a minimum rating of "BBB". The Company also considers all government issued or government guaranteed debt securities to have low credit risk. The Company's fixed deposits with licensed banks are also assessed to have low credit risk.

(i) Financial instruments under MFRS 9 (continued)

(iii) Impairment of financial assets (continued)

Recognition of Expected Credit Loss ("ECL") (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

A significant increase in credit risk since inception may occur in the following:

- (i) if the financial assets, either reinsurance assets, or loans receivables are 30 days past due;
- (ii) in the case of corporate debt securities or reinsurance assets, if there is a significant deterioration of credit risk rating by 2 ranks from the initial purchase or contract date; or
- (iii) significant increase in bond yields due to market's assessment of creditworthiness of those investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer, such as lawsuits of similar actions that threaten the financial viability of the counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Simplified approach

The simplified approach impairment recognition allows for loss allowance to be recognised based on expected lifetime ECL, without considering credit risk.

Loss allowances for trade and other receivables, with no financing component, are always measured at an amount equal to lifetime ECLs.

Measurement of ECL

ECL is a probability weighted estimate of credit losses over the expected life of a financial asset. The estimated ECL incorporates time value of money and considers historical data, current conditions and forecasts of future economic conditions.

The Company measures the ECL on an individual basis for debts securities that are deemed significant. When estimating ECL, the Company considers the probability of default ("PD"), loss given default ("LGD") and the exposure at default ("EAD").

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments under MFRS 9 (continued)

(iii) Impairment of financial assets (continued)

Measurement of ECL (continued)

PD represents the likelihood of a borrower defaulting on its financial obligation at the time of default, either over the next 12 months, or over the remaining lifetime of the obligation. Multi-year PDs (of up to 30 years) are generated, based on proprietary and publicly available ratings data, using statistical methods. PDs representing different economic scenarios are projected, allowing the Company to consider a range of possible outcomes as required under MFRS 9. If a counterparty of exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD.

LGD is the estimated magnitude of the likely loss if there is a default, based on statistical method. LGD is expressed as a percentage per loss per unit of exposure at the time of default and varies by type and seniority of claims, availability of collateral, geographical location and industry of borrower and existing market conditions.

EAD represents the expected exposure in the event of a default. The EAD of a financial asset is its gross carrying amount.

The PDs and LGDs are then applied accordingly to the carrying value of financial assets (debt securities at FVOCI) to obtain an ECL.

When the Company measures ECL on a collective basis, the financial assets are grouped based on shared characteristics such as credit risk rating, type of financial asset, and etc.

Forward looking information and key economic variables are considered while assessing the change in credit risk of an instrument. These economic variables and their associated impact on PD, LGD and EAD vary by financial instruments. Some of the key macroeconomics factors incorporated into the ECL estimation include Gross Domestic Product, current and future interest rates environment, potential economic outlook and forecast collateral values.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and the actual outcomes may be significantly different from those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not significant to the Company for the year ended 31 December 2022 and 31 December 2021.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

All the financial assets are recognised using trade date, the date that the Company commits to purchase or sell the assets.

(v) Write off

Financial assets are written off either partially or in full when there is no realistic prospect of recovery. The Company determines this based on the inability of the borrower to pay.

(i) Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices for assets and offer prices for liabilities, at the close of business on the reporting date.

For investments in unit and real estate investment trusts, fair value is determined by reference to published prices.

For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques include using recent arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument. Certain financial instruments are valued using pricing models that consider, among other factors, contractual and market prices, co-relation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and over-night deposits with financial institutions is their carrying value. The carrying value is the cost of the deposits/placements and accrued interests/profits. The fair value of fixed interest/yield-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the instrument or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

(k) Financial liabilities

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category at inception.

Derivative financial instruments held by the Group are forward foreign exchange contract to hedge its currency risks. Any fair value losses on these derivative financial instruments are recognised as financial liabilities.

Other financial liabilities are measured at amortised cost using the effective interest method with gains and losses recognised in profit or loss when the instrument is derecognised as well as through the amortisation process. Interest expenses are recognised in the profit or loss.

Financial liabilities are derecognised when the obligation under the liability is extinguished and resulting gains or losses are recognised in profit or loss.

(I) Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and net amount reported in the statements of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(n) Assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, allowances, paid annual leave and sick leave, bonuses, social security contributions and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group and the Company.

(ii) Post-employment benefits

The Group and the Company are required to contribute to the Employees' Provident Fund, a defined contribution plan.

(iii) Share-based compensation

The Group and the Company participated in share-based compensation plans granted to certain employees of Manulife Financial Corporation Group as consideration for services rendered. These plans include both equity-settled share-based and cash-settled share-based compensation scheme to eligible employees.

(i) Equity-settled share-based compensation

The fair value of equity-settled share-based compensation granted to employees as at the grant date is recognised in the profit and loss over the vesting periods of the grant. The fair value of the grant is measured using the Black Scholes option pricing model, with the market price or strike price being the closing transaction price of Manulife Financial Corporation ("MFC") shares prior to the grant date. In valuing the share-based payments, no account is taken of any performance conditions, other than conditions linked to the price of the shares of MFC if applicable.

At each date of the statement of financial position, the Group and the Company review its estimates of the number of employees expected to meet service vesting conditions and the fair value of the liability incurred. The impact of the revision of the original estimate, if any, is recognised in the profit or loss.

(o) Employee benefits (continued)

(iii) Share-based compensation (continued)

(ii) Cash-settled share-based compensation

Cash-settled share-based compensation relates to the employee services received in exchange for the grant of the share appreciation rights. The fair value of the compensation is recognised in the profit or loss over the vesting periods of the grant with a corresponding increase in liabilities.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share appreciation rights of MFC. At each date of the statement of financial position, the Group and the Company review its estimates of the number of employees expected to meet service vesting conditions and the fair value of the liability incurred. The impact of the revision of the original estimate, if any, is recognised in the profit or loss.

The cumulative liability incurred net of any directly attributable transaction costs, will be reversed as cash is paid at the end of the vesting period.

(iv) Deferred remuneration scheme

The Group provides deferred remuneration to certain employees by investing in unit trust funds on behalf of the said employees. The deferred remuneration shall be paid to the employees at the end of 3 years. The Group recognises a liability in respect of these deferred remuneration which reflects its obligation to the said employees, and which takes into account the fair value movements of the underlying unit trust funds and the related dividend income earned thereon.

(p) Other revenue recognition

Interest income is recognised using the effective interest rate method. When a loan and receivable is impaired, the Group and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Other interest income including the amount of amortisation of premiums and accretion of discounts is recognised on a time proportion basis that takes into account the effective yield of the assets.

Dividend income is recognised in the profit or loss on the date that the Group's and the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

Realised gains and losses recorded in the profit or loss on investments include gains and losses on financial assets and investment property. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

Charges and fee income (including initial sales charge on sale of unit trust funds) are recognised at point in time upon allotment of units, net of cost of units sold.

Fund management fee from the provision of investment and fund management services is recognised at point in time upon calculation of daily net asset value of funds.

Internal outsourcing fee income is earned from provision of shared services to a fellow subsidiary of the ultimate holding company based on an agreed full-time equivalent ("FTE") cost plus a percentage mark-up on an accrual basis. The income is recognised over time in the period which the services are rendered.

31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Product classification

An insurance contract is a contract under which the insurance subsidiaries of the Group have accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. For purpose of MFRS 4 on "Insurance Contracts", the insurance subsidiaries of the Group define insurance risk to be significant when the benefits payable on the occurrence of the insured event are 5% or more than the benefits payable if the insured event did not occur at any one point of the insurance contract. Based on this definition, all policy contracts issued by the insurance subsidiaries of the Group, including investment-linked contracts, are considered insurance contracts as at the date of the statement of financial position. The investment components of the investment-linked contracts are not unbundled.

Investment contracts are those contracts that do not transfer significant insurance risk, but significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance risk is the risk other than financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on the:
 - performance of a specified pool of contracts or a specified type of contract;
 - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
 - profit or loss of the insurance subsidiaries, fund or other entity that issues the contract.

Contracts in the Participating life funds are classified as insurance contracts with DPF and contracts in the Non-participating life funds are classified as insurance contracts without DPF.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through profit or loss.

(r) Reinsurance

The insurance subsidiaries of the Group cede insurance risk in the normal course of business for their insurance business. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurers' policies and are in accordance with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the insurance subsidiaries of the Group from their obligations to policyholders. Premiums and claims are presented on a gross basis for ceded reinsurance.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the insurance subsidiaries of the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the insurance subsidiaries of the Group will receive from the reinsurer. The impairment loss is recorded in the profit or loss.

(r) Reinsurance (continued)

Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

(s) Life insurance underwriting results of the insurance subsidiaries of the Group

(i) Gross premiums

Premium income includes premium recognised in the Life fund and the Investment-linked funds. Premium income of the Life fund is recognised as soon as the amount of the premium can be reliably measured. First premium is recognised from inception date and subsequent premium is recognised when it is due.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured.

Premium income of the Investment-linked funds is in respect of the net creation of units which represents premiums paid by policyholders as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

(ii) Reinsurance premiums

Outward reinsurance premiums are recognised in the same accounting period as the original policies to which the reinsurance relates.

(iii) Commission and agency expenses

Commission and agency expenses, which are costs directly incurred in securing premium on insurance policies and net of income derived from reinsurers in the course of ceding of premium to reinsurers, are charged to the profit or loss in the financial year in which they are incurred.

(iv) Benefits, claims and expenses

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or when the insurer is notified

Recoveries on reinsurance claims are accounted for in the same financial year as the original claims are recognised.

Benefits and claims for claims arising on life insurance policies including settlement costs, less reinsurance recoveries, are accounted for using the case basis method and for this purpose, the benefits payable under a life insurance policy are recognised as follows:

- (1) maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates; and
- (2) death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered.

(t) Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective yield method.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Insurance receivables (continued)

If there is objective evidence that the insurance receivables are impaired, the insurance subsidiaries of the Group reduce the carrying amount of the insurance receivables accordingly and recognise that impairment loss in the profit or loss. The insurance subsidiaries of the Group gather the objective evidence that an insurance receivable is impaired using the same process adopted for financial assets carried at amortised cost and impairment loss is calculated under the same method used for these financial assets as set out in note 2(h)(iii) on impairment.

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in note 2(h) (ii), have been met.

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of all entities in the Group, except for Manulife Insurance Labuan Limited and certain Investment-linked funds of the Manulife Insurance Berhad is Ringgit Malaysia. The consolidated financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Translation of Group's financial statements

The results and financial position of the Group's entities and Investment-linked funds of Manulife Insurance Berhad that have a functional currency that is different from the presentation currency, are translated into the presentation currency as follows:

- (1) Assets and liabilities for the statement of financial position presented are translated at the closing rate at the date of the statement of financial position; and
- (2) Income and expenses for profit or loss are translated at average exchange rate unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which case income and expenses are translated using the exchange rates at the date of the transactions.

All resulting exchange differences from translating the financial statements of Manulife Insurance Labuan Limited are recognised in other comprehensive income as a foreign currency translation reserve and are subsequently reclassified to profit or loss upon disposal. Differences from translating the foreign Investment-linked funds are included in profit or loss.

(v) Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability in the financial year in which it is declared and approved by the Company's shareholders.

(w) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank balances and deposits held at call with financial institutions with original maturities of three months or less. It excludes deposits which are held for investment purpose.

(w) Cash and cash equivalents (continued)

The Group classifies cash flows from the acquisition and disposal of financial assets of the insurance subsidiaries of the Group as operating cash flows, as the purchases are funded from cash flows associated with the origination of insurance contracts, net of cash flows for payments of benefits and claims incurred for insurance contracts underwritten which are classified as operating activities.

(x) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax is recognised in the statements of profit or loss.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related benefit will be realised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or when the deferred tax liability is settled. Deferred tax is recognised in the profit or loss except when it arises from a transaction which is recognised in other comprehensive income or directly in equity or directly in the insurance contract liabilities, in which case, the deferred tax is also charged or credited to other comprehensive income or directly in equity or directly in the insurance contract liabilities.

(y) Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

(z) Insurance contract liabilities

(i) Actuarial liabilities

Actuarial liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by the gross premium valuation (GPV) method, a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate. The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of Non-participating life policies, the guaranteed benefits liabilities of Participating life policies, Non-participating annuity policies and non-unit liabilities of Investment-linked policies.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Insurance contract liabilities (continued)

(i) Actuarial liabilities (continued)

The liability in respect of participating policies is conducted with GPV method and taken as the higher liability value derived of (i) where only the guaranteed benefits are considered (with appropriate PRAD applied), by discounting all cash flows at the risk-free discount rate; or (ii) where total guaranteed and non-guaranteed benefits are considered, by discounting all cash flows at the after-tax yield of the investment portfolio.

The liability in respect of universal life non-participating policies is conducted with GPV method and taken as the higher liability value derived of (i) where only the guaranteed benefits are considered (with appropriate PRAD applied), by discounting all cash flows at the risk-free discount rate; or (ii) the total guaranteed and non-guaranteed benefits are considered (with appropriate PRAD applied), by discounting all cash flows at the after-tax yield of the investment portfolio.

For unit-linked policies, a matched position has been maintained in respect of unit liability of a segregated fund and the value of the unit liability has been taken as the Net Asset Value of the matched units as at the valuation date. With the exception of Secure Income Plus (VA) Plan, the valuation of the non-unit liabilities was conducted using the Zeroization Method, using cash flow projection of unit-linked policies. The liability in respect of the non-unit component of unit-linked policies is valued by projecting future cash flows to ensure that all future outflows can be met without recourse to additional finance or capital support at any future time. The reserve provided would be an amount that has to be set aside such that when accumulated at future rate of return, together with future positive cash flows, all negative cash flows in the future are zeroized. The cash flow projection was conducted using best estimate assumptions with the appropriate allowance for provision of risk margin for adverse deviation from expected experience.

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zerorisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the Company.

The liability is derecognised when the contract expires, is discharged or is cancelled.

At each reporting date, an assessment is made of whether the recognised insurance contract liabilities are adequate, net of present value of in-force business ("PVIF") by using an existing liability adequacy test.

Any inadequacy is recorded in the profit or loss, initially by impairing PVIF and subsequently by establishing technical reserves for the remaining loss. In subsequent periods, the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of the loss recognition. Impairment losses resulting from liability adequacy testing can be reversed in future years if the impairment no longer exists.

(ii) Unallocated surplus

Surpluses of contracts under the Participating life funds are attributable to policyholders and shareholders and the amount and timing of distribution to both the policyholders and shareholders are determined by an actuarial valuation of the long-term liabilities to policyholders at the date of the statement of financial position and is made in accordance with the provisions of the Financial Services Act, 2013 and policy documents issued by BNM.

Unallocated surplus of Participating life funds, where the amounts of surplus are yet to be allocated or distributed to either policyholders or shareholders by the end of the financial year, are held within the insurance contract liabilities.

(z) Insurance contract liabilities (continued)

(ii) Unallocated surplus (continued)

Unallocated surplus for Non-participating life funds is recognised as equity, as the policyholders do not have any rights over this unallocated surplus. The shareholder will ultimately have the rights over this unallocated surplus upon the recommendation of distribution by the Appointed Actuary. Hence, the unallocated surplus represents the residual interest of the shareholder in the assets of the Non-participating life fund after deducting all its liabilities and it is recognised as equity accordingly.

(iii) Fair value reserve

Fair value gains and losses on AFS financial assets of Participating life fund are initially recognised in other comprehensive income. Subsequently, an equivalent amount of adjustment to the insurance contract liabilities is recognised.

(iv) Asset revaluation reserve

Revaluation surplus or deficit of freehold property of Participating life fund is initially recognised in other comprehensive income. Subsequently, an equivalent amount of adjustment to the insurance contract liabilities is recognised.

(v) Net asset value attributable to unit holders

The unit liability of investment-linked policies is equal to the net asset value of the Investment-linked funds, which represents net premium received and investment returns credited to the policy less deduction for mortality, morbidity costs and expense charges.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements are as follows:

- (i) Valuation of freehold property and investment property note 4 and note 5
- (ii) Impairment of financial assets note 2(h)(iii) and 2(i)(iii)
- (iii) Impairment of intangible assets note 2(m)
- (iv) Recognition of deferred tax assets note 18

The estimates, assumptions and judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future are discussed below.

Valuation of actuarial liabilities

The valuation of the ultimate liability arising from policy benefits made under life insurance contracts is the Group's insurance subsidiaries' most critical accounting estimate. The assumptions in relation to mortality, morbidity, longevity, investment returns, expenses, surrender rates (including lapses, Investment-linked premium, persistency and partial withdrawal), policyholders' bonuses/dividends and discount rates are used for calculating the liabilities during the life of the contract. Such assumptions require a significant amount of professional judgement and therefore, actual experience may be different than the assumptions made by the insurance subsidiaries. Actual experience is monitored to assess whether the assumptions remain appropriate or assumptions are changed as warranted. Any movement in the key assumptions will have an effect in determining the actuarial liabilities. All contracts are subject to a liability adequacy test, which reflect management's best current estimate.

Valuation of actuarial liabilities (continued)

The key assumptions used in the estimation of actuarial liabilities are as follows:

Interest rate

Manulife Insurance Berhad

The discount rates used for the valuation of Non-participating life fund (except for Universal Life Non-participating policy), Non-participating annuity fund, Investment-linked operating fund and the guaranteed benefits liabilities of the Participating life funds under the "Risk-Based Capital Framework for Insurers" are described below:

- (i) For cash flows with duration of less than 15 years, Malaysian Government Bond zero coupon spot yields of matching duration are used; and
- (ii) For cash flows with duration of 15 years or more, Malaysian Government Bond zero coupon spot yields of 15 years to maturity are used,

where duration is the term to maturity of each future cash flow.

Zero coupon spot yields as at current financial year end are obtained from Bond Pricing Agency Malaysia Sdn Bhd. (a bond pricing agency approved by BNM) and used for the valuation of guaranteed liabilities for all products, except for the US dollar denominated variable annuity ("VA") which used the corresponding US treasury yield as the valuation interest rate.

For the valuation of total benefits liabilities of the Participating life funds and Universal Life Non-participating policy, a suitable discount rate based on the historical yield and future investment outlook of the respective fund is used.

The table below shows the valuation discounting forward yields for the respective life funds after taking into consideration the applicable adjustment on investment expense and investment income tax.

Resultant Valuation Discounting Yields

			Non-Par Annuity	Non-Par	IL SIP (VA)	
Calendar Year	Ordinary Par	Annuity Par	+ Non-Par + IL	Universal Life		
2023	4.78%	3.25%	3.25%	4.71%	4.73%	
2024	4.83%	4.03%	4.03%	4.73%	4.09%	
2025	4.88%	3.94%	3.94%	4.76%	3.84%	
2026	4.93%	3.98%	3.98%	4.79%	3.76%	
2027	4.95%	4.20%	4.20%	4.81%	3.53%	
2028	4.98%	4.60%	4.60%	4.84%	3.90%	
2029	5.01%	4.21%	4.21%	4.87%	3.87%	
2030	5.04%	4.11%	4.11%	4.89%	3.75%	
2031	5.06%	4.22%	4.22%	4.92%	3.69%	
2032	5.09%	4.36%	4.36%	4.95%	3.64%	
2033	5.12%	4.75%	4.75%	4.97%	4.17%	
2034	5.12%	4.75%	4.75%	4.97%	4.22%	
2035	5.12%	4.98%	4.98%	4.97%	4.27%	
2036	5.12%	5.24%	5.24%	4.97%	4.32%	
2037	5.12%	4.78%	4.78%	4.97%	4.37%	
2038	5.12%	4.36%	4.36%	4.97%	4.01%	
2039+	5.12%	4.36%	4.36%	4.97%	4.01%	

Valuation of actuarial liabilities (continued)

The key assumptions used in the estimation of actuarial liabilities are as follows (continued):

Interest rate (continued)

ii. Manulife Insurance Labuan Limited

The liability in respect of universal life non-participating policies is conducted with gross premium valuation ("GPV") method and taken as the higher liability value derived of (i) where only the guaranteed benefits are considered benefits (with appropriate PRAD applied), by discounting all cash flows at the risk-free discount rate; or (ii) the total guaranteed and non-guaranteed benefits (with appropriate PRAD applied), by discounting all cash flows at the yield of the investment portfolio.

The risk-free discount rate was used for all cash flows to determine the liability of a Non-participating Universal Life policy with only guaranteed benefits considered. The subsidiary's product cash flows are denominated in US Dollar currency. Hence, USD treasury yields are used.

According to the prevailing regulatory guideline, the risk-free discount rate shall be derived from a yield curve, as follows:

- For durations of less than 15 years: zero coupon spot yield of USD treasury yields with matching duration; and
- For durations of 15 years or more: zero coupon spot yield of USD treasury yields with 15 years term to maturity,

where duration is the term to maturity of each future cash flow.

However, Labuan regulator allows the Company to apply a more pragmatic approach for discounting the liability valuation until the implementation of the new valuation guideline.

With that, a three-segment approach ("Smith Wilson approach") was used in deriving the risk-free yield curve for discounting the guaranteed liability cash flows.

- a) Segment 1: Liquid segment based on market information on government bonds. The Company's product cash flows are denominated in US Dollar currency. Hence, USD treasury yields are used.
- b) Segment 2: Extrapolation between first and third segments, using Smith-Wilson method (*a simple linear approach) to extrapolate between the last liquid point ("LLP") to the commencement of Segment 3;
- c) Segment 3: Convergence to the Ultimate Forward Rate ("UFR").

For USD denominated liabilities, the LLP was 30 years and the convergence point was at year 60. The UFR was determined as the sum of expected real interest rate and expected inflation rate. The UFR for USD denominated liabilities was calculated as 3.8%, based on expected real interest rate of 1.8% and expected inflation of 2.0%.

Where total guaranteed and non-guaranteed benefits are considered, the discount rate was derived from a suitable discount rate based on the historical yield and future investment outlook of the funds/invested assets.

Valuation of actuarial liabilities (continued)

The key assumptions used in the estimation of actuarial liabilities are as follows (continued):

Interest rate (continued)

ii. Manulife Insurance Labuan Limited (continued)

For Universal Life Non-Participating policy, the current yield and expected long term (ELT) yield were derived based on weighted average of respective asset mix and returns of the fund / investment portfolio. The total benefits valuation yield is calculated from current yield grading to expected long-term yield.

The table below shows the valuation discounting forward yields for the Life funds, after taking into consideration the applicable adjustment on investment expense.

Universal Life Non-Participating - Fund Based Yield

		• •		P 8	- Buccu IIciu		
Calendar Year	Discounting Yield	Calendar Year	Discounting Yield	Calendar Year	Discounting Yield	Calendar Year	Discounting Yield
2023	5.01%	2038	5.53%	2053	5.33%	2068	5.12%
2024	5.18%	2039	5.52%	2054	5.31%	2069	5.11%
2025	5.35%	2040	5.50%	2055	5.30%	2070	5.10%
2026	5.52%	2041	5.49%	2056	5.29%	2071	5.08%
2027	5.68%	2042	5.48%	2057	5.27%	2072	5.07%
2028	5.67%	2043	5.46%	2058	5.26%	2073	5.05%
2029	5.65%	2044	5.45%	2059	5.25%	2074	5.04%
2030	5.64%	2045	5.44%	2060	5.23%	2075	5.03%
2031	5.63%	2046	5.42%	2061	5.22%	2076	5.01%
2032	5.61%	2047	5.41%	2062	5.20%	2077	5.00%
2033	5.60%	2048	5.40%	2063	5.19%	2078	4.99%
2034	5.59%	2049	5.38%	2064	5.18%	2079	4.97%
2035	5.57%	2050	5.37%	2065	5.16%	2080	4.96%
2036	5.56%	2051	5.35%	2066	5.15%	2081	4.95%
2037	5.55%	2052	5.34%	2067	5.14%	2082	4.93%
						2083+	4.92%

Valuation of actuarial liabilities (continued)

The key assumptions used in the estimation of actuarial liabilities are as follows (continued):

<u>Interest rate</u> (continued)

ii. Manulife Insurance Labuan Limited (continued)

Universal Life Non-Participating - US Treasury Yield with Smith Wilson Method

Calendar Year	Discounting Yield	Calendar Year	Discounting Yield	Calendar Year	Discounting Yield	Calendar Year	Discounting Yield
2023	4.73%	2038	4.63%	2053	3.55%	2068	3.79%
2024	4.09%	2039	4.64%	2054	3.59%	2069	3.79%
2025	3.84%	2040	4.59%	2055	3.63%	2070	3.79%
2026	3.76%	2041	4.48%	2056	3.66%	2071	3.79%
2027	3.53%	2042	4.32%	2057	3.69%	2072	3.79%
2028	3.90%	2043	4.10%	2058	3.71%	2073	3.80%
2029	3.87%	2044	3.91%	2059	3.72%	2074	3.80%
2030	3.75%	2045	3.75%	2060	3.74%	2075	3.80%
2031	3.69%	2046	3.64%	2061	3.75%	2076	3.80%
2032	3.64%	2047	3.55%	2062	3.76%	2077	3.80%
2033	3.87%	2048	3.49%	2063	3.77%	2078	3.80%
2034	4.12%	2049	3.46%	2064	3.77%	2079	3.80%
2035	4.32%	2050	3.45%	2065	3.78%	2080	3.80%
2036	4.47%	2051	3.46%	2066	3.78%	2081	3.80%
2037	4.57%	2052	3.50%	2067	3.78%	2082+	3.80%

Mortality, morbidity, critical illness, expenses and surrenders (including lapses, Investment-linked premium, persistency and partial withdrawal)

i. Manulife Insurance Berhad

Assumptions on mortality are derived from the insurance subsidiary's historical experience and from reinsurance premium table, where applicable. For morbidity assumptions, they are based on reinsurance premium tables, adjusted where appropriate to reflect the insurance subsidiary's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risks to longevity, prudent allowance is made for expected future mortality improvements.

Assumptions on future expenses are based on current expense levels for variable expenses while fixed expenses are derived based on projected 2024 business statistics to reflect the benefit from economies of scale. Appropriate expected expense inflation adjustments are applied.

Assumptions on surrenders (including lapses, Investment-linked premium, persistency and partial withdrawal) are derived from the insurance subsidiary's historical experience.

All assumptions are monitored through regular experience studies to ensure relevance and appropriateness.

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3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Valuation of actuarial liabilities (continued)

Mortality, morbidity, critical illness, expenses and surrenders (including lapses, Investment-linked premium, persistency and partial withdrawal) (continued)

i. Manulife Insurance Berhad (continued)

For the Non-participating life fund, Non-participating annuity fund, Investment-linked operating fund and the guaranteed benefits liabilities of the Participating life funds, provision of risk for adverse deviation ("PRAD") assumptions are added to the best estimate assumptions.

For the valuation of total benefit liabilities of the Participating life funds, the best estimates assumptions are used.

ii. Manulife Insurance Labuan Limited

Assumptions on mortality are derived based on the best estimate assumptions.

Assumptions on future expenses are based on current expense level for variable expenses while fixed expenses are derived based on projected 2024 business statistic to reflect the benefit from economies of scale. Appropriate expected expense inflation adjustments are applied.

Assumptions on policy persistency (including lapses and surrender) are derived from the best estimate pricing assumptions.

Provision of risk for adverse deviation ("PRAD") assumptions is added to the best estimate pricing assumptions.

All assumptions will be monitored through regular experience studies to ensure relevance and appropriateness.

Participating Policyholders' Bonuses/Dividends

Continuance of current bonus level is assumed in the best estimate valuation. On top of that, an appropriate reserve provision is made to reflect the adjustability of post-asset share ordinary life participating policies' future terminal dividend scale.

PROPERTY AND EQUIPMENT

Group	Note	Building RM'000	Work in progress RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
Cost/valuation							
At 1 January 2021		27,026	3,515	27,672	1,322	11,612	71,147
Additions		137	212	335	-	256	940
Transfer from work-in-progress		420	(2,385)	457	-	1,508	-
Revaluation adjustment		(1,163)	-	-	-	-	(1,163)
Effect of exchange rate		-	-	1	-	1	2
At 31 December 2021/							
1 January 2022		26,420	1,342	28,465	1,322	13,377	70,926
Additions		-	2,675	809	-	645	4,129
Write off	28	-	-	(511)	-	(60)	(571)
Transfer from work-in-progress		-	(686)	26	-	660	-
Transfer to investment property	5	(4,830)	-	-	-	-	(4,830)
Revaluation adjustment		(492)	-	-	-	-	(492)
Effect of exchange rate		-	-	3	-	1	4
At 31 December 2022		21,098	3,331	28,792	1,322	14,623	69,166
Comprising assets stated at 31 December 2022:							
Valuation		21,098	-	-	-	-	21,098
Cost		-	3,331	28,792	1,322	14,623	48,068
		21,098	3,331	28,792	1,322	14,623	69,166
Comprising assets stated at 31 December 2021:							
Valuation		26,420	-	-	-	-	26,420
Cost		-	1,342	28,465	1,322	13,377	44,506
		26,420	1,342	28,465	1,322	13,377	70,926
Accumulated depreciation							
At 1 January 2021		_	_	20,817	919	5,863	27,599
Charge for the financial year	28	587	_	1,575	146	1,202	3,510
Reversal on revaluation		(587)	-	-	-	-	(587)
At 31 December 2021/ 1 January 2022		-	-	22,392	1,065	7,065	30,522
Charge for the financial year	28	574	-	1,545	146	1,341	3,606
Reversal on revaluation		(574)	-	-	-	-	(574)
Write off	28	-	-	(473)	-	-	(473)
At 31 December 2022		-	-	23,464	1,211	8,406	33,081
Carrying amount							
At 31 December 2022		21,098	3,331	5,328	111	6,217	36,085
At 31 December 2021		26,420	1,342	6,073	257	6,312	40,404

4. PROPERTY AND EQUIPMENT (CONTINUED)

0	Mada	Building	progress	Furniture, fittings and equipment		Renovations	Total
Company	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/valuation							
At 1 January 2021		16,422	182	3,164	935	3,170	23,873
Additions		81	72	15	-	145	313
Transfer from work-in-progress		188	(188)	-	-	-	-
Revaluation adjustment		(640)	-	-	-	-	(640)
At 31 December 2021/ 1 January 2022		16,051	66	3,179	935	3,315	23,546
Additions		-	148	77	-	448	673
Transfer to investment property	5	(4,830)	-	-	-	-	(4,830)
Revaluation adjustment		(507)	-	-	-	-	(507)
At 31 December 2022		10,714	214	3,256	935	3,763	18,882
Comprising assets stated at 31 December 2022:							
Valuation		10,714	-	-	-	-	10,714
Cost		-	214	3,256	935	3,763	8,168
		10,714	214	3,256	935	3,763	18,882
Comprising assets stated at 31 December 2021:							
Valuation		16,051	-	-	-	-	16,051
Cost		-	66	3,179	935	3,315	7,495
		16,051	66	3,179	935	3,315	23,546
Accumulated depreciation							
At 1 January 2021		_	_	2,675	686	1,703	5,064
Charge for the financial year	28	356	_	93	90	320	859
Reversal on revaluation		(356)	_	-	-	-	(356)
At 31 December 2021/ 1 January 2022				2,768	776	2,023	5,567
Charge for the financial year	28	349	_	94	90		869
Reversal on revaluation		(349)	_			-	(349)
At 31 December 2022		-		2,862	866	2,359	6,087
				•		•	·
Net carrying amount At 31 December 2022		10,714	214	394	69	1,404	12,795
At 31 December 2021		16,051	66	411	159		17,979
		,				-,	,5.5

4. PROPERTY AND EQUIPMENT (CONTINUED)

The net book value of the revalued building had this asset been carried at cost less accumulated depreciation is as follows:

	2022 RM'000	2021 RM'000
Group		
Building	11,488	11,866
Company		
Building	5,614	5,830

The Group and Company had carried out a valuation on the investment property based on the income method conducted by an independent qualified valuer, Justin Chee Ting Hwang, MRICS, MRISM, MPEPS, Registered Valuer (V-774) of Knight Frank Malaysia Sdn. Bhd. (200201017816 (585479-A) (VE (1) 0141)). The valuation of the investment property was adopted for the financial year ended 31 December 2022. The recognised revalued amount was based on the valuation exercise performed as at 31 December 2022.

Under the income method, the market value of the freehold property 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 the freehold property is classified within Level 3 of the fair value hierarchy. The fair value of the property is as follows:

	Gro	up	Company		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Fair value as stated in valuation report	21,098	26,420	10,714	16,051	

The reconciliation from beginning to ending balances for the freehold property is as disclosed on page 143 to page 144.

Notes to the Financial Statements

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4. PROPERTY AND EQUIPMENT (CONTINUED)

Description of valuation techniques used and significant unobservable inputs to valuation of freehold property are as set out below:

	Valuation technique	Significant unobservable inputs	Range
2022	Income method	Term period's net yield	5.00% - 6.50%
Freehold property		Reversionary period's net yield	6.00%
		Void factor	5.00%
		Average rental for term period	RM4.64 psf
		Average rental for reversionary period	RM4.69 psf
		Outgoings for term period	RM1.70 psf
		Outgoings for reversionary period	RM1.75 psf
2021	Income method	Term period's net yield	5.00% - 6.50%
Freehold property		Reversionary period's net yield	6.00%
		Void factor	5.00%
		Average rental for term period	RM4.55 psf
		Average rental for reversionary period	RM4.69 psf
		Outgoings for term period	RM1.70 psf
		Outgoings for reversionary period	RM1.75 psf

A 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 property.

5. INVESTMENT PROPERTY

	Note	2022 RM'000	2021 RM'000
Group			
At 1 January		73,580	77,974
Transfer to investment property	4	4,830	-
Fair value gain/(loss)	26	492	(4,394)
At 31 December		78,902	73,580
Represented by:			
Freehold property		78,902	73,580
	Note	2022 RM'000	2021 RM'000
Company			
At 1 January		27,868	31,172
Transfer to investment property	4	4,830	-
Fair value loss	26	(114)	(3,304)
At 31 December		32,584	27,868
Represented by:			
Freehold property		32,584	27,868

5. INVESTMENT PROPERTY (CONTINUED)

The following are amounts arising from investment property that have been recognised in the profit or loss during the financial year:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Rental income (note 24)	3,411	3,207	3,543	3,936
Direct operating expenses arising from investment property that generate rental income	(3,167)	(2,736)	(1,565)	(1,429)
Direct operating expenses arising from investment property that did not generate				
rental income	(622)	(622)	(300)	(300)

The Group and Company had carried out a valuation on the investment property based on the income method conducted by an independent qualified valuer, Justin Chee Ting Hwang, MRICS, MRISM, MPEPS, Registered Valuer (V-774) of Knight Frank Malaysia Sdn. Bhd. (200201017816 (585479-A) (VE (1) 0141)). The valuation of the investment property was adopted for the financial year ended 31 December 2022. The recognised revalued amount was based on the valuation exercise performed as at 31 December 2022.

The fair value of the investment property is categorised under Level 3 of the fair value hierarchy.

Description of valuation techniques used and significant unobservable inputs to valuation of investment property are as set out below:

	Valuation technique	Significant unobservable inputs	Range
2022	Income method	Term period's net yield	5.00% - 6.50%
Investment property		Reversionary period's net yield	6.00%
		Void factor	5.00%
		Average rental for term period	RM4.64 psf
		Average rental for reversionary period	RM4.69 psf
		Outgoings for term period	RM1.70 psf
		Outgoings for reversionary period	RM1.75 psf
2021	Income method	Term period's net yield	5.00% - 6.50%
Investment property		Reversionary period's net yield	6.00%
		Void factor	5.00%
		Average rental for term period	RM4.55 psf
		Average rental for reversionary period	RM4.69 psf
		Outgoings for term period	RM1.70 psf
		Outgoings for reversionary period	RM1.75 psf

A 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 investment property.

The reconciliation from beginning to ending balances for investment property is as disclosed on page 175.

6. INTANGIBLE ASSETS

Group	Note	Management rights RM'000	Exclusive right RM'000	Computer software RM'000	Computer software in progress RM'000	Distribution agreement RM'000	Total RM'000
Cost							
At 1 January 2021		86,815	43,000	37,678	3,444	28,739	199,676
Additions		-	-	154	877	-	1,031
Write off	28	-	-	-	(51)	-	(51)
Effect of exchange rate		-	-	23	27	-	50
At 31 December 2021/1 January 2022		86,815	43,000	37,855	4,297	28,739	200,706
Additions		-	-	-	1,914	-	1,914
Write off	28	-	-	(1)	(32)	-	(33)
Effect of exchange rate		-	-	45	50	-	95
At 31 December 2022		86,815	43,000	37,899	6,229	28,739	202,682
Accumulated amortisation							
At 1 January 2021		-	35,709	27,468	-	85	63,262
Amortisation during the financial year	28	-	5,966	2,465	-	(16)	8,415
Effect of exchange rate		-	-	11	-	-	11
At 31 December 2021/1 January 2022		-	41,675	29,944		69	71,688
Amortisation during the financial year	28	-	1,325	2,322	-	49	3,696
Write off	28	-	-	(1)	-	-	(1)
Effect of exchange rate		-	-	30	-	-	30
At 31 December 2022		-	43,000	32,295	-	118	75,413
Accumulated impairment							
At 31 December 2021/31 December 2022		-	-	1,025	-	-	1,025
Net carrying amount							
At 31 December 2022		86,815		4,579	6,229	28,621	126,244
At 31 December 2021		86,815	1,325	6,886	4,297	28,670	127,993

6. INTANGIBLE ASSETS (CONTINUED)

Company	Note	Computer software RM'000	Total RM'000
Cost			
At 31 December 2021/31 December 2022		139	139
Accumulated amortisation			
At 1 January 2021		127	127
Amortisation during the financial year	28	6	6
At 31 December 2021/1 January 2022		133	133
Amortisation during the financial year	28	4	4
At 31 December 2022		137	137
Net carrying amount			
At 31 December 2022		2	2
At 31 December 2021		6	6

(i) Management rights

The Management rights relate to the investment management agreements arising from the acquisition of a subsidiary. The Group believes that the investment management agreements have an indefinite useful life. In performing the impairment assessment on this intangible asset, the Group compared the recoverable amount against the carrying amount of the intangible asset as of 31 December 2022. The Group is of the opinion that the recoverable amount, based on its value-in-use is higher than the carrying amount, and accordingly there is no allowance for impairment loss to be considered on this intangible asset.

The fair value of the identifiable intangible assets (using value-in-use) is calculated based on the net cash inflow expected to be generated from managing the total funds acquired, using the following assumptions:

2022

Discount rate : 7%

Sales growth rate : Average 11.51% throughout the 10 years projection Expense growth rate : Average 7% throughout the 10 years projection

Terminal value : 1.65% of average Assets Under Management at the 10th year

(based on comparable current market transactions)

<u>2021</u>

Discount rate : 7%

Sales growth rate $\,:\,\,$ Average 13.18% throughout the 10 years projection Expense growth rate $\,:\,\,$ Average 8% throughout the 10 years projection

Terminal value : 1.65% of average Assets Under Management at the 10th year

(based on comparable current market transactions)

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6. INTANGIBLE ASSETS (CONTINUED)

(ii) Exclusive right

The Exclusive right is a definite life intangible asset and relates to a 10-year exclusive bancassurance agreement entered into between the subsidiary, Manulife Insurance Berhad and Alliance Bank Malaysia Berhad ("ABMB") on 13 June 2013. The Exclusive right is amortised in accordance with note 2(f)(ii).

(iii) Distribution agreement

The distribution agreement relates to a 20-year distribution right entered into between the subsidiary, Manulife Insurance Berhad and an agency leadership corporation, on 23 September 2019 and is amortised in accordance with note 2(f)(iv). The distribution right is partially paid at the end of financial year. The remaining amount payable under the distribution agreement over the contract term is as disclosed in note 22(ii).

7. SUBSIDIARIES

	Com	Company		
	2022 RM'000	2021 RM'000		
Unquoted shares at cost	412,666	412,666		
Return of capital on members' voluntary winding up	(1,855)	-		
Accumulated impairment losses	(6,793)	(6,793)		
	404,018	405,873		

Details of the subsidiaries are as follows:

		Effective	interest	
Name of company	Country of incorporation	2022 %	2021 %	Principal activities
Held by the Company:				
Manulife Insurance Berhad	Malaysia	100	100	Life insurance business
Manulife Investment Management (M) Berhad	Malaysia	100	100	Management of unit trust funds, private retirement schemes, investment and fund management
Manulife Insurance Labuan Limited	Malaysia	100	100	Labuan life insurance business and life insurance broking business
Britama Properties Sdn. Bhd.	Malaysia	100	100	Property rental and management
The e-Software House Sdn. Bhd. *	Malaysia	-	100	Dormant (dissolved on 28 February 2022)
Held through subsidiaries and the Company:				
Manulife Cash Management Fund **	Malaysia	100	100	Investment in money market fund
Manulife Wholesale Corporate Bond Fund	Malaysia	100	100	Investment in corporate bonds
Manulife Wholesale Government Bond Fund	Malaysia	100	100	Investment in sovereign bonds

7. SUBSIDIARIES (CONTINUED)

- * The e-Software House Sdn. Bhd., a wholly-owned subsidiary of the Company, was liquidated on 28 February 2022. The dissolution of the subsidiary did not have an impact to the financial results of the Company for the financial year ended 31 December 2022 and 31 December 2021.
- ** The financial statement of the subsidiary is not coterminous with those of the Group. For the purpose of consolidation, the audited financial statement of the subsidiary for the year ended 31 October 2022 and management financial statements to the end of the accounting period of 31 December 2022 have been used. Audited by a firm of Chartered Accountants other than Ernst & Young PLT.

8. FINANCIAL ASSETS

(a) Available-for-sale

	Gro	up	Com	Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Equity securities					
- Quoted in Malaysia	579,762	633,750	-	-	
- Quoted outside Malaysia	113,817	131,774	-	-	
- Unquoted in Malaysia	2,516	2,516	-	-	
Real estate investment trusts	11,859	18,773	-	-	
Unit trust funds*	1,198	1,206	-	-	
Malaysian Government Securities	397,385	314,771	-	-	
Government Investment Issues	328,271	283,634	-	-	
Corporate debt securities					
- Unquoted	1,665,574	1,748,511	-	-	
Accrued interest	25,950	26,103	-	-	
	3,126,332	3,161,038	-	-	
Current	839,890	983,122	-	-	
Non-current	2,286,442	2,177,916	-	-	
	3,126,332	3,161,038	-	-	

^{*} Being investment in unit trust funds managed by a subsidiary of the company.

8. FINANCIAL ASSETS (CONTINUED)

(b) Fair value through profit or loss

	Group		Com	Company	
	2022	2021	2022	2021	
	RM'000	RM'000	RM'000	RM'000	
Equity securities					
- Quoted in Malaysia	748,756	786,964	-	4,560	
- Quoted outside Malaysia	49,643	67,419	-	-	
- Unquoted in Malaysia	-	-	572	572	
Private equity funds					
- Unquoted outside Malaysia	35,639	19,122	-	-	
Real estate investment trusts	10,481	8,478	-	129	
Unit trust funds*	175,735	180,784	52,076	56,878	
Malaysian Government Securities	122,019	78,047	-	-	
Government Investment Issues	105,669	117,396	-	-	
Corporate debt securities					
- Unquoted	734,173	634,838	-	-	
- Quoted outside Malaysia	233,589	193,621	-	-	
Mutual funds					
- Quoted outside Malaysia	150,990	217,928	-	-	
Forward foreign exchange contract					
(note 17)	2,388	933	-	-	
Accrued interest	11,725	10,455	-	-	
	2,380,807	2,315,985	52,648	62,139	
Current	1,226,335	1,340,719	52,648	62,139	
Non-current	1,154,472	975,266	-	-	
	2,380,807	2,315,985	52,648	62,139	

Being investment in unit trust funds managed by a subsidiary company.

8. FINANCIAL ASSETS (CONTINUED)

(c) Carrying value of financial assets

The financial assets and its movement are further analysed as follows:

Group	Note	Available- for-sale RM'000	Fair value through profit or loss RM'000	Total RM'000
At 1 January 2021		3,485,271	2,008,611	5,493,882
Purchases		990,072	1,439,047	2,429,119
Maturities		(58,100)	(6,900)	(65,000)
Disposals		(1,025,915)	(1,070,189)	(2,096,104)
Fair value losses recorded in:				
Profit or loss	26	-	(65,022)	(65,022)
Other comprehensive income		(203,261)	-	(203,261)
Allowance for impairment losses	26	(21,469)	-	(21,469)
Net amortisation of premiums	24	(7,790)	(4,623)	(12,413)
Unrealised exchange gains		-	12,442	12,442
Movement in accrued interest		2,230	2,619	4,849
At 31 December 2021/1 January 2022		3,161,038	2,315,985	5,477,023
Purchases		779,258	1,320,056	2,099,314
Maturities		(167,060)	(47,940)	(215,000)
Disposals		(518,836)	(1,032,246)	(1,551,082)
Fair value losses recorded in:				
Profit or loss	26	-	(190,829)	(190,829)
Other comprehensive income		(94,952)	-	(94,952)
Allowance for impairment losses	26	(25,227)	-	(25,227)
Net amortisation of premiums	24	(7,736)	(5,247)	(12,983)
Unrealised exchange gains		-	19,758	19,758
Movement in accrued interest		(153)	1,270	1,117
At 31 December 2022		3,126,332	2,380,807	5,507,139

Company	Note	Fair value through profit or loss RM'000	Total RM'000
At 1 January 2021		81,085	81,085
Purchases		19,074	19,074
Disposals		(34,030)	(34,030)
Fair value loss recorded in:			
Profit or loss	26	(3,990)	(3,990)
At 31 December 2021/1 January 2022		62,139	62,139
Purchases		11,151	11,151
Disposals		(19,792)	(19,792)
Fair value loss recorded in:			
Profit or loss	26	(850)	(850)
At 31 December 2022		52,648	52,648

9. LOANS AND RECEIVABLES

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loans receivable:					
Policy loans		122,414	131,789	-	-
Mortgage loans		21,912	18,932	-	-
Staff loans		548	672	1	1
Other unsecured loans		5,298	3,946	-	-
		150,172	155,339	1	1
Allowance for impairment loss		(296)	(292)	-	-
	(i)	149,876	155,047	1	1
Fixed and call deposits with licensed					
banks in Malaysia		434,768	405,785	-	-
Accrued interest		461	286	-	-
	(ii)	435,229	406,071	-	-
Other receivables:					
Amount due from subsidiaries (note 35)	(iii)	-	-	8,053	9,977
Amount due from related companies					
(note 35)	(iii)	3,330	4,076	-	-
Accrued dividend income		1,422	1,294	-	4
Accrued rental income		211	95	53	32
Deposits		1,586	1,490	364	365
Other debtors		41,275	55,469	2,915	2,714
		47,824	62,424	11,385	13,092
Allowance for impairment loss		(1,365)	(1,365)	(1,075)	(1,075)
	(iv)	46,459	61,059	10,310	12,017
Prepayments	(v)	11,653	10,034	171	67
Total		643,217	632,211	10,482	12,085

LOANS AND RECEIVABLES (CONTINUED)

		Gro	Group		pany
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(i)	Loans receivable:				
	Receivable within 12 months	1,417	1,339	-	-
	Receivable after 12 months	148,459	153,708	1	1
		149,876	155,047	1	1
(ii)	Fixed and call deposits with licensed banks in Malaysia:				
	Receivable within 12 months	435,229	406,071	-	-
		435,229	406,071	-	-

(iii) The amounts due from subsidiaries and related companies are unsecured, interest free and repayable on demand.

(iv)	Other receivables:				
	Receivable within 12 months	44,873	59,569	9,946	11,652
	Receivable after 12 months	1,586	1,490	364	365
		46,459	61,059	10,310	12,017
(v)	Prepayments:				
	Current	5,129	5,722	171	67
	Non-current	6,524	4,312	-	-
		11,653	10,034	171	67

The carrying amounts of other receivables and fixed and call deposits approximate fair values due to the relatively shortterm maturity of these balances. The carrying amount of loans receivable approximates fair value due to the insignificant impact of discounting.

10. REINSURANCE ASSETS/(LIABILITIES)

	Gr	Group		
	2022 RM'000	2021 RM'000		
Reinsurance assets on:				
- Insurance contract liabilities	4,609	9,254		
- Insurance claims liabilities	6,126	10,966		
	10,735	20,220		
Reinsurance liabilities on:				
- Insurance contract liabilities	-	(1,702)		

11. INSURANCE RECEIVABLES

	Gro	Group	
	2022 RM'000	2021 RM'000	
Due premiums including agents' balances	12,817	12,323	
Due from reinsurers (i)	6	3,440	
	12,823	15,723	
Allowance for impairment losses	(1,804)	(926)	
	11,019	14,797	
Receivable within 12 months	11,019	14,797	

The carrying amounts disclosed above approximate fair values as at the end of the financial year due to their short-term maturity.

(i) Amount due from reinsurers that have been offset against amount due to reinsurers are as follows:

	Gross carrying offset	Gross amount amount	Net amount reported
Group	RM'000	RM'000	RM'000
31 December 2022			
Commissions receivables	1	-	1
Claims recoveries	416	-	416
Premiums ceded	-	(411)	(411)
	417	(411)	6
31 December 2021			
Commissions receivables	980	-	980
Claims recoveries	8,009	-	8,009
Premiums ceded		(5,589)	(5,589)
	8,989	(5,589)	3,400

12. SHARE CAPITAL

	Group and Company			
	2022		2021	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Share Capital				
Issued and fully paid up:				
Ordinary shares:				
At 1 January	211,559	121,353	206,984	111,974
Issuance pursuant to Dividend Reinvestment				
Plan (note 33)	4,703	9,688	4,575	9,379
At 31 December	216,262	131,041	211,559	121,353

13. RETAINED EARNINGS

The retained earnings are classified as distributable and non-distributable as follows:

Group	Note	2022 RM'000	2021 RM'000
Distributable	(i)	685,189	676,285
Non-distributable	(ii)	132,810	137,611
		817,999	813,896

- (i) Under the single tier system, the Group is able to frank the payment of dividends out of its entire distributable retained earnings as at the date of the statement of financial position, except for its subsidiary, Manulife Insurance Berhad which also requires the approval by Bank Negara Malaysia under section 51 of the Financial Services Act, 2013.
- (ii) Non-distributable retained earnings are surplus arising from the Non-participating life funds, net of deferred tax. These amounts are only distributable upon actual recommended transfer from the Non-participating (including Investment-linked Operating fund) life funds to the Shareholders' fund by the Appointed Actuary.

Company

There are no restrictions on the Company to frank the payment of dividends out of its entire earnings as at the date of the statement of financial position under the single tier system.

14. NON-CONTROLLING INTERESTS

Non-controlling interests represent the share of minority interest in a unit trust fund managed by the asset management subsidiary which is consolidated by the Group. The financial position and the results of the unit trust fund has been consolidated as the Group has the ability to direct the investment strategy of the unit trust fund in a manner that most significantly affects its return.

During the financial year ended 31 December 2021, the Group acquired the entire Non-controlling interests in the unit trust fund.

15. INSURANCE CONTRACT LIABILITIES

	Gre	oss	et	
Group	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Actuarial liabilities	3,129,155	3,025,200	3,124,546	3,017,648
Unallocated surplus	59,545	26,535	59,545	26,535
Fair value reserve	46,295	123,463	46,295	123,463
Asset revaluation reserve	2,310	2,069	2,310	2,069
Investment-linked policyholders' account	1,324,405	1,397,354	1,324,405	1,397,354
	4,561,710	4,574,621	4,557,101	4,567,069
Current	1,514,353	1,605,459	1,514,642	1,606,052
Non-current	3,047,357	2,969,162	3,042,459	2,961,017
	4,561,710	4,574,621	4,557,101	4,567,069

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15. INSURANCE CONTRACT LIABILITIES (CONTINUED)

The insurance contract liabilities and movements in its key components are further analysed as follows:

	Gross		Net		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
At 1 January	4,574,621	4,538,054	4,567,069	4,535,652	
Inforce reserve movement	67,398	88,876	72,589	86,784	
New business reserve	93,190	71,128	91,278	68,311	
Discount rate and other changes	(69,332)	(39,567)	(69,332)	(39,567)	
Unallocated surplus	33,010	36,821	33,010	36,821	
Effect of movements in exchange rate	12,699	5,834	12,363	5,593	
Fair value reserve, net of tax	(77,168)	(153,789)	(77,168)	(153,789)	
Asset revaluation reserve					
- Revaluation adjustment	15	(523)	15	(523)	
- Reversal on revaluation	226	231	226	231	
	241	(292)	241	(292)	
Investment-linked policyholders' account	(72,949)	27,556	(72,949)	27,556	
At 31 December	4,561,710	4,574,621	4,557,101	4,567,069	

As the Non-participating life fund's unallocated surplus and fair value reserve are classified as equity, only the associated Participating life fund's unallocated surplus and fair value reserve are included in the above presentation.

For the current financial year ended 31 December 2022, the applicable estimate changes on the above assumptions resulted in lower actuarial liabilities of RM69.3 million (31 December 2021: lower actuarial liabilities of RM39.6 million), with a corresponding increase in unallocated surplus for the participating business of RM34.3 million (31 December 2021: decrease in unallocated surplus of RM7.8 million) and increase in net profit before tax of RM35.0 million (31 December 2021: increase in net profit before tax of RM47.4 million).

16. INSURANCE CLAIMS LIABILITIES

	Gross		N	Net		
Group	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000		
Provision for outstanding claims	88,224	76,164	82,098	65,198		
Current	88,224	76,164	82,098	65,198		

17. FINANCIAL ASSET/(LIABILITY) AT FAIR VALUE THROUGH PROFIT OR LOSS

Derivatives

The table below shows the fair value of derivative financial instruments of the Group, recorded as asset or liability, together with their notional amounts. The notional amount, recorded 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 are recognised as financial asset or financial liability in accordance with the policy described in note 2(h)(i)(1) and note 2(k).

		Fair value gain/(loss) recognised as			
Group	Notional amount RM'000	Financial asset RM'000	Financial liability RM'000	Net carrying amount RM'000	
31 December 2022					
Hedging derivative:					
Forward foreign exchange contract					
- Less than 1 year	3,369	-	(12)	(12)	
Less than 1 year (note 8(b))	114,286	2,388	-	2,388	
31 December 2021					
Hedging derivative:					
Forward foreign exchange contract					
- Less than 1 year (note 8(b))	119,952	933	-	933	

18. DEFERRED TAX ASSETS/(LIABILITIES)

Analysis of deferred tax assets/(liabilities) are as follows:

	Group		Com	Company		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000		
Presented after appropriate offsetting as follows:						
Deferred tax liabilities	(35,187)	(48,948)	(253)	(132)		
Deferred tax assets	345	269	-	-		
	(34,842)	(48,679)	(253)	(132)		
Current	(1,353)	(21,750)	(253)	(132)		
Non-current	(33,489)	(26,929)	-	-		
	(34,842)	(48,679)	(253)	(132)		

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The components of deferred tax assets/(liabilities) as of the date of the statement of financial position are as follows:

	Assets		Liabil	Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Group							
Revaluation - investment property	218	267	-	-	218	267	
Accelerated depreciation	-	-	(875)	(200)	(875)	(200)	
Investments	5,080	4,626	(5,831)	(22,881)	(751)	(18,255)	
Unallocated surplus	-	-	(33,444)	(30,501)	(33,444)	(30,501)	
Others	10	10	-	-	10	10	
	5,308	4,903	(40,150)	(53,582)	(34,842)	(48,679)	
Offsetting	(4,963)	(4,634)	4,963	4,634	-	-	
Deferred tax assets/(liabilities) (after offsetting)	345	269	(35,187)	(48,948)	(34,842)	(48,679)	
Company							
Accelerated depreciation	-	-	(253)	(132)	(253)	(132)	
	-	-	(253)	(132)	(253)	(132)	
Offsetting	-	-	-	-	-	-	
Deferred tax liabilities				4400		44.00	
(after offsetting)	-	-	(253)	(132)	(253)	(132)	

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same entity.

The components and movements of deferred tax assets/(liabilities) during the financial year are as follows:

Group	Note	Revaluation- investment property RM'000	Accelerated depreciation RM'000	Investments RM'000	Unallocated surplus RM'000	Others RM'000	Total RM'000
At 1 January 2021		180	(327)	(34,613)	(21,680)	10	(56,430)
Recognised in:							
Profit or loss							
 Other operating (expense)/income 	30	87	41	2,746	-	-	2,874
- Taxation	31	-	86	(149)	(8,821)	-	(8,884)
Other comprehensive income							
- Fair value reserve		-	-	13,761	-	-	13,761
At 31 December 2021/ 1 January 2022		267	(200)	(18,255)	(30,501)	10	(48,679)
Recognised in:							
Profit or loss							
 Other operating (expense)/income 	30	(49)	(630)	10,848	-	-	10,169
- Taxation	31	-	(45)	140	(2,943)	-	(2,848)
Other comprehensive income							
- Fair value reserve		-	-	6,516	-	-	6,516
At 31 December 2022		218	(875)	(751)	(33,444)	10	(34,842)

18. DEFERRED TAX (LIABILITIES)/ASSETS (CONTINUED)

The components and movements of deferred tax (liabilities)/assets during the financial year are as follows (continued):

Company	Note	Accelerated depreciation RM'000	Total RM'000
Соптрату	Note	KM 000	KM 000
At 1 January 2021		(57)	(57)
Recognised in:			
Profit or loss			
- Taxation	31	(75)	(75)
At 31 December 2021/1 January 2022		(132)	(132)
Recognised in:			
Profit or loss			
- Taxation	31	(121)	(121)
At 31 December 2022		(253)	(253)

Unrecognised deferred tax assets

The amount of unutilised tax losses and other deductible temporary differences for which no deferred tax assets is recognised in the statement of financial position are as follows:

	Gro	Group		
	2022 RM'000	2021 RM'000		
Unutilised tax losses	2,876	2,214		
Other deductible temporary differences	251	225		
	3,127	2,439		
Deferred tax assets not recognised	750	585		

Deferred tax assets have not been recognised in respect of the above items as it is not probable that sufficient taxable profits will be available in the foreseeable future in the subsidiary to utilise the said benefits.

The unutilised tax losses above are available for offsetting against future taxable profits of the subsidiary up to a maximum of 10 consecutive year of assessments subject to no substantial change in the shareholdings, as per Section 44(5F) and special provision relating to Sections 43 and 44 of the Income Tax Act, 1967.

19. CURRENT TAX ASSETS/(LIABILITIES)

	Gro	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Current tax assets	26,595	22,841	693	596	
Current tax liabilities	-	(4,980)	-	-	
	26,595	17,861	693	596	

Included in the current tax assets are a pending appeal case arising from two notices of additional assessment ("Forms JA") of RM22.2 million for Year of Assessment 2017 and 2018, and tax paid in excess to the Inland Revenue Board in relation to the Company's subsidiary, Manulife Insurance Berhad ("MIB"). The High Court rejected MIB's application for leave to apply for judicial review in a decision delivered on 14th July 2021. MIB will not be appealing against the decision of the High Court. The next mention date for MIB's application to the Special Commissioner of Income Tax on the assessments has been fixed on 15th May 2023.

MIB has made the above tax payment in 2021. In line with the opinion by the external advisor and the letter from Ministry of Finance to Life Insurance Association of Malaysia and Malaysia Takaful Association dated 25th February 2022, the Group strongly believes that there are good grounds to contest the additional assessment and hence has treated the above tax payment as tax recoverable.

20. INSURANCE PAYABLES

		Group		
		2022 RM'000	2021 RM'000	
Due to reinsurers	(i)	15,057	23,873	
Due to agents		6,974	4,153	
Due to insureds		792,275	731,797	
		814,306	759,823	
Current		814,306	759,823	

The carrying amounts disclosed above approximate fair values as at the end of the financial year due to their short-term maturity.

(i) Amount due to reinsurers that have been offset against amount due from reinsurers are as follows:

	Gross	Gross	Net
	carrying	amount	amount
	amount	offset	reported
Group	RM'000	RM'000	RM'000
31 December 2022			
Premiums ceded	41,478	-	41,478
Commissions receivables	-	(921)	(921)
Claims recoveries	-	(25,500)	(25,500)
	41,478	(26,421)	15,057
31 December 2021			
Premiums ceded	44,608	-	44,608
Commissions receivables	-	(569)	(569)
Claims recoveries	-	(20,166)	(20,166)
	44,608	(20,735)	23,873

21. LEASES

(a) Right-of-use assets

	Office Rental RM'000	Total RM'000
Cost		
At 1 January 2021	5,888	5,888
Additions	392	392
Terminations	(798)	(798)
At 31 December 2021/1 January 2022	5,482	5,482
Additions	3,623	3,623
Terminations	(2,932)	(2,932)
At 31 December 2022	6,173	6,173
Accumulated depreciation		
At 1 January 2021	2,861	2,861
Charge for the year (note 28)	1,599	1,599
Terminations	(798)	(798)
At 31 December 2021/1 January 2022	3,662	3,662
Charge for the year (note 28)	1,965	1,965
Terminations	(2,932)	(2,932)
At 31 December 2022	2,695	2,695
Net book value		
At 31 December 2022	3,478	3,478
At 31 December 2021	1,820	1,820

This note provides information for leases where the Group is a lessee.

The Group has entered into operating lease agreements for office rental. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 3 years.

The Group also has certain leases of office equipment with lease terms of 12 months or less and leases with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Notes to the Financial Statements

31 December 2022

21. LEASES (CONTINUED)

(a) Right-of-use assets (continued)

The following are the amounts recognised in profit or loss:

	2022 RM'000	2021 RM'000
Group		
Depreciation of right-of-use assets (note 28)	1,965	1,599
Interest expense on lease liabilities (note 28)	81	81
Expense related to short-term leases (note 28)	62	59
Expense related to leases of low-value assets (note 28)	222	220
Total amount recognised in profit or loss	2,330	1,959
Total cash outflow for leases	2,395	1,974
Company		
Expense related to short-term leases (note 28)	81	90
Expense related to leases of low-value assets (note 28)	4	3
Total amount recognised in profit or loss	85	93
Total cash outflow for leases	85	93

(b) Lease liabilities

	Note	Office Rental RM'000	Total RM'000
Lease liabilities			
At 1 January 2021		3,136	3,136
Increase		391	391
Payment of lease liabilities		(1,695)	(1,695)
Interest expense	28	81	81
At 31 December 2021/1 January 2022		1,913	1,913
Increase		3,623	3,623
Payment of lease liabilities		(2,111)	(2,111)
Interest expense	28	81	81
At 31 December 2022		3,506	3,506
		2022 RM'000	2021 RM'000
Of which are:			
Current lease liabilities		1,622	1,360
Non-current lease liabilities		1,884	553
		3,506	1,913

22. OTHER PAYABLES

		Group		Com	pany
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other creditors		76,381	75,406	1,591	2,658
Accrued liabilities		130,669	111,298	2,976	2,593
Amount due to related companies (note 35)	(i)	22,807	23,272	13,258	13,807
Amount due to subsidiaries (note 35)	(i)	-	-	-	1,808
Amount payable under Distribution Agreement	(ii)	14,500	17,370		-
		244,357	227,346	17,825	20,866
Current		239,422	219,565	17,825	20,866
Non-current		4,935	7,781	-	-
Total other payables		244,357	227,346	17,825	20,866

- (i) The amounts due to related companies and subsidiaries are unsecured, interest free and repayable on demand. The carrying amounts disclosed above approximate their fair values as at the end of the financial year due to their relatively short-term maturity of these balances. All amounts are payable within one year.
- (ii) The amount payable under the Distribution Agreement relates to the remaining unpaid distribution right as disclosed in note 6(iii) and is the expected present value of estimated future cash flows of amount payable under the agreement, discounted using the discount rate that reflects the current market assessment of the time value of money.

23. NET PREMIUMS

	Group		
	2022 RM'000	2021 RM'000	
First year premium	181,318	178,962	
Renewal year premium	759,811	723,862	
Single premium	156,104	100,318	
	1,097,233	1,003,142	

24. INVESTMENT INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets at FVTPL				
Interest/profit sharing income	49,647	37,489	-	-
Dividend/distribution income				
- equity securities				
- quoted in Malaysia	26,042	18,111	100	302
- quoted outside Malaysia	682	729	-	-
- unquoted outside Malaysia	37	-	70	140
- real estate investment trusts				
- quoted in Malaysia	497	28	3	6
- unit trust funds	8,452	16,472	1,931	2,804
- mutual funds - outside Malaysia	1,955	2,145	-	-
Net amortisation of premiums (note 8(c))	(5,247)	(4,623)	-	-
AFS financial assets				
Interest/profit sharing income	109,773	102,415	-	-
Dividend/distribution income				
- equity securities				
- quoted in Malaysia	23,259	26,491	-	-
- quoted outside Malaysia	2,058	2,065	-	-
- unquoted in Malaysia	1,314	432	-	-
- real estate investment trusts				
- quoted in Malaysia	606	645	-	-
- unit trust funds	-	54	-	-
Net amortisation of premiums (note 8(c))	(7,736)	(7,790)	-	-
Loans and receivables				
Interest/profit sharing income	16,387	15,097	2	1
Investment properties				
Rental income (note 5)	3,411	3,207	3,543	3,936
Cash and cash equivalents				
Interest/profit sharing income	580	272	27	15
	231,717	213,239	5,676	7,204

25. NET REALISED GAINS/(LOSS)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Subsidiaries				
Realised losses	-	-	(53)	-
AFS financial assets				
Realised gains:				
Equity securities - quoted in Malaysia	38,141	116,664	-	-
Equity securities - quoted outside Malaysia	3,822	20,293	-	-
Debt securities	-	2,314	-	-
Realised losses:				
Real estate investment trusts	(487)	(98)	-	-
Debt securities	(3,592)	-	-	-
Total net realised gains for				
AFS financial assets	37,884	139,173	-	-
Total net realised gains/(loss)	37,884	139,173	(53)	-

26. NET FAIR VALUE LOSSES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Investment property				
Unrealised fair value gain/(loss) (note 5)	492	(4,394)	(114)	(3,304)
Financial assets at FVTPL				
Fair value gains:				
- Realised	10,808	93,693	-	608
- Unrealised (note 8(c))	6,047	7,896	-	-
Fair value losses:				
- Realised	(15,431)	(4,524)	(773)	-
- Unrealised (note 8(c))	(196,876)	(72,918)	(850)	(3,990)
Net fair value (loss)/gain on financial assets at				
FVTPL	(195,452)	24,147	(1,623)	(3,382)
AFS financial assets				
Impairment losses on quoted equities (note 8(c))	(25,227)	(21,469)	-	-
Total net fair value losses	(220,187)	(1,716)	(1,737)	(6,686)

27. FEE INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fund management fee income	89,048	88,783	-	-
Charges and fee income	30,064	61,491	-	-
Outsourcing fee income (note 35)	-	-	1,914	1,552
	119,112	150,274	1,914	1,552

28. MANAGEMENT EXPENSES

	Grou	p	Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Staff costs (note 28(a))	106,385	103,821	4,354	4,264
Directors' remuneration (note 35):				
- Fees*	1,075	1,126	396	405
- Other emoluments	9,597	6,844	1,164	883
Auditors' remuneration:				
- Statutory audit	671	648	95	90
- Audit related services	102	102	57	57
Depreciation of property and equipment (note 4)	3,606	3,510	869	859
Property and equipment written off (note 4)	98	-	-	-
Intangible asset written off (note 6)	32	51	-	-
Amortisation of intangible assets (note 6)	3,696	8,415	4	6
Allowance for impairment loss on loans				
receivable	4	3	-	-
Allowance of impairment loss on insurance receivables	878	-	-	-
Depreciation of right-of-use asset (note 21(a))	1,965	1,599	-	-
Interest expense on lease liabilities (note 21(b))	81	81	-	-
Expenses relating to short-term leases:				
- Subsidiary company (note 35)	-	-	81	90
- Others (note 21(a))	62	59	-	-
Expenses relating to low-value assets (note 21(a))	222	220	4	3
Bancassurance service fee	3,000	3,000	-	-
Bancassurance incentives and allowances	15,811	11,529	-	-
Credit card charges	2,932	3,306	-	-
Fund management expenses	13,043	10,844	-	-
Information technology outsourcing expenses**	21,665	15,915	318	248
Interest on distribution agreement	1,357	1,675	-	-
Marketing and advertising expenses	4,583	4,222	9	7
Printing and postage expenses	2,985	2,793	56	43
Professional charges	7,033	7,467	425	399
Outsourcing fees expense	2,895	2,805	1,111	1,063
Software maintenance expenses	9,491	10,561	149	284
Training expenses	2,340	1,999	23	63
Travelling and entertainment expenses	2,733	1,850	49	36
Utilities and office maintenance expenses	3,884	3,236	478	490
Other expenses	4,301	4,455	41	93
	226,527	212,136	9,683	9,383

^{*} Included in total Group directors' fees of RM1,075,000 (2021: RM1,126,000) are Investment Committee members' fees of RM115,500 (2021: RM110,804) which are borne by the unit trust funds managed by the asset management subsidiary. The amounts recharged to the unit trust funds are included in the unit trust funds' other expenses.

^{**} Included in total Group's information technology outsourcing expenses is internal shared service outsourcing fee income from Manulife Investment Management (Hong Kong) Limited of RM 3,647,588 (2021: RM3,319,166).

28. MANAGEMENT EXPENSE (CONTINUED)

(a) Staff costs

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Staff costs		83,890	83,394	3,410	3,689
Retirement benefits contributions	(i)	14,179	12,459	427	305
RSU expenses	(ii)	1,935	719	256	-
Other staff related expenses		6,381	7,249	261	270
Total staff costs		106,385	103,821	4,354	4,264

- (i) The retirement benefits contributions of the Group and the Company were made to the defined contribution plan as mentioned in note 2(o)(ii) to the financial statements.
- (ii) Share-based payments incurred during the financial year relates to the share-based compensation granted to employees as mentioned in note 2(o)(iii) to the financial statements.

29. SHARE-BASED COMPENSATION

Expenses arising from the share-based payment transactions recognised during the financial year as part of the employee benefit expense were as follows:

	Group		Com	pany
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
RSU expenses (note 35)	3,444	860	423	36
	3,444	860	423	36

Restricted share units ("RSU") are granted to certain employees of Manulife Financial Corporation Group as part of the annual performance reward cycle and has a vesting period of over 35 months from grant date. Each RSU entitles the recipient to receive payment equal to the market value of one common share, plus credited dividends, at the time of vesting, subject to any performance conditions. These RSU expenses are paid out in cash at the end of the vesting period.

30. OTHER OPERATING (INCOME)/EXPENSES

	Gro	oup	Com	Company		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000		
Foreign exchange:						
- Realised (gains)/losses	(4,718)	488	(60)	33		
- Unrealised (gains)/losses	(9,279)	(8,483)	658	208		
Interest expense on agent's bond withheld	15	16	-	-		
Others	8,417	9,015	-	-		
Tax on investment income of Life fund and Investment-linked funds:						
- Current tax	14,105	20,358	-	-		
- Deferred tax (note 18)	(10,169)	(2,874)	-	-		
	3,936	17,484	-	-		
	(1,629)	18,520	598	241		

The income tax for the Life fund and Investment-linked funds is calculated based on the tax rate of 8% (2021: 8%) of the assessable investment income, net of allowable deductions for the financial year.

31. TAXATION

	Gro	oup	Company		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
In respect of the profit of the Group and Company:					
Current tax					
Current financial year	6,879	9,200	-		
Under provision in prior financial year	1,212	466	-		
	8,091	9,666	-	-	
Deferred tax (note 18)					
Origination of temporary differences	2,848	8,884	121	75	
	10,939	18,550	121	75	

The current income tax for the Group and the Company is calculated based on the tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

31. TAXATION (CONTINUED)

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 of the Group and of the Company is as below:

	Group		Company		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Profit/(loss) before taxation	29,851	105,510	(6,383)	(9,355)	
Taxation at Malaysia statutory tax rate of 24% (2021: 24%)	7,164	25,322	(1,532)	(2,245)	
Effect of different tax rate in respect of Labuan subsidiary	-	(4,110)	-	-	
Section 110 tax credit set off	(1,942)	(3,336)	-	-	
Income not subject to tax	(6,180)	(7,464)	(350)	(324)	
Expenses not deductible for tax purposes	10,520	7,545	2,003	2,644	
Changes in unrecognised deferred tax assets	165	127	-	-	
	9,727	18,084	121	75	
Under provision in prior financial year					
- Current tax	1,212	466	-	-	
Tax expense	10,939	18,550	121	75	

32. BASIC AND DILUTED EARNINGS PER SHARE

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

		Group		
	-	2022	2021	
Net profit attributable to owners of the Company	(RM'000)	18,912	86,960	
Weighted average number of shares	('000)	213,595	209,040	
Basic earnings per share	(sen)	8.85	41.60	

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 has not been presented.

33. DIVIDEND PAID

	202	2	2021		
Group and Company	Net dividend per share Sen	Amount of dividend RM'000	Net dividend per share Sen	Amount of dividend RM'000	
Single tier dividend for 2021					
- First and final dividend	7.0	14,809	-	-	
Single tier dividend for 2020					
- First and final dividend	-	-	7.0	14,489	
	7.0	14,809	7.0	14,489	

Out of the total distribution of 2021 First and Final Single Tier Dividend, a total of RM9,687,451 was converted into 4,702,646 new ordinary shares of the Company at the conversion price of RM2.06 per ordinary share under the Dividend Reinvestment Plan on 27 July 2022. The remaining RM5,121,695 was distributed as cash dividend.

Out of the total distribution of 2020 First and Final Single Tier Dividend, a total of RM9,379,281 was converted into 4,575,259 new ordinary shares of the Company at the conversion price of RM2.05 per ordinary share under the Dividend Reinvestment Plan on 21 July 2021. The remaining RM5,109,597 was distributed as cash dividend.

The directors recommend the payment of a first and final dividend of 7.0 sen per share, amounting to approximately RM15,138,000 for the financial year ended 31 December 2022, which is subjected to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

These financial statements do not reflect this final dividend which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2023 when approved by the shareholders.

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34. ADJUSTMENTS FOR NON-CASH ITEMS

Non-cash items in the statements of cash flows comprise of:

_	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income	(176,387)	(155,273)	(29)	(16)
Dividend income	(64,902)	(67,172)	(2,104)	(3,252)
Rental income	(3,411)	(3,207)	(3,543)	(3,936)
Net amortisation of premiums	12,983	12,413	-	-
Gains on disposal of AFS financial assets	(37,884)	(139,173)	-	-
(Gains)/losses on revaluation of investment property	(492)	4,394	114	3,304
Fair value loss/(gains) on FVTPL financial assets	195,452	(24,147)	1,623	3,382
Impairment losses on AFS financial assets	25,227	21,469	-	-
Depreciation of property and equipment	3,606	3,510	869	859
Property and equipment written off	98	-	-	-
Intangible assets written off	32	51	-	-
Amortisation of intangible assets	3,696	8,415	4	6
Interest expense of lease liabilities	81	81	-	-
Depreciation of right-of-use assets	1,965	1,599	-	-
Allowance for impairment loss on insurance receivables	878		-	-
Allowance for impairment loss on loans receivables	4	3	-	-
Loss on dissolution of subsidiary	-	-	53	-
Taxation	10,939	18,550	121	75
Tax on investment income of Life fund and Investment-linked funds	3,936	17,484	-	-
Realised exchange (gains)/losses	(4,718)	488	(60)	33
Unrealised exchange (gains)/losses	(9,279)	(8,483)	658	208
	(38,176)	(308,998)	(2,294)	663

35. SIGNIFICANT RELATED PARTY DISCLOSURES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group and the Company have related party relationships with its holding companies and subsidiaries of holding companies. Other related parties of, and their relationship with the Company are as follows:

Country of

	Country of	
Name of company	incorporation	Relationship
Manulife Financial Corporation ("MFC")	Canada	Ultimate holding company
The Manufacturers Life Insurance Company	Canada	Penultimate holding company
Manulife Financial Asia Limited ("MFAL")	Hong Kong	Intermediate holding company
Manulife Century Holdings (Netherlands) BV ("MCHN")	Netherlands	Immediate holding company
Manulife IT Delivery Center, Asia Inc. ("MITDC")	Philippines	Subsidiary of ultimate holding company
Manulife (International) Limited (Bermuda)	Bermuda	Subsidiary of ultimate holding company
Manulife Information & Technologies Services (Chengdu) Co. Ltd. ("MITS")	China	Subsidiary of ultimate holding company
John Hancock Life Insurance Company (USA)	United States of America	Subsidiary of ultimate holding company
Manulife Investment Management Private Markets (US) LLC ("MIMPM")	United States of America	Subsidiary of ultimate holding company
Manulife Investment Management (US) LLC	United States of America	Subsidiary of ultimate holding company
Manulife Investment Management Limited	Canada	Subsidiary of ultimate holding company
Manulife Investment Management (Hong Kong) Limited	Hong Kong	Subsidiary of ultimate holding company
Manulife Investment Management (Singapore) Limited	Singapore	Subsidiary of ultimate holding company
PT Manulife Aset Manajemen Indonesia (Indonesia)	Indonesia	Subsidiary of ultimate holding company
Manulife Investment Management International Holdings Limited	Barbados	Subsidiary of ultimate holding company
Manulife Data Services Inc. ("MDSI")	Barbados	Subsidiary of ultimate holding company
Manulife General Account Investments (HK) Limited ("MANGA")	Hong Kong	Subsidiary of ultimate holding company

In the normal course of business, the Group and the Company undertake various transactions with other companies deemed related parties by virtue of being subsidiaries and associated companies of MFC, collectively known as the MFC Group.

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel of the Group and the Company include the directors and certain members of senior management of the Group and the Company. Total compensation paid to the Group's and the Company's directors are disclosed on page 175.

The Directors of the Company in office during the financial year were as follows:

Non-executive directors:

Dato' Dr. Zaha Rina binti Zahari Renzo Christopher Viegas Matthew Edward Lawrence Vijayam A/P Nadarajah

Executive director:

Vibha Hamsi Coburn

35. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

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 the Company and their related parties are set out below:

	Grou	ир	Company		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
	KIM OOO	KM 000	KM 000	KM 000	
Expenses/(income):					
Penultimate holding company					
Information technology outsourcing expenses	(526)	1,436	-	-	
Intermediate holding company					
Reimbursement of personnel expenses	2,760	4,792	985	1,101	
Reimbursement of software maintenance					
expenses	5,040	3,497	179	112	
Regional office overhead expense	826	-	-	-	
Provision of IT development services	694	126	-	-	
Provision of IT infrastructure support and maintenance services					
- Paid and payable	20,251	19,104	509	431	
- Waiver of prior years' expenses	-	(3,228)	-	(89)	
Provision of finance support	202	190	-	-	
Provision of HR support	700	658	-	-	
Provision of staff claims system	33	31	-	-	
Provision of compliance support	119	-	-	-	
Subsidiaries of ultimate holding company					
Rebate income	(10,175)	(14,825)	-	-	
Outsourcing fee income	(3,648)	(3,319)	-	-	
Outsourcing fee expense	347	339	-	-	
Management fee expense	5,456	4,590	-	-	
Investment consulting services	509	231			
Information technology outsourcing expenses	391	1,017	-	-	
Provision of IT infrastructure support and					
maintenance services	3,536	1,044	-	-	
Subsidiaries of the Company					
Outsourcing fee income (note 27)	-	-	(1,914)	(1,552)	
Outsourcing fee expense	-	-	1,094	1,046	
Rental income	-	-	(1,741)	(1,938)	
Short term leases (note 28)	-	-	81	90	
Fund management expenses	-	-	8	25	
Management fees and maintenance charges	-	-	78	93	

35. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions (continued)

Key management personnel

The total compensation paid to the Group and the Company's key management personnel are as follows:

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, other short-term employee benefits and other directors' emoluments		23,552	20,914	2,760	2,480
Retirement benefits contribution	(i)	3,156	2,546	278	214
RSU expenses (note 29)	(iii)	3,444	860	423	36
		30,152	24,320	3,461	2,730

Directors

The aggregate amount of emoluments received and receivable by directors of the Group and the Company during the financial year as disclosed in note 28 are detailed as follows:

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive director of the Company:					
Salaries		3,028	2,901	606	580
Bonus		1,765	1,207	353	241
Retirement benefits contributions	(i)	190	170	38	26
RSU expenses	(ii)	836	141	167	36
		5,819	4,419	1,164	883
Executive directors of the subsidiaries:					
Salaries		1,458	1,448	-	-
Bonus		1,155	660	-	-
Retirement benefits contributions	(i)	492	317	-	-
RSU expenses	(ii)	673	-	-	-
		3,778	2,425	-	-
Total directors remuneration for Executive directors		9,597	6,844	1,164	883
Non-executive directors of the Company:					
Fees	(iii)	679	691	396	405
Non-executive directors of the subsidiaries:					
Fees	(iii)	396	435	-	-
Total directors remuneration for					
Non-executive directors		1,075	1,126	396	405
		10,672	7,970	1,560	1,288

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35. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions (continued)

Directors (continued)

- (i) The retirement benefits contributions were made to the defined contribution plan as mentioned in note 2(o)(ii) to the financial statements.
- (ii) The share-based payments incurred during the financial year relates to the share-based compensation granted to employees as mentioned in note 2(o)(iii) to the financial statements.
- (iii) Included in Non-executive directors' fees of RM1,075,000 (2021: RM1,126,000) are Investment Committee members' fees of RM115,500 (2021: RM110,804) which are borne by the unit trust funds managed by the asset management subsidiary.

Significant related party balances

Related party balances outstanding for the Group and the Company which are included in the notes to the financial statements are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loans and receivables (note 9)				
- Amount due from related companies	3,330	4,076	-	-
- Amount due from subsidiaries	-	-	8,053	9,977
	3,330	4,076	8,053	9,977
Other payables (note 22)				
- Amount due to related companies	22,807	23,272	13,258	13,807
- Amount due to subsidiaries	-	-	-	1,808
	22.807	23.272	13.258	15.615

36. SEGMENTAL REPORTING

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

: Underwriting of Participating life and Non-participating life insurance and unit-linked products Life insurance

Asset management services: Asset management, unit trust, private retirement scheme funds

(a) Segment reporting

		Investment holding			Life insurance business		Asset management services		tal
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Ext	ernal revenue								
(a)	Premium income								
	Gross premiums	-	-	1,178,639	1,071,038	-	-	1,178,639	1,071,038
	Premiums ceded to reinsurers			(81,406)	(67,896)	-	-	(81,406)	(67,896)
	Net premiums	-	-	1,097,233	1,003,142	-	-	1,097,233	1,003,142
(b)	Investment income	24,411	21,574	206,831	191,219	475	446	231,717	213,239
(c)	Net realised (losses)/ gains	(1,023)	956	38,804	138,123	103	94	37,884	139,173
(d)	Net fair value (losses)/ gains	(274)	(3,535)	(219,913)	1,819	_	-	(220,187)	(1,716)
(e)	Fee income	-	-	-	-	119,112	150,274	119,112	150,274
(f)	Other operating income	2	1	3,285	3,575	424	356	3,711	3,932
	Total external revenue	23,116	18,996	1,126,240	1,337,878	120,114	151,170	1,269,470	1,508,044
Int	er-segment revenue								
(a)	Rental income	1,741	1,938	770	786	-	-	2,511	2,724
(b)	Fee income	1,914	1,552	4,015	3,884	13,625	13,429	19,554	18,865
(c)	Dividend income from unit trust funds	-	_	18,330	19,573		-	18,330	19,573
(d)	Net realised losses	-	-	(691)	(620)	-	-	(691)	(620)
	Total inter-segment revenue	3,655	3,490	22,424	23,623	13,625	13,429	39,704	40,542
Tota	al revenue by segment	26,771	22,486	1,148,664	1,361,501	133,739	164,599	1,309,174	1,548,586
Pro	fit before taxation	12,340	9,104	(425)	78,243	17,936	18,163	29,851	105,510
Seg	ment assets	1,180,550	1,263,069	6,338,927	6,288,673	166,889	153,568	7,686,366	7,705,310
Seg	ment liabilities	18,847	19,624	5,657,676	5,607,867	77,298	79,012	5,753,821	5,706,503

36. SEGMENTAL REPORTING (CONTINUED)

(b) Reconciliation of reportable segments

	Grou	Group		
	2022 RM'000	2021 RM'000		
Total revenue				
Total revenue for reportable segments	1,309,174	1,548,586		
Elimination of inter-segment revenue	(39,704)	(40,542)		
Total revenue as per statement of profit or loss	1,269,470	1,508,044		
Segment assets				
Total assets for reportable segments	7,686,366	7,705,310		
Elimination of inter-segment assets	(983,814)	(1,056,247)		
Total assets as per statement of financial position	6,702,552	6,649,063		
Segment liabilities				
Total liabilities for reportable segments	5,753,821	5,706,503		
Elimination of inter-segment liabilities	(6,519)	(11,006)		
Total liabilities as per statement of financial position	5,747,302	5,695,497		

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

- (i) Available-for-sale ("AFS");
- (ii) Fair value through profit or loss ("FVTPL");
- (iii) Loans and receivables excluding prepayments ("LAR"); and
- (iv) Other financial liabilities measured at amortised cost ("OL").

Group	AFS RM'000	FVTPL RM'000	LAR RM'000	OL RM'000	Total RM'000
31 December 2022					
Financial assets					
AFS financial assets	3,126,332	-	-	-	3,126,332
Financial assets at FVTPL	-	2,380,807	-	-	2,380,807
Loans and receivables	-	-	631,564	-	631,564
Insurance receivables	-	-	11,019	-	11,019
Cash and cash equivalents	-	-	258,793	-	258,793
	3,126,332	2,380,807	901,376	-	6,408,515
Financial liabilities					
Financial liabilities at FVTPL	-	12	-	-	12
Insurance payables	-	-	-	814,306	814,306
Lease liabilities	-	-	-	3,506	3,506
Other payables	-	-	-	244,357	244,357
	-	12	-	1,062,169	1,062,181

(a) Categories of financial instruments (continued)

Group	AFS RM'000	FVTPL RM'000	LAR RM'000	OL RM'000	Total RM'000
31 December 2021					
Financial assets					
AFS financial assets	3,161,038	-	-	-	3,161,038
Financial assets at					
FVTPL	-	2,315,985	-	-	2,315,985
Loans and receivables	-	-	622,177	-	622,177
Insurance receivables	-	-	14,797	-	14,797
Cash and cash equivalents	_	_	237,905	_	237,905
- equivalents	3,161,038	2,315,985	874,879	-	6,351,902
Financial liabilities	'	,	1		
Insurance payables	_	_	_	759,823	759,823
Lease liabilities	_	_	_	1,913	1,913
Other payables	_	_	_	227,346	227,346
- Other payables	-	-	-	989,082	989,082
	,	,	,		
Company		FVTPL RM'000	LAR* RM'000	OL RM'000	Total RM'000
31 December 2022					
Financial assets					
Financial assets at FVTPL		52,648	-	-	52,648
Loans and receivables		-	10,311	-	10,311
Cash and cash equivalents		-	6,742	-	6,742
		52,648	17,053	-	69,701
Financial liabilities					
Other payables		-	-	17,825	17,825
31 December 2021					
Financial assets					
Financial assets at FVTPL		62,139	-	-	62,139
Loans and receivables		-	12,018	-	12,018
Cash and cash equivalents		-	8,122	-	8,122
		62,139	20,140	-	82,279
Financial liabilities					
Other payables		-	-	20,866	20,866

LAR are measured under amortised costs under MFRS 9.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Determination of fair values

The fair values of the Group's and the Company'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 cash equivalents, insurance payables and other payables (other than 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 Malaysian Government Securities, Government Investment Issues and both quoted and unquoted corporate debt securities are based on indicative market prices;
- (v) 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;
- (vi) The fair values of forward foreign exchange contracts are based on valuations provided by the financial institutions making reference to quoted market prices; and
- (vii) The fair values of private equity funds are measured based on the private equity funds' net asset value or fair values reported in the investees' financial statements.

(c) Fair value hierarchy

The Group and the Company categorise their fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Group's and the Company'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 and the Company have 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.

(c) Fair value hierarchy (continued)

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

The following table presents the Group's financial assets that are carried at fair value as at 31 December 2022.

Group	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 December 2022				
AFS financial assets				
Equity securities				
- Quoted in Malaysia	579,762	579,762	-	-
- Quoted outside Malaysia	113,817	113,817	-	-
Real estate investment trusts	11,859	11,859	-	-
Unit trust funds	1,198	1,198	-	-
Malaysian Government Securities	397,385	-	397,385	-
Government Investment Issues	328,271	-	328,271	-
Corporate debt securities				
- Unquoted	1,665,574	-	1,665,574	-
Accrued interest	25,950	-	25,950	-
	3,123,816	706,636	2,417,180	-
Financial assets at FVTPL Equity securities				
- Quoted in Malaysia	748,756	748,756	-	-
- Quoted outside Malaysia	49,643	49,643	-	-
Private equity funds				
- Unquoted outside Malaysia	35,639	-	-	35,639
Real estate investment trusts	10,481	10,481	-	-
Unit trust funds	175,735	175,735	-	-
Malaysian Government Securities	122,019	-	122,019	-
Government Investment Issues	105,669	-	105,669	-
Corporate debt securities				
- Unquoted	734,173	-	734,173	-
- Quoted outside Malaysia	233,589	-	233,589	-
Mutual funds	150,990	150,990	-	-
Forward foreign exchange contract	2,388	-	2,388	-
Accrued interest	11,725	-	11,725	-
	2,380,807	1,135,605	1,209,563	35,639
	5,504,623	1,842,241	3,626,743	35,639
Financial liabilities at FVTPL				
Forward foreign exchange contract	12	-	12	-

(c) Fair value hierarchy (continued)

The following table presents the Group's financial assets that are carried at fair value as at 31 December 2021.

Group	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 December 2021				
AFS financial assets				
Equity securities				
- Quoted in Malaysia	633,750	633,750	-	-
- Quoted outside Malaysia	131,774	131,774	-	-
Real estate investment trusts	18,773	18,773	-	-
Unit trust funds	1,206	1,206	-	-
Malaysian Government Securities	314,771	-	314,771	-
Government Investment Issues	283,634	-	283,634	-
Corporate debt securities				
- Unquoted	1,748,511	-	1,748,511	-
Accrued interest	26,103	-	26,103	-
	3,158,522	785,503	2,373,019	-
Financial assets at FVTPL				
Equity securities				
- Quoted in Malaysia	786,964	786,964	-	-
- Quoted outside Malaysia	67,419	67,419	-	-
Private equity funds				
- Unquoted outside Malaysia	19,122	-	-	19,122
Real estate investment trusts	8,478	8,478	-	-
Unit trust funds	180,784	180,784	-	-
Malaysian Government Securities	78,047	· · · · · · · · · · · · · · · · · · ·	78,047	-
Government Investment Issues	117,396	-	117,396	-
Corporate debt securities				
- Unquoted	634,838	-	634,838	-
- Quoted outside Malaysia	193,621	-	193,621	-
Mutual funds	217,928	217,928	-	-
Forward foreign exchange contract	933	- -	933	-
Accrued interest	10,455	-	10,455	-
	2,315,985	1,261,573	1,035,290	19,122
	5,474,507	2,047,076	3,408,309	19,122

Unquoted equity securities of RM2,516,340 (2021: RM2,516,340) of the Group as disclosed in note 8(a) are not disclosed in the fair value hierarchy above as they are measured at cost as the fair value is not readily available.

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

(c) Fair value hierarchy (continued)

The following table presents the Company's financial assets that are carried at fair value as at 31 December 2022 and 31 December 2021.

Company	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 December 2022				
Financial assets at FVTPL				
Equity securities				
- Unquoted*	572	-	-	572
Unit trust funds	52,076	52,076	-	-
	52,648	52,076	-	572
31 December 2021				
Financial assets at FVTPL				
Equity securities				
- Quoted in Malaysia	4,560	4,560	-	-
- Unquoted*	572	-	-	572
Real estate investment trusts				
- Quoted in Malaysia	129	129	-	-
Unit trust funds	56,878	56,878	-	-
	62,139	61,567	-	572

^{*} The Company has determined that cost is the best proxy of the fair value of the unquoted equities which are classified as financial assets at FVTPL, as there is no latest market value for these strategic investments and there has been no significant change in the economic environment in which the investee operates in. The reconciliation from beginning to ending balance for unquoted equities will be at cost, as mentioned above.

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

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

	Private Equity	
	Funds	Total
	RM'000	RM'000
At 1 January 2021	-	-
Capital contributions	19,246	19,246
Fair value loss recognised in profit or loss	(125)	(125)
Currency movement	1	1
At 31 December 2021/1 January 2022	19,122	19,122
Capital contributions	11,211	11,211
Capital returns	(15)	(15)
Fair value gain recognised in profit or loss	4,086	4,086
Currency movement	1,235	1,235
At 31 December 2022 (note 37 (c))	35,639	35,639

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

Description of valuation methodology and significant unobservable inputs to valuation of private equity funds:

	Fair Value		Unobservable	
	RM'000	Valuation Methodology	Input	Input Values
2022				
Private equity funds	35,639	Net asset value ("NAV")	NAV	NAV
2021				
Private equity funds	19,122	Net asset value ("NAV")	NAV	NAV

38. RISK MANAGEMENT

(a) Risk management framework

The Board of Directors (the "Board") of the Company has oversight responsibility for risk management. Industry best practices and governance standards for financial institutions require the Board to establish risk management policies and practices and, in delegating this responsibility to management, to ensure that these policies and practices remain adequate, comprehensive and prudent in light of changing circumstances.

The Board, through its Group Risk Management Committee ("GRMC"), is responsible for overseeing the Group's management of its principal risks. The Board and GRMC delegate accountability for risk taking and risk management to the Group Chief Executive Officer ("GCEO"). The GCEO, supported by the Chief Risk Officer and Enterprise Risk Management Committee, established risk policies, guide risk-taking activity, monitor material risk exposures, and develop strategic risk management priorities, thereby continuously shaping and promoting our risk culture throughout the Group and the Company.

Risk management policies and practices form an integral part of the Board and Senior Management's oversight of risks and the Group's financial position. Accordingly, along with capital management and financial management, risk management is one of the three pillars of the Group's prudential framework. As such, the Group's risk policies and practices must be directly aligned with the Group's capital management and financial management frameworks. The amount of risk the Group assumes, and plans to assume, defines its required consolidated risk-based capital. Conversely, the amount of available capital defines the amount of risk it is prudent to assume. This relationship dictates the need for alignment between capital and risk management.

The Group's risk taking activities are undertaken with the understanding that risk taking and effective risk management are necessary and integral to achieving strategic objectives and managing business operations.

The Group seeks to strategically optimise risk taking and risk management to support long term revenue and earnings growth, with the ultimate objective of increasing shareholder value. This is done by:

- Capitalising on business opportunities that are aligned with the Group's overall risk appetite and return expectations;
- Identifying, measuring and assessing, and monitoring and reporting on principal risks taken;
- Proactively executing effective risk controls and mitigation programs.

(b) Regulatory framework

Manulife Insurance Berhad is required to comply with the Financial Services Act, 2013 (Act 758) as well as guidelines and circulars issued by Bank Negara Malaysia ("BNM").

Manulife Insurance Labuan Limited is required to comply with Labuan Financial Services and Securities Act, 2010.

Manulife Investment Management (M) Berhad is governed by the Capital Markets and Services Act, 2007 and relevant guidelines issued by the Securities Commission Malaysia.

(c) Capital management

The Capital Management Plan is developed and endorsed by the Board. The plan lays out the management actions in response to various Capital Adequacy Ratio ("CAR") scenarios. The Group and the Company manage their capital with the following objectives:

- To maintain the required level of stability of the Group, thereby providing a degree of security to policyholders of the insurance subsidiaries;
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders of the insurance subsidiaries, regulators and stakeholders;
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets; and
- To maintain strong and healthy capital ratios in order to support the Group's and the Company's business objectives and maximise shareholders' value.

Manulife Insurance Berhad's internal target solvency range is above the minimum regulatory capital requirement outlined under Risk-Based Capital Framework ("the Framework") prescribed by BNM at 130%.

Manulife Insurance Berhad has fully complied with its internal target solvency range during the reported financial years.

The capital structure of Manulife Insurance Berhad as at 31 December 2022 and 31 December 2021, as prescribed under the Framework are as follows:

	2022 RM'000	2021 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	200,000	200,000
Retained earnings of Manulife Insurance Berhad*	339,893	322,527
Eligible contract liabilities	551,138	519,677
	1,091,031	1,042,204
Eligible Tier 2 Capital		
Eligible reserves	50,818	135,792
Amounts deducted from capital	(40,346)	(45,242)
Total Capital Available	1,101,503	1,132,754

^{*} Only the distributable retained earnings of Manulife Insurance Berhad are included in the determination of Total Capital Available.

Notes to the Financial Statements

31 December 2022

38. RISK MANAGEMENT (CONTINUED)

(c) Capital management (continued)

Manulife Insurance Labuan Limited is regulated by the Labuan Financial Services Authority (LFSA) for both Licensed Life Insurer and Licensed Insurance Broker.

(i) Licensed Life Insurer

A solvency requirement is imposed by LFSA as part of its supervisory activities where solvency margin is calculated at 3% of the latest actuarial valuation of life insurance or RM7.5 million, whichever is greater.

As of the reporting date, the solvency over the required margin is as shown below:

	2022 USD'000	2021 USD'000
Required Margin of Solvency	1,728	1,801
Total assets	67,647	64,060
Total liabilities	(59,802)	(52,081)
Excess of assets over liabilities	7,845	11,979
Surplus over the required margin	6,117	10,178

(ii) Licensed Insurance Broker

Manulife Insurance Labuan Limited has met the minimum capital requirement of RM0.3 million, with a net working fund of RM0.9 million as at 31 December 2022 (2021: RM0.8 million).

Manulife Investment Management (M) Berhad has also met the minimum capital requirement of RM20 million stipulated by the Securities Commission Malaysia with a shareholder's fund of RM89,591,293 (2021: RM74,555,791).

(d) Insurance risk

Insurance risk is the risk of loss due to actual experience emerging differently than assumed when a product was designed and priced with respect to mortality and morbidity claims, policyholders' behaviour and expenses.

The insurance subsidiaries of the Group have implemented product design and pricing policies and underwriting and claims management policies to manage its insurance risks.

The Group also limits its exposure to loss within the insurance operations through participation in reinsurance arrangements. For insurance contracts issued in 2022, the Group generally retains a maximum of RM150,000 for each mortality & accelerated total permanent disability ("TPD"), accelerated critical illness and additional critical illness risk per life for Investment-linked business. For Universal Life business, the Group retains a 50% quota share up to a maximum retention of RM300,000 and RM200,000 for each mortality & accelerated TPD and accidental death benefit respectively. The excess risk are being reinsured through surplus treaties, coinsurance treaties and facultative reinsurance treaties. The Group is neither dependent on a single reinsurer at this moment nor are the operations of the Group substantially dependent upon any reinsurance contract.

Manulife Insurance Labuan Limited ("MILL") also limits exposure to loss within the insurance operations through participation in reinsurance arrangements. MILL retains 20% of Net Amount At Risk ("NAAR") up to USD 75,000, with the excess being reinsured through surplus treaties.

(d) Insurance risk (continued)

The table below sets out the concentration of the actuarial liabilities of the Group as at the date of the statement of financial position, gross and net of reinsurance, by class of business.

	Gro	oss	Net		
Group	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	
Whole life	1,224,494	1,196,941	1,220,997	1,187,689	
Endowment	1,112,271	1,021,277	1,112,271	1,021,277	
Term	99,823	77,711	98,711	79,412	
Annuity	219,084	230,679	219,084	230,679	
Others	473,483	498,592	473,483	498,591	
	3,129,155	3,025,200	3,124,546	3,017,648	

Sensitivities

The analysis below is performed on plausible movements in key assumptions (with all other assumptions held constant) with resulting impact on gross and net actuarial liabilities and profit before tax and equity. The correlation of assumptions may have a significant effect in determining the ultimate actuarial liabilities, but to demonstrate the impact due to changes in assumptions, assumptions are changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current level of economic assumptions.

	Change in assumptions %	Impact on gross actuarial liabilities RM'000	Impact on net actuarial liabilities RM'000	Impact on profit before tax RM'000	Impact on equity* RM'000	
Group	Increase/(decrease)					
31 December 2022						
Mortality/morbidity	+10	25,381	17,300	(17,300)	(13,335)	
Discount rate	-1	99,429	98,052	(98,052)	(79,659)	
Expenses	+10	10,303	10,303	(10,303)	(7,910)	
Lapse and surrender rates	+10	3,100	3,234	(3,234)	(2,521)	
31 December 2021						
Mortality/morbidity	+10	26,254	17,133	(17,133)	(13,230)	
Discount rate	-1	69,607	66,950	(66,950)	(58,334)	
Expenses	+10	10,257	10,162	(10,162)	(7,801)	
Lapse and surrender rates	+10	1,385	2,079	(2,079)	(1,443)	

^{*} Impact on equity is stated after considering tax effects.

In the sensitivity analysis above, the impact from the changes in assumptions in the table above to the Group's profit before tax and equity arise from Non-participating life fund policies. There is no material impact to the Participating life funds within the range of changes in assumptions as the participating nature of the Participating life funds give Manulife Insurance Berhad the flexibility to adjust the policyholders' bonus or dividends.

The method used and significant assumptions made to derive the sensitivity information did not change from the previous financial year.

Notes to the Financial Statements

31 December 2022

38. RISK MANAGEMENT (CONTINUED)

(e) Credit risk

Credit risk is the risk of loss due to inability or unwillingness of an issuer or borrower to service its debt obligations. The risk arising from lending and investment activities is monitored regularly with respect to single customer limit, exposure to sector type, credit rating and remaining term to maturity, according to the guidelines and limits approved by the Board and for the insurance subsidiaries of the Group, within the guidelines issued by the regulators.

As at the date of the statements of financial position, the credit exposure of the Group and the Company is within the guidelines and limits approved by the Board. The maximum exposure to credit risk is the carrying amount as stated in the financial statements.

The Group and the Company have minimal exposure to credit risk on unrated Malaysian Government Securities, Government Investment Issues and unquoted corporate debt securities as these are either issued or guaranteed by the Federal Government of Malaysia. All the remaining unquoted corporate debt securities are issued by companies with minimum rating of BBB, whereas rating of quoted corporate debt securities are rated by international rating agencies.

Policy loans arising from Manulife Insurance Berhad are secured against the surrender value of the policies and carry substantially no credit risk. Mortgage loans are secured against the properties charged to the Group. Staff loans consists of vehicle loans and mortgage loans which are secured against the properties. Loan to agency leadership corporation is unsecured in nature.

Credit risk in respect of customer balances incurred on non-payment of premiums arising from the insurance subsidiaries of the Group will only persist during the grace period specified in the policy documents on the expiry of which either the premium is paid or the policy will be terminated.

Fixed and call deposits are placed with financial institutions approved by the Investment Committee of the Group with ratings of 'A' or better.

Reinsurance arrangements for the insurance subsidiaries of the Group are maintained with reinsurers with international ratings of 'A' or better.

There has been no significant change in the credit risk objectives, policies and processes in the current financial year as compared to the previous financial year.

The table below shows the Group's and the Company's maximum exposure to credit risk for the components in the statements of financial position by classifying financial and insurance assets according to the Group's and the Company's credit rating of counterparties, except for the Investment-linked funds' assets of Manulife Insurance Berhad, as the Group does not have any direct exposure to credit risk in those assets as the credit risk is borne by the Investment-linked policyholders.

The Investment-linked funds are the assets of the Investment-linked contracts backing the Investment-linked policyholders' account in the insurance contract liabilities of Manulife Insurance Berhad.

(e) Credit risk (continued)

	Neither past-due nor impaired		Not subject				
Group	Rating (BBB to AAA) RM'000	Not rated RM'000	to credit	Past due but not impaired RM'000	due and	Investment- linked funds RM'000	Total RM'000
31 December 2022							
AFS financial assets							
Equity securities	-	-	696,095	-	-	-	696,095
Real estate investment trusts	-	-	11,859	-	-	-	11,859
Unit trust funds	-	-	1,198	-	-	-	1,198
Malaysian Government Securities	-	397,385	-	-	-	-	397,385
Government Investment Issues	-	328,271	-	-	-	-	328,271
Corporate debt securities	1,333,961	331,613	-	-	-	-	1,665,574
Accrued interest	15,212	10,738	-	-	-	-	25,950
<u>Financial assets at FVTPL -</u> <u>designated upon initial recognition</u>							
Equity securities	-	32,639	-	-	-	765,760	798,399
Private equity funds	-	-	35,639	-	-	-	35,639
Real estate investment trusts	-	-	-	-	-	10,481	10,481
Unit trust funds	-	-	-	-	-	175,735	175,735
Malaysian Government Securities	-	119,387	-	-	-	2,632	122,019
Government Investment Issues	-	86,799	-	-	-	18,870	105,669
Corporate debt securities	797,726	80,146	-	-	-	89,890	967,762
Mutual funds	-	-	-	-	-	150,990	150,990
Forward foreign exchange contract	-	1,865	-	-	-	523	2,388
Accrued interest	7,756	2,697	-	-	-	1,272	11,725
Loans and receivables							
Loans receivable	-	149,520	-	145	507	-	150,172
Fixed and call deposits	342,199	-	-	-	-	93,030	435,229
Other receivables	-	38,723	-	-	1,365	7,736	47,824
Reinsurance assets	7,375	3,360	-	-	-	-	10,735
Insurance receivables	-	11,019	-	-	1,804	-	12,823
Cash and cash equivalents	244,862	14	-	-	-	13,917	258,793
Allowance for impairment losses	-	-	-	-	(3,465)	-	(3,465)
	2,749,091	1,594,176	744,791	145	211	1,330,836	6,419,250

(e) Credit risk (continued)

		past-due paired	Not subject	Past			
Group	Rating (BBB to AAA) RM'000	Not rated RM'000	to credit	due but not impaired RM'000	due and	Investment- linked funds RM'000	Total RM'000
31 December 2021							
AFS financial assets							
Equity securities	-	-	768,040	-	-	-	768,040
Real estate investment trusts	-	-	18,773	-	-	-	18,773
Unit trust funds	-	-	1,206	-	-	-	1,206
Malaysian Government Securities	-	314,771	-	-	-	-	314,771
Government Investment Issues	-	283,634	-	-	-	-	283,634
Corporate debt securities	1,387,280	361,231	-	-	-	-	1,748,511
Accrued interest	16,584	9,519	-	-	-	-	26,103
<u>Financial assets at FVTPL -</u> <u>designated upon initial recognition</u>							
Equity securities	-	-	47,930	-	-	806,453	854,383
Private equity funds	-	-	19,122	-	-	-	19,122
Real estate investment trusts	-	-	-	-	-	8,478	8,478
Unit trust funds	-	-	-	-	-	180,784	180,784
Malaysian Government Securities	-	75,877	-	-	-	2,170	78,047
Government Investment Issues	-	96,794	-	-	-	20,602	117,396
Corporate debt securities	655,188	88,912	-	-	-	84,359	828,459
Mutual funds	-	-	-	-	-	217,928	217,928
Forward foreign exchange contract	-	-	-	-	-	933	933
Accrued interest	6,614	2,371	-	-	-	1,470	10,455
Loans and receivables							
Loans receivable	-	154,704	-	150	485	-	155,339
Fixed and call deposits	335,018	-	-	-	-	71,053	406,071
Other receivables	-	51,327	-	-	1,365	9,732	62,424
Reinsurance assets	17,208	3,012	-	-	-	-	20,220
Insurance receivables	-	14,797	-	-	926	-	15,723
Cash and cash equivalents	219,321	-	-	-	-	18,584	237,905
Allowance for impairment losses					(2,583)		(2,583)
	2,637,213	1,456,949	855,071	150	193	1,422,546	6,372,122

(e) Credit risk (continued)

Company

The following table sets out the credit quality of financial assets measured at amortised cost and FVTPL:

Rating		Not subject to			
(BBB to AAA)	Not rated	credit risk	Total		
RM'000	RM'000	RM'000	RM'000		
-	-	572	572		
-	-	52,076	52,076		
-	1	-	1		
-	10,310	-	10,310		
6,742	-	-	6,742		
6,742	10,311	52,648	69,701		
-	-	5,132	5,132		
-	-	129	129		
-	-	56,878	56,878		
-	1	-	1		
-	12,017	-	12,017		
8,122	-	-	8,122		
8,122	12,018	62,139	82,279		
	(BBB to AAA) RM'0000	(BBB to AAA) RM'000 1 - 10,310 6,742 - 6,742 10,311 1 - 12,017 8,122 -	(BBB to AAA) RM'000 RM'000 572 - 52,076 - 1 - 52,076 - 10,310 - 6,742 56,742 5,132 129 - 56,878		

Age analysis of financial assets past-due but not impaired (requirements under MFRS 139)

Group	< 30 days RM'000	31 to 60 days RM'000	61 to 90 days RM'000	91 to 180 days RM'000	Over 180 days RM'000	Total RM'000
31 December 2022						
Loans receivable	-	-	-	-	145	145
31 December 2021						
Loans receivable	-	-	-	-	150	150

Notes to the Financial Statements

31 December 2022

38. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

Impaired financial assets

For assets to be classified as "past due and impaired", contractual payments must be in arrears for more than three months based on objective evidence that an impairment loss has been incurred. The Group records impairment allowance for loans receivable, insurance receivables and other receivables in separate allowance for impairment loss accounts. A reconciliation of the allowance for impairment losses for loans receivable, insurance receivables and other receivables is as follows:

Group	Loans receivable RM'000	Insurance receivables RM'000	Other receivables RM'000	Total RM'000
At 1 January 2022	292	926	1,365	2,583
Allowance of impairment losses during the financial year*	4	878	-	882
At 31 December 2022	296	1,804	1,365	3,465
At 1 January 2021	289	926	1,365	2,580
Allowance of impairment losses during the financial year*	3	-	-	3
At 31 December 2021	292	926	1,365	2,583

^{*} Allowance for impairment loss arose from individual impairment assessments during the financial year. There was no allowance for impairment loss arising from collective assessments.

Company

The Company assesses at each reporting date to determine loss allowances for expected credit loss on financial assets measured at amortised cost and debt securities at FVOCI as mentioned in note 2(i)(iii).

There are no financial assets at FVOCI during the financial year ended 31 December 2022 and 31 December 2021.

The following table shows the reconciliations from opening to the closing balance of the loss allowance by class of financial instrument and using simplified approach:

	Other receivables		
Lifetime ECL	2022 RM'000	2021 RM'000	
At 1 January/31 December	1,075	1,075	

(f) Market risk

Market risk is the risk of changes in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk is managed through the segmentation of product liabilities with similar characteristics and the establishment of investment policies and goals for each segment. The Group's and the Company's investment policies and goals reflect the asset mix, asset quality, sector mix, currency mix, interest rate risk exposure and liquidity targets.

There has been no significant change in the market risk objectives, policies and processes in the current financial year as compared to the previous financial year.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group manages the risk through matching the currency of the assets with the currency of the liabilities which these assets support. The Group has foreign currency denominated related party transactions which are denominated mainly in USD and CAD. The Group has direct exposure to foreign currency risk in certain foreign currency denominated investments except for those in participating life fund and investment linked-business, of which the foreign currency risk is borne by the policyholders.

Exposure to foreign currency risk

The Group and the Company's exposure to the foreign currency (a currency which is other than the functional currency of the Company) risk which are more significant, based on carrying amounts as at the end of the reporting period were:

2022

_	De	2022 enominated		2021 Denominated			
	USD RM'000	CAD RM'000	AUD RM'000	USD RM'000	CAD RM'000	AUD RM'000	
Group							
Other debtors	3,446	560	-	5,807	563	889	
Other creditors	(1,528)	-	-	-	(2)	(2,708)	
Accrued liabilities	(1,271)	-	-	(815)	-	(10)	
Equity securities							
- quoted outside Malaysia	34,987	-	-	23,805	_	-	
Insurance contract liabilities	2,748	-	-	4,175	-	-	
Amount due from related parties	2,894	-	-	4,021	_	-	
Amount due to related parties	(14,643)	(3,730)	-	(13,956)	(3,966)	-	
Cash and cash equivalents	27,950	-	121	47,676	-	16	
	54,583	(3,170)	121	70,711	(3,403)	(1,813)	
Company							
Amount due to related parties	(3,088)	-	-	(5,978)	-	-	

(f) Market risk (continued)

(i) Currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in currency, with all other variables held constant:

	Impact on pro	ofit before tax	Impact o	n equity		
	Increase/	(decrease)	Increase/(Increase/(decrease)		
	2022 RM'000	=		2021 RM'000		
Group						
Changes in foreign currency rates						
USD + 5%	980	2,345	2,729	3,536		
CAD + 5%	(158)	(170)	(158)	(170)		
AUD + 5%	6	(91)	6	(91)		
USD - 5%	(980)	(2,345)	(2,729)	(3,536)		
CAD - 5%	158	170	158	170		
AUD - 5%	(6)	91	(6)	91		

	Impact on pro tax/equ	
	(Decrease)/i	ncrease
	2022 RM'000	2021 RM'000
Company		
Changes in foreign currency rates		
USD + 5%	(154)	(299)
USD - 5%	154	299

(ii) Interest rate risk

Interest rate risk is the risk that value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Investment activities and insurance business are inherently exposed to interest rate risk. This risk arises due to differences in pricing or tenure of investments and liabilities. For the Group's insurance business, interest rate risk is managed by the liability side, by limiting the interest rate guarantees that are embedded in the insurance plans that are marketed. The interest rate risk is also managed through setting the appropriate asset benchmark reflecting the liability profile and the availability of suitable instruments in the investment market. The participating nature of the Participating life fund gives Manulife Insurance Berhad the flexibility to adjust the policyholders' bonus or dividends in the event of persistently high or low interest rate.

(f) Market risk (continued)

(ii) Interest rate risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, showing the impact on the Group's and the Company's profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used in performing the sensitivity analysis was consistent with the prior year.

	Impact on pro	ofit before tax	Impact o	n equity*		
	Increase/	(decrease)	Increase/	Increase/(decrease)		
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000		
Group						
Change in variable:						
Interest rate						
+100 basis points	11,849	(11,996)	8,656	(11,755)		
- 100 basis points	(19,457)	(14,197)	(14,821)	(13,419)		
Company						
Change in variable:						
Interest rate						
+100 basis points	-	-	-	-		
- 100 basis points	-	-	-	-		

^{*} Impact on equity is stated after considering tax effects.

The above impact to the Group's equity arose from the investments in fixed income securities which are classified as AFS and FVTPL financial assets and the actuarial liabilities of the Non-participating funds of the insurance subsidiaries; the impact to the Group's profit before tax arose from fixed income securities which are classified as FVTPL financial assets and the actuarial liabilities of the Non-participating funds. Any adverse impact on the Participating life fund results of Manulife Insurance Berhad arising from changes in interest rate risk will be negated by an equivalent decrease in unallocated surplus in the insurance contract liabilities and vice versa. Hence, the impact arising from changes in interest rate risk to fixed income securities and actuarial liabilities of the Participating life fund of the Group's insurance subsidiaries is retained in the insurance contract liabilities.

The impact to the Company's equity is attributable to the investments in fixed income securities which are classified as FVOCI financial assets. There are no financial assets at FVOCI as at the financial year ended 31 December 2022 and 31 December 2021.

(f) Market risk (continued)

(iii) Price risk

The Group's and the Company's price risk exposure relates to financial assets and liabilities, whose values will fluctuate as a result of change in market prices. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to the individual instruments or their issuers or factors affecting all instruments traded in the market.

The Group and the Company acknowledged the inherent risk of investing in equities. The Board has set internal limits for maximum equity exposure, industry type exposure and individual stock exposure, which for the insurance subsidiaries of the Group, are consistent with BNM's guidelines, and has also imposed daily trading limits. In addition, the Investment Committee at its monthly meeting discussed the economic and market outlook, reviews transactions and deliberates on further equity allocation. The participating nature of the Participating life fund of Manulife Insurance Berhad gives the flexibility to adjust the policyholders' bonus or dividends in the event of persistently high or low equity returns.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the equity investments, with all other variables held constant showing the impact on the Group's and Company's profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used in performing the sensitivity analysis was consistent with the prior year.

	Impact on pro	ofit before tax	Impact o	n equity*
	Increase/	(decrease)	Increase/(decrease)
	2022 202 ² RM'000 RM'000		2022 RM'000	2021 RM'000
Group				
Change in variable				
Market price				
+15%	5,076	7,370	99,376	66,846
- 15%	(5,076)	(7,370)	(99,376)	(66,846)
Company				
Change in variable				
Market price				
+15%	7,811	9,235	7,811	9,235
- 15%	(7,811)	(9,235)	(7,811)	(9,235)

^{*} Impact on equity is stated after considering tax effects.

The above impact to the Group's and the Company's equity arose from the investments in equity securities, unit trust funds and real estate investment trusts which are classified as AFS financial assets and FVTPL, respectively. Any adverse impact on the Participating life fund result of Manulife Insurance Berhad arising from changes in price risk will be negated by the equivalent decrease in unallocated surplus in the insurance contract liabilities and vice versa. Hence, the impact arising from changes in price risk to equity securities, unit trust funds and real estate investment trusts of the Participating life fund of Manulife Insurance Berhad is retained in the insurance contract liabilities.

(g) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash commitments associated with financial instruments. This risk is managed via a three-year planning process to ascertain operational cash flow requirements and maintaining a reasonable level of liquid assets to meet unexpected cash flow. In addition, the Group and the Company have large holdings of government bonds that can be liquidated at short notice to meet unexpected liquidity needs.

It is unusual for the Group primarily transacting insurance business to predict the requirements of funding with absolute certainty as theory of probability is applied on insurance contracts to ascertain the likely provision and the time period when such liabilities will require settlement. The amount and maturities in respect of insurance contract liabilities are thus based on management's estimate based on statistical techniques and past experiences.

There has been no significant change in the liquidity risk objectives, policies and processes in the current financial year as compared to the previous financial year.

The table below analyses the Group's and the Company's financial and insurance assets and financial and insurance liabilities into their relevant maturity groups based on the remaining undiscounted contractual obligations.

All liabilities are presented on a contractual cash flow basis except for the insurance contract liabilities and amount payable under distribution agreement which are presented with their expected cash flows.

The Investment-linked funds are the assets of the Investment-linked contracts backing the Investment-linked policyholders' account in the insurance contract liabilities. Investment-linked fund liabilities are repayable or transferable upon notice by policyholders and are disclosed separately under the "Investment-linked funds" column.

(g) Liquidity risk (continued)

						No	Investment-	
	Carrying value	Up to	1-3	3-5	Over 5 years	maturity date	linked funds	Total
Group	RM'000	a year RM'000	years RM'000	years RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2022								
Equity securities	1,494,494	-	-	-	-	728,734	765,760	1,494,494
Private equity funds	35,639	-	-	-	-	35,639	-	35,639
Real estate investment								
trusts	22,340	-	-	-	-	11,859	10,481	22,340
Unit trust funds	176,933	-	-	-	-	1,198	175,735	176,933
Malaysian Government								
Securities	519,404	24,608	49,216	73,532	789,762	-	2,632	939,750
Government Investment Issues	433,940	18,408	36,814	56,352	615,512		18,870	745,956
Corporate debt securities			793,530		1,523,901	-	89,890	
Mutual funds	150,990	200,577	193,530	391,000	1,523,901	-	150,990	150,990
		-	-	-	-	-	150,990	150,990
Forward foreign exchange contract	2,388	1,865	-	_	-	-	523	2,388
Accrued interest:	ŕ	ŕ						·
- AFS financial assets	25,950	25,950	-	_	-	-	_	25,950
- FVTPL financial	ŕ	ŕ						·
assets	11,725	10,453	-	-	-	-	1,272	11,725
Loans receivable	149,876	1,418	1,818	2,367	22,064	122,209	-	149,876
Fixed and call deposits	435,229	342,199	-	-	-	-	93,030	435,229
Other receivables	46,459	38,723	-	-	-	-	7,736	46,459
Reinsurance assets	10,735	7,414	461	540	5,721	-	-	14,136
Insurance receivables	11,019	11,019	-	-	-	-	-	11,019
Cash and cash								
equivalents	258,793	244,876	-	-	-	-	13,917	258,793
Total financial and								
insurance assets	6,419,250	987,510	881,839	730,479	2,956,960	899,639	1,330,836	7,787,263
Insurance contract								
liabilities	4,561,710	184,804	271,222	391,376	5,985,178	-	1,324,405	8,156,985
Insurance claims								
liabilities	88,224	88,224	-	-	-	-	-	88,224
Insurance payables	814,306	814,306	-	-	-	-	-	814,306
Lease liabilities	3,506	1,728	1,983	-	-	-	-	3,711
Forward foreign exchange contract	12						12	12
Other payables	244,357	234,425	- 5,283	•	•	•	5,855	245,563
Total financial and	244,331	204,420	3,203	_	•		5,655	243,303
insurance liabilities	5,712,115	1,323,487	278,488	391,376	5,985,178	_	1,330,272	9,308,801

(g) Liquidity risk (continued)

Group	Carrying value RM'000	Up to a year RM'000	1-3 years RM'000	3-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Investment- linked funds RM'000	Total RM'000
31 December 2021								
Equity securities	1,622,423	_	_	_	_	815,970	806 453	1,622,423
Private equity funds	19,122	_	_	_	_	19,122	-	19,122
Real estate investment	.5,					.5,		.5,
trusts	27,251	-	-	-	-	18,773	8,478	27,251
Unit trust funds	181,990	-	-	-	-	1,206	180,784	181,990
Malaysian Government Securities	392,818	16,393	32,785	53,568	537,838	-	2,170	642,754
Government Investment								
Issues	401,030	15,829	46,902	60,090	504,653	-	20,602	648,076
Corporate debt securities	2,576,970	322,346	636,395	574,208	1,629,063	-	84,359	3,246,371
Mutual funds	217,928	-	-	-	-	-	217,928	217,928
Forward foreign exchange contract	933	-	-	-	-	-	933	933
Accrued interest:								
AFS financial assetsFVTPL financial	26,103	26,103	-	-	-	-	-	26,103
assets	10,455	8,985	-	-	-	-	1,470	10,455
Loans receivable	155,047	1,340	2,047	2,511	17,562	131,587	-	155,047
Fixed and call deposits	406,071	335,018	-	-	-	-	71,053	406,071
Other receivables	61,059	51,327	-	-	-	-	9,732	61,059
Reinsurance assets	20,220	20,220	-	-	-	-	-	20,220
Insurance receivables	14,797	14,797	-	-	-	-	-	14,797
Cash and cash equivalents	237,905	219,321	-	-	-	-	18,584	237,905
Total financial and insurance assets	6,372,122	1,031,679	718,129	690,377	2,689,116	986,658	1,422,546	7,538,505
Insurance contract liabilities	4,574,621	240,979	247,366	392,323	5,276,259	-	1,397,354	7,554,281
Insurance claims liabilities	76,164	76,164						76,164
Reinsurance liabilities	1,702	1,702	-	-	-	-	-	1,702
Insurance payables	759,823	759,823	-	-	-	-	-	759,823
Lease liabilities	1,913	1,398	563	-	-	-	-	1,961
Other payables	227,346	211,081	8,183	157	-	-	8,051	227,472
Total financial and					5 276 250			
insurance liabilities	5,641,569	1,291,147	256,112	392,480	5,276,259	-	1,405,405	8,621,403

Notes to the Financial Statements

31 December 2022

38. RISK MANAGEMENT (CONTINUED)

(g) Liquidity risk (continued)

Company	Carrying value RM'000	Up to a year RM'000	1-3 years RM'000	3-5 years RM'000	Over 5 years RM'000	No maturity RM'000	Total RM'000
31 December 2022							
Equity securities	572	-	-	-	-	572	572
Unit trust funds	52,076	-	-	-	-	52,076	52,076
Loans receivable	1	1	-	-	-	-	1
Other receivables	10,310	10,310	-	-	-	-	10,310
Cash and cash equivalents	6,742	6,742	-	-	-	-	6,742
Total financial assets	69,701	17,053	-	-	-	52,648	69,701
Other payables	17,825	17,825	-	-	-	-	17,825
Total financial liabilities	17,825	17,825	-	-	-	-	17,825
31 December 2021							
Equity securities	5,132	-	-	-	-	5,132	5,132
Real estate investment trusts	129	-	-	-	-	129	129
Unit trust funds	56,878	-	-	-	-	56,878	56,878
Loans receivable	1	1	-	-	-	-	1
Other receivables	12,017	12,017	-	-	-	-	12,017
Cash and cash equivalents	8,122	8,122	-	-	-	-	8,122
Total financial assets	82,279	20,140	-		-	62,139	82,279
Other payables	20,866	20,866	-	-	-	-	20,866
Total financial liabilities	20,866	20,866	-	-	-	-	20,866

(h) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, risk management policies and procedures, systems' failures, human performance failures or from external events. The Group and the Company seek to minimise exposure by ensuring appropriate internal controls and systems, together with trained and competent people are in place throughout the Group and the Company. The Group uses an established programme of comprehensive risk self-assessments in conjunction with independent internal audits to monitor and assess inherent operational risks and the effectiveness of internal controls.

39. CAPITAL AND OTHER COMMITMENTS

		Gre	oup	Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other commitments					
Exclusive bancassurance agreement					
- Authorised but not provided for	(i)	1,500	4,500	-	-
Distribution agreement					
- Authorised but not provided for	(ii)	2,764	5,363	-	-
Investment in Private Equity Funds					
At 1 January		38,796	-	-	-
Capital committed		-	58,042	-	-
Capital called		(11,211)	(19,246)	-	-
Capital return		15	-	-	-
Expenses incurred		(122)	-	-	-
Currency movement		2,871	-	-	-
At 31 December	(iii)	30,349	38,796	-	-

⁽i) The Group is committed to pay annual fees under the terms of the bancassurance agreement. The annual fees will be expensed off to the profit or loss in the year of settlement.

⁽ii) The Group is committed to pay annual consultancy fee under the terms of the Distribution Agreement. The annual consultancy fee will be amortised to profit or loss over 20 years.

⁽iii) The Group is committed to deliver the capital contributions pursuant to the terms of the Limited Partnership Agreements.

40. ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT

As discussed in note 2(b)(ii), the Group will be deferring the adoption of MFRS 9 as allowed under Amendments to MFRS 4. In order to compare with entities applying MFRS 9, the amendments require deferring entities to disclose additional information including contractual cash flows characteristics and credit exposure of the financial assets. The following table presents the Group's financial assets by their contractual cash flows characteristics, which indicate if they are solely payments of principal and interest on the principal outstanding ("SPPI"):

For the financial year ended 31 December 2022	Fair value as at 1 January 2022 RM'000	Change in fair value* RM'000	Fair value as at 31 December 2022 RM'000	Result of the cash flows characteristics test	Classification and measurement under MFRS 9
Financial assets					
Equity securities					
- Quoted in Malaysia	1,420,714	(92,196)	1,328,518	Non-SPPI	FVTPL
- Quoted outside Malaysia	199,193	(35,733)	163,460	Non-SPPI	FVTPL
- Unquoted in Malaysia	2,516	-	2,516	Non-SPPI	FVTPL
Private equity funds	19,122	16,517	35,639	Non-SPPI	FVTPL
Real estate investment trusts	27,251	(4,911)	22,340	Non-SPPI	FVTPL
Unit trust funds	181,990	(5,057)	176,933	Non-SPPI	FVTPL
Malaysian Government Securities	351,137	112,277	463,414	SPPI	FVOCI
Malaysian Government Securities	41,681	14,309	55,990	SPPI	FVTPL
Government Investment Issues	344,788	22,838	367,626	SPPI	FVOCI
Government Investment Issues	56,242	10,072	66,314	SPPI	FVTPL
Corporate debt securities					
- Unquoted in Malaysia	1,948,859	27,839	1,976,698	SPPI	FVOCI
- Unquoted in Malaysia	434,490	(11,441)	423,049	SPPI	FVTPL
- Quoted outside Malaysia	193,621	39,968	233,589	SPPI	FVOCI
Mutual funds	217,928	(66,938)	150,990	Non-SPPI	FVTPL
Forward foreign exchange contract	933	1,455	2,388	Non-SPPI	FVTPL
Accrued interest	30,529	1,398	31,927	SPPI	FVOCI
Accrued interest	6,029	(281)	5,748	SPPI	FVTPL
Loans and receivables	622,177	9,387	631,564	SPPI	Amortised cost
Insurance receivables	14,797	(3,778)	11,019	SPPI	Amortised cost
Cash and cash equivalents	237,905	20,888	258,793	SPPI	Amortised cost
	6,351,902	56,613	6,408,515	_	

^{*} Includes purchases, disposals, maturities and realised/unrealised (losses)/gains.

40. ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT (CONTINUED)

For the financial year ended 31 December 2021	Fair value as at 1 January 2021 RM'000	Change in fair value* RM'000	Fair value as at 31 December 2021 RM'000	Result of the cash flows characteristics test	Classification and measurement under MFRS 9
Financial assets					
Equity securities					
- Quoted in Malaysia	1,656,019	(235,305)	1,420,714	Non-SPPI	FVTPL
- Quoted outside Malaysia	198,282	911	199,193	Non-SPPI	FVTPL
- Unquoted in Malaysia	2,516	-	2,516	Non-SPPI	FVTPL
Private equity funds	-	19,122	19,122	Non-SPPI	FVTPL
Real estate investment trusts	20,610	6,641	27,251	Non-SPPI	FVTPL
Unit trust funds	242,271	(60,281)	181,990	Non-SPPI	FVTPL
Malaysian Government Securities	388,703	(37,566)	351,137	SPPI	FVOCI
Malaysian Government Securities	46,174	(4,493)	41,681	SPPI	FVTPL
Government Investment Issues	259,009	85,779	344,788	SPPI	FVOCI
Government Investment Issues	51,527	4,715	56,242	SPPI	FVTPL
Corporate debt securities					
- Unquoted in Malaysia	1,720,073	228,786	1,948,859	SPPI	FVOCI
- Unquoted in Malaysia	407,060	27,430	434,490	SPPI	FVTPL
- Quoted outside Malaysia	164,344	29,277	193,621	SPPI	FVOCI
Mutual funds	304,436	(86,508)	217,928	Non-SPPI	FVTPL
Forward foreign exchange contract	1,149	(216)	933	Non-SPPI	FVTPL
Accrued interest	26,271	4,258	30,529	SPPI	FVOCI
Accrued interest	5,438	591	6,029	SPPI	FVTPL
Loans and receivables	498,605	123,572	622,177	SPPI	Amortised cost
Insurance receivables	16,877	(2,080)	14,797	SPPI	Amortised cost
Cash and cash equivalents	189,492	48,413	237,905	SPPI	Amortised cost
	6,198,856	153,046	6,351,902	-	

Includes purchases, disposals, maturities and realised/unrealised gains/(losses).

40. ADDITIONAL DISCLOSURES UNDER AMENDMENTS TO MFRS 4 INSURANCE CONTRACT (CONTINUED)

The following table shows the fair value of financial assets of the Group by credit quality:

	AAA RM'000	AA RM'000	A RM'000	BBB RM'000	Non-rated RM'000	Total RM'000
As at 31 December 2022						
Financial assets						
Malaysian Government Securities	-	-	-	-	519,404	519,404
Government Investment Issues	-	-	-	-	433,940	433,940
Corporate debt securities						
- Unquoted in Malaysia	1,219,295	768,187	506	-	411,759	2,399,747
- Quoted outside Malaysia*	33,214	56,890	87,877	55,608	-	233,589
Accrued interest	13,349	9,366	716	605	13,639	37,675
Loans and receivables	371,992	63,237	-	-	196,335	631,564
Insurance receivables	-	-	-	-	11,019	11,019
Cash and cash equivalents	208,561	13,790	10,918	-	14	233,283
Cash and cash equivalents*	-	24,775	735	-	-	25,510
	1,846,411	936,245	100,752	56,213	1,586,110	4,525,731
As at 31 December 2021						
Financial assets						
Malaysian Government Securities	-	-	-	-	392,818	392,818
Government Investment Issues	-	-	-	-	401,030	401,030
Corporate debt securities						
- Unquoted in Malaysia	1,140,694	783,958	8,554	-	450,143	2,383,349
- Quoted outside Malaysia*	18,843	44,607	69,102	61,069	-	193,621
Accrued interest	14,946	8,487	577	468	12,080	36,558
Loans and receivables	321,910	84,161	-	-	216,106	622,177
Insurance receivables	-	-	-	-	14,797	14,797
Cash and cash equivalents	196,553	8,657	13,417	-	-	218,627
Cash and cash equivalents*	-	19,278	-	-	-	19,278
	1,692,946	949,148	91,650	61,537	1,486,974	4,282,255

^{*} Rated by international rating agencies.

41. LIFE INSURANCE BUSINESS

The Group's insurance subsidiary, Manulife Insurance Berhad's activities are organised by funds and segregated into Life fund, Investment-linked funds and Shareholder's fund in accordance with the Financial Services Act, 2013.

The statement of financial position and statement of profit or loss have been further analysed by funds as follows:

Statement of Financial Position by Funds

	_	Insurance funds			
31 December 2022	Shareholder's fund RM'000	Life fund RM'000	Investment- linked funds RM'000	Elimination RM'000	Total RM'000
Assets					
Property and equipment	-	20,348	-	-	20,348
Investment property	-	46,318	-	-	46,318
Intangible assets	28,621	9,917	-	-	38,538
Loans and receivables	209,358	259,140	100,766	(174,533)	394,731
Available-for-sale financial assets	450,104	2,816,606	-	-	3,266,710
Financial assets at fair value through profit or loss		896,274	1,216,153	-	2,112,427
Reinsurance assets	-	7,042	-	-	7,042
Insurance receivables	-	11,019	-	-	11,019
Right-of-use asset	2,306	-	-	-	2,306
Current tax assets	6,165	20,975	(1,492)	-	25,648
Cash and cash equivalents	18,196	79,676	13,917	-	111,789
Total assets	714,750	4,167,315	1,329,344	(174,533)	6,036,876
Equity, Policyholders' Funds and Liabilities					
Share capital	200,000	-	-	-	200,000
Retained earnings	445,797	-	-	-	445,797
Fair value reserve	2,276	-	-	-	2,276
Total equity	648,073	-	-	-	648,073
Insurance contract liabilities	-	2,980,065	1,324,405	-	4,304,470
Insurance claims liabilities	-	87,859	-	-	87,859
Financial liability at fair value through profit or loss		-	12	_	12
Deferred tax liabilities	30,490	2,294	(928)	-	31,856
Insurance payables	-	812,073	-	-	812,073
Lease liabilities	2,402	-	-	-	2,402
Other payables	33,785	285,024	5,855	(174,533)	150,131
Total equity, policyholders' funds and liabilities	714,750	4,167,315	1,329,344	(174,533)	6,036,876

Statement of Financial Position by Funds (continued)

31 December 2021		Insurance funds			
	Shareholder's fund RM'000	Life fund RM'000	Investment- linked funds RM'000	Elimination RM'000	Total RM'000
Assets		,			
Property and equipment	-	18,907	-	-	18,907
Investment properties	-	45,712	-	-	45,712
Intangible assets	29,995	10,157	-	-	40,152
Loans and receivables	210,352	196,783	80,785	(181,474)	306,446
Available-for-sale financial assets	442,603	2,918,427	-	-	3,361,030
Financial assets at fair value through profit or loss	-	749,897	1,323,177	-	2,073,074
Reinsurance assets	-	10,829	-	-	10,829
Insurance receivables	-	14,797	-	-	14,797
Right-of-use assets	1,098	-	-	-	1,098
Current tax assets	-	22,245	-	-	22,245
Cash and cash equivalents	19,906	80,641	18,584	-	119,131
Total assets	703,954	4,068,395	1,422,546	(181,474)	6,013,421
Equity, Policyholders' Funds and Liabilities					
Share capital	200,000	-	-	-	200,000
Retained earnings	419,112	-	-	-	419,112
Fair value reserve	10,272	-	-	-	10,272
Total equity	629,384	-	-	-	629,384
Insurance contract liabilities	-	2,959,445	1,397,354	-	4,356,799
Insurance claims liabilities	-	75,912	-	-	75,912
Deferred tax liabilities	29,356	8,373	9,525	-	47,254
Reinsurance liabilities	-	1,702	-	-	1,702
Insurance payables	-	759,105	-	-	759,105
Lease liabilities	1,206	-	-	-	1,206
Current tax liability	(4,861)	1,273	7,616	-	4,028
Other payables	48,869	262,585	8,051	(181,474)	138,031
Total equity, policyholders' funds and liabilities	703,954	4,068,395	1,422,546	(181,474)	6,013,421

Statement of Profit or Loss by Funds

		Insurance funds			
2022	Shareholder's fund RM'000	Life fund RM'000	Investment- linked funds RM'000	Elimination RM'000	Total RM'000
	KITOOO	1111000	KITOOO	1111000	MITOOO
Premium income Gross premiums		760,293	343,127	(884)	1,102,536
Premiums ceded to reinsurers	-	(80,081)	-	-	(80,081)
Net premiums	-	680,212	343,127	(884)	1,022,455
Investment income	17,412	157,719	43,211	-	218,342
Net realised gains	489	37,624	-	-	38,113
Net fair value losses	(1,381)	(33,040)	(132,160)	-	(166,581)
Fee income	-	21,802	-	(17,787)	4,015
Other operating income	-	225	3,060	-	3,285
Total revenue	16,520	864,542	257,238	(18,671)	1,119,629
Gross benefits and claims					
paid and payable	-	(469,808)	(330,217)	-	(800,025)
Claims ceded to reinsurers	-	47,034	-	-	47,034
Gross change in contract liabilities	-	(97,598)	72,949	<u>-</u>	(24,649)
Change in insurance contract liabilities ceded to					
reinsurers	-	2,814	-	-	2,814
Net claims	-	(517,558)	(257,268)	-	(774,826)
Fee and commission Expenses	-	(132,661)	-	-	(132,661)
Investment expenses	(183)	(12,378)	-	-	(12,561)
Management expenses	(11,685)	(150,831)	(22,528)	18,773	(166,271)
Other operating (expenses)/					
income	(7,886)	(13,104)	22,558	(102)	1,466
Other expenses	(19,754)	(308,974)	30	18,671	(310,027)
(Loss)/profit from operations	(3,234)	38,010	-	-	34,776
Transfer from/(to) revenue	20.010	(28.010)			
account Profit before taxation	38,010 34,776	(38,010)	<u>-</u>	<u>-</u>	34,776
Taxation	(8,091)		•		(8,091)
Net profit for the financial year		-	-	-	26,685

Statement of Profit or Loss by Funds (continued)

	_	Insurance funds			
2021	Shareholder's fund RM'000	Life fund RM'000	Investment- linked funds RM'000	Elimination RM'000	Total RM'000
Premium income				·	
Gross premiums	-	674,743	340,073	(1,013)	1,013,803
Premiums ceded to reinsurers	-	(66,892)	-	-	(66,892)
Net premiums	-	607,851	340,073	(1,013)	946,911
Investment income	19,179	144,521	42,442	-	206,142
Net realised gains	3,940	133,563	-	-	137,503
Net fair value (losses)/gains	(1,033)	(49,376)	51,896	-	1,487
Fee income	-	22,198	-	(18,314)	3,884
Other operating income	-	418	3,157	-	3,575
Total revenue	22,086	859,175	437,568	(19,327)	1,299,502
Gross benefits and claims		(427946)	(200 500)		(017.25.4)
paid and payable	-	(427,846)	(389,508)	-	(817,354)
Claims ceded to reinsurers	-	41,025	-	-	41,025
Gross change in contract liabilities	-	(123,020)	(27,556)	-	(150,576)
Change in insurance contract liabilities ceded to		0.555			0.555
reinsurers	-	2,555	- (447.05.4)	-	2,555
Net claims	-	(507,286)	(417,064)	-	(924,350)
Fee and commission expenses	-	(120,483)	-	-	(120,483)
Investment expenses	(191)	(9,765)	-	-	(9,956)
Management expenses	(14,779)	(130,677)	(22,685)	19,348	(148,793)
Other operating (expenses)/					
income	(8,485)	(11,973)	2,181	(21)	(18,298)
Other expenses	(23,455)	(272,898)	(20,504)	19,327	(297,530)
(Loss)/profit from operations	(1,369)	78,991	-	-	77,622
Transfer from/(to) revenue account	78,991	(78,991)	-	-	-
Profit before taxation	77,622	-	-	-	77,622
Taxation	(15,643)	-	-	-	(15,643)
Net profit for the financial year	61,979	-	-	-	61,979

Information on cash flows by Funds

		Insuranc		
	Shareholder's fund RM'000	Life fund RM'000	Investment- linked funds RM'000	Total RM'000
2022				
Cash flows from:				
Operating activities	(1,710)	5,451	(4,667)	(926)
Investing activities	-	(5,018)	-	(5,018)
Financing activities	-	(1,398)	-	(1,398)
Net decrease in cash and cash equivalents	(1,710)	(965)	(4,667)	(7,342)
At beginning of financial year	19,906	80,641	18,584	119,131
At end of financial year	18,196	79,676	13,917	111,789
2021				
Cash flows from:				
Operating activities	(5,944)	33,121	9,706	36,883
Investing activities	-	(1,459)	-	(1,459)
Financing activities	-	(1,040)	-	(1,040)
Net (decrease)/increase in cash and cash				
equivalents	(5,944)	30,622	9,706	34,384
At beginning of financial year	25,850	50,019	8,878	84,747
At end of financial year	19,906	80,641	18,584	119,131

42. LABUAN LIFE INSURANCE AND LIFE INSURANCE BROKING BUSINESS

The core businesses of the Group's subsidiary, Manulife Insurance Labuan Limited ("MILL") are that of Life insurance business and Life insurance broking business. MILL's insurance business segment is managed by funds and segregated into Life fund and Shareholder's fund.

MILL's statement of financial position and statement of profit or loss have been further analysed by funds as follows:

Statement of Financial Position by Business Segment

	Life Insu	rance			Total RM'000
31 December 2022	Shareholder's fund RM'000	Life fund RM'000	Insurance broker RM'000	Elimination RM'000	
Assets					
Property and equipment	54	-	-	-	54
Intangible assets	99	790	-	-	889
Financial assets at fair value through profit or loss	-	268,380	-	-	268,380
Loans and receivables	31,024	2,553	276	(33,817)	36
Reinsurance assets	-	3,693	-	-	3,693
Right-of-use assets	41	-	-	-	41
Cash and cash equivalents	1,875	23,260	3,546	-	28,681
Total assets	33,093	298,676	3,822	(33,817)	301,774
Equity and Liabilities					
Share capital	31,677	-	2,026	-	33,703
Accumulated profits/(losses)	973	-	(1,259)	-	(286)
Other reserve	544	-	87	-	631
Total equity	33,194	-	854	-	34,048
Insurance contract liabilities	-	257,177	-	-	257,177
Insurance claim liabilities	-	365	-	-	365
Insurance payables	-	2,035	198	(277)	1,956
Lease liabilities	42	-	-	-	42
Other payables	(143)	39,099	2,770	(33,540)	8,186
Total equity and liabilities	33,093	298,676	3,822	(33,817)	301,774

Statement of Financial Position by Business Segment (continued)

Life Insurance

	Shareholder's		Insurance		
31 December 2021	fund RM'000	Life fund RM'000	broker RM'000	Elimination RM'000	Total RM'000
Assets					
Property and equipment	58	-	-	-	58
Intangible assets	232	772	-	-	1,004
Financial assets at fair value through profit or loss	-	242,910	-	-	242,910
Loans and receivables	49,173	2,755	-	(51,575)	353
Reinsurance assets	-	9,392	-	-	9,392
Cash and cash equivalents	1,711	16,241	3,583	-	21,535
Total assets	51,174	272,070	3,583	(51,575)	275,252
Equity and Liabilities				,	
Share capital	31,677	-	2,026	-	33,703
Accumulated profits/(losses)	18,497	-	(1,217)	-	17,280
Other reserve	(11)	-	37	-	26
Total equity	50,163	-	846	-	51,009
Insurance contract liabilities	-	217,810	-	-	217,810
Insurance claim liabilities	-	252	-	-	252
Insurance payables	-	688	30	-	718
Current tax liabilities	(14)	601	-	-	587
Other payables	1,025	52,719	2,707	(51,575)	4,876
Total equity and liabilities	51,174	272,070	3,583	(51,575)	275,252

Statement of Profit or Loss by Business Segment

	Life Insu	Life Insurance			
31 December 2022	Shareholder's fund RM'000	Life fund RM'000	Insurance broker RM'000	Elimination RM'000	Total RM'000
Premium income Gross premiums		76,103	-		76,103
Premiums ceded to reinsurers		(1,325)	-		(1,325)
Net premiums	-	74,778	-	-	74,778
Fee income	-	· •	2,497	(2,497)	· •
Investment income	1	7,541	46	-	7,588
Net fair value loss	-	(53,332)	-	-	(53,332)
Total revenue	1	28,987	2,543	(2,497)	29,034
Gross benefits and claims paid and payable		(343)		-	(343)
Claims ceded to reinsurers	-	48	-	-	48
Gross change in insurance contract liabilities	-	(26,668)	-	-	(26,668)
Change in insurance contract liabilities ceded to		(2.000)			(2.000)
reinsurers	-	(6,093)	-	-	(6,093)
Net claims	-	(33,056)	-	•	(33,056)
Fee and commission expenses	-	(7,436)	(2,147)	2,230	(7,353)
Investment expenses	-	(258)	-	-	(258)
Management expenses	(166)	(5,437)	(456)	249	(5,810)
Other operating income/ (expenses)	276	(435)	18	18	(123)
Other expenses	110	(13,566)	(2,585)	2,497	(13,544)
- Cities expenses	110	(10,000)	(2,500)	2,437	(10,044)
Profit/(loss) from operation before taxation	111	(17,635)	(42)	-	(17,566)
Taxation	-	-	-	-	-
Profit/(loss) from operation after taxation	111	(17,635)	(42)	-	(17,566)
Unallocated surplus of Non- participating life fund	(17,635)	17,635	-	-	-
Net loss for the financial	(17504)		(42)		(17566)

(17,524)

(42)

(17,566)

Statement of Profit or Loss by Business Segment (continued)

Life Insurance

	Life insulance				
31 December 2021	Shareholder's fund RM'000	Life fund RM'000	Insurance broker RM'000	Elimination RM'000	Total RM'000
Premium income Gross					
premiums	-	57,235	-	-	57,235
Premiums ceded to					
reinsurers	-	(1,004)	-	-	(1,004)
Net premiums	-	56,231	-	-	56,231
Fee income	-	-	1,534	(1,534)	-
Investment income	1	5,434	2	-	5,437
Net fair value gain	-	331	-	-	331
Total revenue	1	61,996	1,536	(1,534)	61,999
Gross benefits and claims		(4.4.5)			(4.4.6)
paid and payable	-	(146)	-	-	(146)
Claims ceded to reinsurers	-	41	-	-	41
Gross change in insurance contract liabilities	-	(34,238)	-	-	(34,238)
Change in insurance contract liabilities ceded to					
reinsurers	-	2,354	-	-	2,354
Net claims		(31,989)	-	-	(31,989)
Fee and commission expenses	-	(5,135)	(1,316)	1,371	(5,080)
Investment expenses	-	(256)	(461)	162	(555)
Management expenses	(153)	(4,622)	-	-	(4,775)
Other operating expenses	(486)	450	10	1	(25)
Other expenses	(639)	(9,563)	(1,767)	1,534	(10,435)
(Loss)/profit from operation before taxation	(638)	20,444	(231)	_	19,575
Taxation	14	(600)	(231)	_	(586)
(Loss)/profit from operation		(000)			(300)
after taxation	(624)	19,844	(231)	-	18,989
Unallocated surplus of Non- participating life fund	19,844	(19,844)	-	-	-
Net profit/(loss) for the financial year	19,220	-	(231)	-	18,989

Information on cash flows by Business Segment

	Life Insurance			
	Shareholder's fund RM'000	Life fund RM'000	Insurance broker RM'000	Total RM'000
2022				
Cash flows from:				
Operating activities	110	6,008	(261)	5,857
Investing activities	(6)	(4)	-	(10)
Financing activities	(46)	-	-	(46)
Net increase/(decrease) in cash and cash equivalents	58	6,004	(261)	5,801
At beginning of financial year	1,711	16,241	3,583	21,535
Effects of exchange difference	106	1,015	224	1,345
At end of financial year	1,875	23,260	3,546	28,681
2021				
Cash flows from:				
Operating activities	134	154	(5,707)	(5,419)
Investing activities	(13)	-	-	(13)
Net increase/(decrease) in cash and cash equivalents	121	154	(5,707)	(5,432)
At beginning of financial year	1,538	15,567	8,990	26,095
Effects of exchange difference	52	520	300	872
At end of financial year	1,711	16,241	3,583	21,535

Head Office Management

LIST OF OFFICERS

MANULIFE HOLDINGS BERHAD

Group Chief Executive Officer/ Executive Director

VIBHA HAMSI COBURN

Chief Counsel & Corporate Services Officer JASBENDER KAUR

Chief Human Resources Officer AIZA ARYATI BINTI KASIM

MANULIFE INSURANCE BERHAD

Chief Executive Officer/ Executive Director VIBHA HAMSI COBURN

Chief Financial Officer

TAN CHUE CHAU (until 30 April 2023) NG CHUN NAM (from 1 May 2023)

Appointed Actuary

ALSTON GO XUE JI

Chief Agency Officer

ALEX TAN CHENG LEONG

Chief Marketing Officer

MARILYN WANG

Chief Operations Officer

LEE TAT FATT

Chief Information Officer

BERNARD SIA

Chief Product Officer

RICKY LIM SOON JOO

Chief Commercial Officer

JONATHAN YEN

Chief Compliance Officer

SENTHIL WOON WAI KEONG

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

Chief Executive Officer

JASON CHONG SOON MIN

Head of Retail Wealth Distribution

NG CHZE HOW

Head of Operations

RAHULAN VAMADEVA

Head of Finance

KENNETH KWONG CHOR WAH

Head of Product Development

CHERYL LAW CHOR KUN

Head of Legal & Compliance

YOOI FOONG HING

Head of Marketing, Communications & Sales Management

LINDA WONG

Head of Equities, Investment

GAN KONG YIK

Head of Fixed Income, Investment

ANDY LUK CHEE VUI

Head of Information Technology

ERIC LAW YEN HAU

Head of Institutional & Pension Sales

WAN SHUHAIDA WAN ZAINAL SHUKRI

MANULIFE INSURANCE LABUAN

LIMITED

Principal Officer

JASBENDER KAUR

Appointed Actuary

WILSON TIN WEI LOON

List of Properties Property as at 31 December 2022

Location	Land Area (sq.ft)	Built Up Area (sq.ft)	Net Lettable Area (sq.ft)	Tenure	Approx Age of Building (Years)	Net Book Value (RM'000)	Last Revaluation (Year)
Menara Manulife 6, Jalan Gelenggang, Damansara Heights 50490 Kuala Lumpur Malaysia (18 storey building)	46,995	236,173	169,500	Freehold	18	100,000	Dec-22

The above property is for office and commercial use.

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Analysis of Shareholdings as at 3 April 2023

Issued Share Capital : 216,261,870 Ordinary Shares

Class of Shares : Ordinary Shares
Voting Rights : 1 vote per Ordinary Share on poll
No. of shareholders : 2,130

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
1-99	274	12.86	6,332	0.00
100 to 1,000	539	25.31	369,503	0.17
1,001 to 10,000	979	45.96	3,748,436	1.73
10,001 to 100,000	279	13.10	7,907,062	3.66
100,001 to less than 5% of issued shares	58	2.72	70,917,802	32.79
5% of issued shares and above	1	0.05	133,312,735	61.64
Total	2,130	100.00	216,261,870	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDING ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct	%	Indirect	%
Manulife Century Holdings (Netherlands) B.V.	133,312,735	61.64	-	-
Manulife Financial Corporation	-	-	*133,312,735	61.64
The Manufacturers Life Insurance Company	-	-	*133,312,735	61.64
Manulife Financial Asia Limited	-	-	*133,312,735	61.64
Manulife Holdings (Bermuda) Limited	-	-	*133,312,735	61.64

Note:

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

None of the Directors have any direct and deemed interests in the Company.

Deemed interested by virtue of Section 8(4) of the Companies Act 2016.

Analysis of Shareholdings as at 3 April 2023

30 LARGEST SECURITIES ACCOUNT HOLDERS

	Name	No. of Shareholding	% of Issued Capital
1	HSBC NOMINEES (ASING) SDN. BHD. HSBC (M) TRUSTEE BHD FOR MANULIFE CENTURY HOLDINGS (NETHERLANDS) B.V.	133,312,735	61.64
2	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	9,167,500	4.24
3	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND	9,078,333	4.20
4	AMANAHRAYA TRUSTEES BERHAD PUBLIC SAVINGS FUND	5,018,000	2.32
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SECTOR SELECT FUND	4,338,700	2.01
6	HSBC NOMINEES (ASING) SDN. BHD. BNPP LDN/2S FOR ABERDEEN STANDARD ASIA FOCUS PLC	4,200,000	1.94
7	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR PUBLIC AGGRESSIVE GROWTH FUND	3,465,266	1.60
8	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	2,942,200	1.36
9	AMANAHRAYA TRUSTEES BERHAD PUBLIC DIVIDEND SELECT FUND	2,866,400	1.33
10	AMANAHRAYA TRUSTEES BERHAD PUBLIC GROWTH FUND	2,839,200	1.31
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR PUBLIC BALANCED FUND	2,555,000	1.18
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC EQUITY FUND	2,523,500	1.17
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC ENHANCED BOND FUND	2,226,500	1.03
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC SOUTH-EAST ASIA SELECT FUND	2,064,200	0.95

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	Name	No. of Shareholding	% of Issued Capital
15	OLIVE LIM SWEE LIAN	1,757,700	0.81
16	CHAI BENG HWA	1,379,857	0.64
17	CHENG, CHIEN-MING	1,063,600	0.49
18	FU, CHEN SHU-CHEN	1,002,000	0.46
19	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ABRDN MALAYSIA SDN. BHD. FOR MALAYSIAN TIMBER COUNCIL (OPERATING FUND)	934,500	0.43
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. CHUA ENG HO WA'A @ CHUA ENG WAH	927,405	0.43
21	YEOH PHEK LENG	702,000	0.32
22	AFFIN HWANG NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HSU, CHUN-TSANG	700,000	0.32
23	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD	600,000	0.28
24	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ARSHAD BIN AYUB	569,400	0.26
25	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE LAK CHYE @ LI CHOY HIN	548,065	0.25
26	NG POH CHENG	506,835	0.23
27	KHOR MEOW SIANG	496,720	0.23
28	WONG YU @ WONG WING YU	494,200	0.23
29	CHAN SHIEK CHIN @ CHAN SHICK CHIN	387,986	0.18
30	YEO KHEE HUAT	382,634	0.18

Appendix I

DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company would be amended in the following manner:

Clause No.	Existing Clause	Proposed Clause
5	"Company" means Manulife Holdings Berhad (Company No. 24851-H) and by whatever name from time to time called.	"Company" means Manulife Holdings Berhad (Company No. 24851-H) and by whatever name from time to time called.
	"Insurance Act" means the Insurance Act, 1996 and every statutory modification or re-enactment thereof for the time being in force.	"Insurance Act" means the Insurance Act, 1996 and every statutory modification or reenactment thereof for the time being in force.
	-	"Financial Services Act" means the Financial Services Act 2013 or any statutory modification or reenactment thereof for the time being in force
18	Share certificate. Every certificate for shares, debentures or representing any other form of Securities (other than letters of allotment or scrip certificates) shall be issued under the Seal or share seal in accordance with Clause 153 of this Constitution.	Share certificate. Every certificate for shares, debentures or representing any other form of Securities (other than letters of allotment or scrip certificates) shall be issued under the Seal or share seal in accordance with Clause154 of this Constitution.
95	Instrument appointing proxy to be deposited. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office, or at such other place within Malaysia as is specified for that purpose in the notice convening the general meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.	Instrument appointing proxy to be deposited. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall: (a) be deposited at the Office, or at such other place within Malaysia or by way of electronic means or in such other manner as is specified for that purpose in the notice convening the general meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or (b) in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid. Such instrument once deposited or delivered in a manner so permitted in relation to a meeting, adjourned meeting or poll shall be deemed deposited or delivered in a a manner so permitted in relation to all future meetings, adjourned meetings and polls for which such power of attorney is by its terms valid. The instrument shall be invalid unless it is deposited or delivered in a manner so permitted. A Member is not precluded from attending the meeting in person after lodging the instrument of proxy if notice of termination of authority to act as a proxy is deposited or delivered in such manner as is specified for that purpose in the notice convening the general meeting.

Clause No.	Existing Clause	Proposed Clause
121	Office of Directors how vacated.	Office of Directors how vacated. Vacation of
	The office of a Director shall be vacated if the person holding that office:-	office of Directors. The office of a Director shall be vacated if the person holding that office:-
	 (a) resigns his office by giving a written notice to the Company at the Office; (b) becomes bankrupt and a receiving order in bankruptcy is made against him during his term of office or he makes any arrangement or composition with his creditors; (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001; (d) becomes disqualified from being a Director under the Act or the Insurance Act or the Listing Requirements; (e) is absent from more than 50% of the total meetings of Directors held during a financial year. (f) is removed from office in accordance with the Act or this Constitution; (g) is dismissed from office for failure to fulfill the minimum criteria of "fit and proper" person prescribed, or other than a non-executive Director representing a foreign Member, who does not reside in Malaysia throughout his period of appointment; (h) has retired in accordance with the Act or this Constitution but is not re-elected; and (i) dies. 	composition with his creditors; (c) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the Mental Health Act 2001; (d) becomes prohibited by law or disqualified from being a Director in any jurisdiction for reasons other than on technical ground; or under the Act, Financial Services Act, or the Insurance Act the Listing Requirements; (e) is absent from more than 50% of the total meetings of Directors held during a financial year; (f) is removed from office in accordance with the Act or this Constitution; (g) is dismissed from office for failure to fulfill the minimum criteria of "fit and proper" person prescribed or other than a non-executive
124	Tenure of independent Directors. The tenure of service of independent Directors shall not exceed a cumulative term of nine (9) years. An independent Director who has served the Company for a cumulative term of nine (9) years may continue to serve on the Board as independent Director, subject to the Group Nominating and Remuneration Committee and the Board's recommendation and shareholders' approval annually. In the event the Board intends to retain an independent Director after the twelfth (12) year, shareholder's approval shall be sought and obtained through a two-tier voting process as described in the Malaysian Code on Corporate Governance, subject to the Group Nominating and Remuneration Committee and the Board's recommendation.	Tenure of independent Directors. The tenure of service of independent Directors shall not exceed a cumulative term of nine (9) years. An independent Director who has served the Company for a cumulative term of nine (9) years may continue to serve on the Board as an independent Director, subject to the Group Nominating from Remuneration Committee and the Board's recommendation and shareholders' approval annually. In the event the Board intends to retain an independent Director after the twelfth (12) year, shareholder's approval shall be sought and obtained through a two-tier voting process as described in the Malaysian Gode on Corporate Governance, subject to the Group Nominating and Remuneration Committee and the Board's recommendation. The tenure of service of an independent Director shall not exceed a cumulative term of twelve (12) years.

Clause No. **Existing Clause Proposed Clause** 134 Meetings by means of conference telephone, Meetings by means of conference telephone, electronic or any communication facilities. electronic or any communication facilities. A member of the Board, or a committee of Directors, A member of the Board, or a committee of Directors, may participate in a meeting of the Directors or the may participate in a meeting of the Directors or the committee of Directors by means of a conference committee of Directors by means of a conference telephone, electronic or any communication facilities. telephone, electronic or any communication facilities. A participant shall be deemed to be present in person A participant Participation by a Director by any at the meeting and shall be entitled to vote or be of the aforesaid communication facilities shall be counted in a quorum accordingly notwithstanding deemed to be as present in person at the meeting the fact that he is not physically present at the venue and shall be entitled to vote or be counted towards where the meeting is to be held so long as the following the quorum accordingly notwithstanding the fact conditions are met:that he is not physically present at the venue where the meeting is to be held so long as the (a) all the Directors shall have received notice of a following conditions are met:meeting by instantaneous telecommunication device for the purpose of such meeting. Notice (a) all the Directors shall have received of any such meeting will be given on the notice of a meeting by instantaneous instantaneous telecommunication device or in any telecommunication device for the purpose other manner permitted by the Constitution; of such meeting. Notice of any such (b) at the commencement of the meeting each meeting will be given on the instantaneous Director acknowledges his/her presence thereof telecommunication device or in any other to all the other Directors taking part and such manner permitted by the Constitution; participation shall be deemed to be presence in (b) at the commencement of the meeting each person; Director acknowledges his/her presence (c) each of the Directors taking part is able to be thereof to all the other Directors taking part heard and hear each of the other Directors and such participation shall be deemed to be presence in person; throughout the meeting subject as hereinafter (c) of which all persons participating each of the mentioned: **<u>Directors</u>** in the meeting are **<u>taking part is</u>** able (d) the Directors present at the commencement of the to **be** hear**d** and speak **hear** to each **of the** other meeting do not leave the meeting by disconnecting **Directors** throughout the meeting. **subject as** the instantaneous telecommunication device hereinafter mentioned; but the meeting shall be deemed to have the Directors present at the commencement been conducted validly notwithstanding that of the meeting do not leave the meeting the telecommunication device is accidentally by disconnecting the instantaneous disconnected during the meeting and provided telecommunication device but that no decisions should be made in respect of meeting shall be deemed to have been matters by the Directors during the disconnection conducted validly notwithstanding that the and that if the telecommunication device cannot telecommunication device is accidentally be reconnected at all, the meeting shall then be disconnected during the meeting and adjourned; and provided that no decisions should be made (e) all information and documents are made equally in respect of matters by the Directors available to all participants prior to, at or during during the disconnection and that if the the meeting. telecommunication device cannot reconnected at all, the meeting shall then The meeting shall be deemed to take place where the be adjourned; and largest group of those participating is assembled or, (e) all information and documents are made if there is no such group, where the chairman of the equally available to all participants prior to,

at or during the meeting.

the meeting then is.

Except for a fully virtual meeting, a meeting at which one or more Directors attends by electronic means, The the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of

meeting then is.

MANULIFE HOLDINGS BERHAD

[Registration No. 197501003360 (24851-H)] (Incorporated in Malaysia)

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PROXY FORM

bearing NRIC/Pa	ssport/Registration No		email:				
	/members of the abovenamed Co						
First Proxy "A"		paj,e.eej appe					
Full Name (in Block	Λ	NRIC/ Passport No.		Proportion	of Sharoho	oldings Por	presented
Tull Name (iii block	()	NNIC/ Passport No.	-	No. of Sh		Juliigs Rej	%
Full Address		Email		110. 01 011	141 05		70
		Contact No.					
		Contact No.					
*and/or *Second Proxy	"D"						
Full Name (in Block		NRIC/ Passport No.		Proportion	of Charoh	oldings Po	procented
Tull Name (iii block	()	INNIO/ Fassport No.	-	No. of Sh		olulligs Re	%
Full Address		Email		140. 01 01	iaics		70
		Contact No.					
		Contact No.					
*My/Our proxy is	mpur, Wilayah Persekutuan on Fr to vote on the business before the s/her discretion):						
						F	A
Resolution No.	Declaration of a First and Final S	ingle Tier Dividend				For	Against
2.	Re-election of Mr. Renzo Christop						
3.	Re-election of Ms. Vibha Hamsi (
4.							
	Director's fee from 24 June 202 Zahari		Meeting for Dato' D	r. Zaha Rina	a Binti		
5.		3 until the next Annual General N					
5. 6.	Zahari Director's fee from 24 June 20	3 until the next Annual General N 023 until the next Annual Gen	eral Meeting for N	1rs. Vijayan	n A/P		
	Zahari Director's fee from 24 June 20 Nadarajah Director's fee from 24 June 202	3 until the next Annual General N 023 until the next Annual General 23 until the next Annual General	eral Meeting for M	Ars. Vijayan Jenzo Christ	n A/P		
6.	Zahari Director's fee from 24 June 20 Nadarajah Director's fee from 24 June 202 Viegas Director's fee from 24 June 202	3 until the next Annual General N 23 until the next Annual General 23 until the next Annual General 23 until the next Annual General	eral Meeting for M Meeting for Mr. R al Meeting for Mr.	Ars. Vijayan enzo Christ Matthew Ec	n A/P opher dward		
6.7.	Zahari Director's fee from 24 June 20 Nadarajah Director's fee from 24 June 20 Viegas Director's fee from 24 June 20 Lawrence Director's fee from 24 June 20 appointed as Non-Executive Directors' benefits from 24 June	3 until the next Annual General N 23 until the next Annual General 23 until the next Annual General 23 until the next Annual General 23 until the next Annual General 25 until the next Annual General	eral Meeting for Mr. Ral Meeting for Mr. al Meeting for Mr.	Ars. Vijayan enzo Christ Matthew Ec	n A/P opher dward		
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Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 16 June 2023 shall be eligible to attend the Meeting.
- 2. A member, who is entitled to attend, speak and vote at the Meeting, is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy
- 3. A proxy may but does not need to be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of an officer or attorney duly authorised.
- 4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 5. Appointment of proxy and registration for remote participation and voting

The instrument appointing a proxy and the power of attorney or a certified copy thereof shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or lodged electronically via Securities Services e-Portal at https://sshsb.net.my/ or less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

Any notice of termination of authority to act as proxy must be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submitted via email to eservices@sshsb.com.my not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof.

Should you wish to personally participate and vote at the Meeting remotely, please register electronically via Securities Services e-Portal at https://sshsb.net.my/ by the registration cut-off date and time. Please refer to the Administrative Guide on the Conduct of a Virtual General Meeting for further details.

The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at www.manulife.com.my.

6. All resolutions set out in this notice of meeting are to be voted by poll.

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THE SHARE REGISTRAR MANULIFE HOLDINGS BERHAD 197501003360 (24851-H)

c/o Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan

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MANULIFE HOLDINGS BERHAD

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