Manulife

ANNUAL REPORT

MANULIFE HOLDINGS BERHAD

//2023

www.manulife.com.my

Contents

Manulife

Mission

Decisions made *easier*.
Lives made *better*.

Strategic Priorities

- Portfolio Optimisation
- Expense Efficiency
- Accelerate Growth
- Digital, Customer Leader
- High Performing Team

Our Values

1 **Obsess about customers**

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

2 **Think big**

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

3 **Do the right thing**

We act with integrity and do what we say.

4 **Own it**

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

5 **Get it done together**

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

6 **Share your humanity**

We build a supportive, diverse and thriving workplace.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth Annual General Meeting of Manulife Holdings Berhad ("**the Company**") will be held on a virtual basis at the Broadcast venue located 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 Wednesday, 12 June 2024 at 2:30 p.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 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 2023. **(Resolution 1)**

3. To re-elect the following Directors who retire pursuant to Clause 123 of the Company's Constitution:

   (a) Dato' Dr. Zaha Rina Binti Zahari **(Resolution 2)**
   (b) Mrs. Vijayam A/P Nadarajah **(Resolution 3)**

4. To approve the payment of Directors' fees from 13 June 2024 until the next Annual General Meeting of the Company to be held in year 2025, 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)**
   (b) Mrs. Vijayam A/P Nadarajah, Independent Non-Executive Director; **(Resolution 5)**
   (c) Mr. Renzo Christopher Viegas, Independent Non-Executive Director; **(Resolution 6)**
   (d) Mr. Matthew Edward Lawrence, Non-Independent Non-Executive Director; and **(Resolution 7)**
   (e) such person(s) to be appointed as Non-Executive Director(s) of the Company, **(Resolution 8)**
   based on the amount as stated under explanatory note no. 3 of the Notice of Meeting.

5. To approve the payment of Directors' benefits of up to an amount of RM100,000.00 from 13 June 2024 until the next Annual General Meeting of the Company to be held in year 2025. **(Resolution 9)**

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;

Notice of Annual General Meeting

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 next Annual General Meeting of the Company."

(b) **ORDINARY RESOLUTION 2** **(Resolution 12)**

- **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's 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 30 April 2024 with the related parties mentioned therein provided that 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 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 next Annual General Meeting ("**AGM**") of the Company following the Forty-Eighth AGM 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."

Notice of Annual General Meeting

(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 30 April 2024 with the related parties mentioned therein provided that 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 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 next Annual General Meeting ("**AGM**") of the Company following the Forty-Eighth AGM, 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 23 June 2023, 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;

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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 ex-dividend 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** **(Resolution 15)**
- **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."

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

By Order of the Board

CYNTHIA GLORIA LOUIS (SSM PC NO. 201908003061) (MAICSA 7008306)
CHEW MEI LING (SSM PC NO. 201908003178) (MAICSA 7019175)
Company Secretaries

Kuala Lumpur
Dated: 30 April 2024

Notice of Annual General Meeting

NOTES:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 June 2024 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-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 forty-eight (48) 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, which is available for download at www.manulife.com.my, for further details.

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

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 Dato' Dr. Zaha Rina Binti Zahari and Mrs. Vijayam A/P Nadarajah (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 their commitment to the Company. Both retiring Directors have also provided their declaration of fitness and propriety in March 2024 and declared that they have not engaged in any business dealings or actions that could compromise their impartiality or create a conflict of interest with their roles. 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 2023.

Notice of Annual General Meeting

(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-Eighth Annual General Meeting of the Company ("**General Mandate**"). The Company had been granted a general mandate by its shareholders at the Forty-Seventh Annual General Meeting of the Company held on 23 June 2023 (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 Director

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 retained as an Independent Non-Executive Director by the shareholders at the Annual General Meeting held on 23 June 2023. Dato' Dr. Zaha Rina's vast experience and knowledge infuse the Board with a rich blend of skills, expertise, and competencies. Her profound understanding of the Company's industry and business operations allows her to engage actively and make substantial contributions, all while upholding her independence and objective perspective. 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.

Corporate Information

Board of Directors

1 **Dato' Dr. Zaha Rina Binti Zahari**
Chairman/Independent
Non-Executive Director

2 **Mrs. Vijayam A/P Nadarajah**
Independent
Non-Executive Director

3 **Mr. Matthew Edward Lawrence**
Non-Independent
Non-Executive Director

4 **Ms. Vibha Hamsi Coburn**
Group Chief Executive Officer/
Executive Director

5 **Mr. Renzo Christopher Viegas**
Independent
Non-Executive Director

SECRETARIES

Cynthia Gloria Louis
(SSM PC No. 201908003061)
(MAICSA 7008306)

Chew Mei Ling
(SSM PC No. 201908003178)
(MAICSA 7019175)

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

REGISTERED OFFICE

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

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
Email: info@sshsb.com.my

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
Bank of China (Malaysia) Berhad
CIMB Bank Berhad
DBS Bank Limited

AUDITORS

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

INVESTOR RELATIONS

Marilyn Wang
Tel: 03 2719 9228
Fax: 03 2094 8139
Email: marilyn_wang@manulife.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
– Main Market

Corporate Structure

Manulife Insurance Berhad
200801013654 (814942-M)

100%

Manulife Investment Management (M) Berhad
200801033087 (834424-U)

100%

Manulife

MANULIFE HOLDINGS BERHAD
197501003360 (24851-H)

100%

Manulife Insurance Labuan Limited
(LL13865)

100%

Britama Properties Sdn. Bhd.
198001010396 (64180-D)

Group Financial Highlights

	2022 (restated)	2023
OPERATING RESULTS		
For the financial year ended 31 December (RM'million)		
Operating revenue	616.7	**685.2**
Insurance Service Revenue	316.2	**360.2**
Fee Income	119.1	**123.0**
Investment income	181.4	**202.0**
Group Profit Before Taxation	53.1	**113.1**
Group Net Profit	34.1	**83.9**
Group Net Profit Attributable To Shareholders	23.4	**77.9**
KEY BALANCE SHEET DATA		
As at 31 December (RM'million)		
Life Fund Assets	5,626.5	**6,120.7**
General/Shareholder Fund Assets	929.3	**983.1**
Total Assets	6,555.8	**7,103.8**
Total Liabilities	5,390.0	**5,854.7**
Shareholders' Equity	1,179.8	**1,270.3**
SHARE INFORMATION		
Group Basic Earnings Per Share (sen)	11.0	**35.8**
Net Dividend Per Share (sen)	7.0	**7.0**
Group Net Asset Per Share (RM)	5.46	**5.79**
Share Price – High (RM)	2.48	**2.09**
Share Price – Low (RM)	1.83	**1.84**
Share Price As At 31 December (RM)	2.01	**1.91**
Market Capitalisation (RM'million)	434.7	**419.2**
FINANCIAL RATIO (%)		
Return on Equity[1]	2.0	**6.4**
Return on Assets[2]	0.4	**1.1**

[1] *Return on Equity = Group Net Profit Attributable To Shareholders / Average Shareholder's Equity*

[2] *Return on Assets = Group Net Profit Attributable To Shareholders / Average Total Assets*

Directors' Profile

Dato' Dr. Zaha Rina Binti Zahari

Chairman/Independent Non-Executive Director

Malaysian | 62 years old | Female

Date of Appointment: 12 December 2013

Number of Board Meetings Attended in 2023: 5/5

Membership of Board Committees:
- Nil

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.

Vibha Hamsi Coburn

Group Chief Executive Officer/Executive Director

Australian | 59 years old | Female

Date of Appointment: 1 October 2020

Number of Board Meetings Attended in 2023: 5/5

Membership of Board Committees:
Nil

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:
Nil

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.

Directors' Profile

Vijayam A/P Nadarajah

Independent Non-Executive Director

Malaysian | 61 years old | Female

Date of Appointment: 19 April 2019

Number of Board Meetings Attended in 2023: 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:
Nil

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 first 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 manager 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 Malaysia 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 with China Construction Bank Malaysia Berhad and assisted with the 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.

Renzo Christopher Viegas

Independent Non-Executive Director

Indian | 62 years old | Male

Date of Appointment: 1 November 2020

Number of Board Meetings Attended in 2023: 4/5

Membership of Board Committees:
- Chairman, Group Audit Committee
- Chairman, Group Nominating/Remuneration Committee
- Member, Group Risk Management 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. 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 synergies and accelerate business delivery. He also served as Advisor to the Group CEO of CIMB Bank where he was responsible for the development of overall Group business strategies until March 2019. He was also the Chairman of the CIMB Group Information and Technology Steering Committee. He was 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 currently senior independent director 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

Matthew Edward Lawrence

Non-Independent Non-Executive Director

British | 47 years old | Male

Date of Appointment: 1 January 2020

Number of Board Meetings Attended in 2023: 4/5

Membership of Board Committees:
- Member, Group Audit Committee
- Member, 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:
Nil

Present Directorship(s) in Other Public Companies:
Nil

Mr. Matthew Edward Lawrence has over twenty five (25) 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 2023 other than traffic offences.

Senior Key Management Profile

Alex Tan Cheng Leong

Chief Agency Officer,
Manulife Insurance Berhad

Date of Appointment:
7 January 2019

Malaysian | 47 years old | Male

Academic / Professional Qualification:
- Bachelor of Accounting, La Trobe University, Australia
- Life Management Institute of USA (Fellow)
- Registered Financial Planner of Malaysian Financial Planning Council (MFPC).

Working Experience:
- Has almost 28 years of experience in the financial sector. Prior to joining Manulife, he held the following key positions: Chief Marketing Officer, Syarikat Takaful Malaysia; Director of Alliance Management, Communication, STAR CLUB & Training (Malaysia and Singapore), CIMB Principal Asset Management Berhad; and Head of Retail & Retirement Funds (Malaysia and International), AmFunds Management Berhad.

Bernard Sia

Chief Information Officer,
Manulife Insurance Berhad

Date of Appointment:
1 November 2021

Malaysian | 47 years old | Male

Academic / Professional Qualification:
- Bachelor of Information Technology, Universiti Kebangsaan Malaysia
- Master of Business Administration (MBA), University of Nottingham, UK
- Certified Human Centric Design Practitioner, LUMA Institute

Working Experience:
- Has more than 25 years of experience in various sectors. Prior to joining Manulife, he served 8 years with MetLife, holding various regional leadership roles including Head of Global Product Configuration, MetLife Hong Kong's Chief Information Officer, MetLife Bangladesh's Interim Head of Business Enablement & IT, and Lead Architect for Asia. He was also the Technology Director of Malayan Banking Berhad, Head of Strategy of Mesiniaga Alliances Sdn. Bhd. and has previously held several managerial positions within iPerintis Sdn. Bhd.

Jasbender Kaur

Chief Counsel &
Corporate Services Officer,
Manulife Holdings Berhad

Date of Appointment:
1 October 2016

Malaysian | 53 years old | Female

Academic / Professional Qualification:
- Bachelor of Laws (Hons), University of London, UK
- Certificate of Legal Practice
- Licensed Company Secretary

Working Experience:
- Has over 22 years of work experience in the life insurance industry. She joined Manulife in 2005 and was appointed as the Head of Legal, Compliance and Corporate Secretariat in year 2011. She was appointed to her current position in 2016, assuming the responsibility of legal including corporate governance, regulatory compliance and risk management matters of MHB and its subsidiaries excluding Manulife Investment Management (M) Berhad. She also holds the following positions within Manulife: Principal Officer, Manulife Insurance Labuan Limited; Director, Britama Properties Sdn. Bhd; and Company Secretary to several local subsidiaries of the Company. In addition to her role, she has headed up several different departments from time to time in course of her tenure with Manulife. Prior to joining Manulife, she served a large multinational insurer in Malaysia and a world-leading provider of professional information solutions.

Jonathan Yen

Chief Commercial Officer,
Manulife Insurance Berhad

Date of Appointment:
1 March 2023

Singaporean | 42 years old | Male

Academic / Professional Qualification:
- Bachelor and Master of Actuarial Studies from the Australian National University
- Institute of Actuaries, UK (Fellow)
- Singapore Actuarial Society (Fellow)

Working Experience:
- He joined Manulife as Head of Strategic Partnership, Asia in 2018 and appointed as Chief Bancassurance Officer, Asia in 2019 before assuming his current position. In his current position, he is responsible for overseeing and driving key-enterprise-wide priorities as well as leading partnership businesses. Prior to joining Manulife, he held various leadership positions in consulting and in-country roles, including Distribution, Actuarial, Product Management, as well as Strategy and Mergers and Acquisitions.

Senior Key Management Profile

Lee Tat Fatt

Chief Operations Officer,
Manulife Insurance Berhad

Date of Appointment:
1 October 2020

Malaysian | 53 years old | Male

Academic / Professional Qualification:
- Bachelor of Social Sciences (Political Science), Universiti Kebangsaan Malaysia
- Life Management Institute (FLMI) (Fellow)

Working Experience:
- Has over 27 years of experience in the insurance industry managing new business underwriting in multi-national companies. He joined Manulife as Head of Customer Solutions in 2019 and appointed as Chief Operations Officer in 2020. Prior to joining Manulife, he was the Vice President and Chief Underwriter of Great Eastern Life, and Director and Chief Underwriter of AIA Berhad.

Marilyn Wang

Chief Marketing Officer,
Manulife Insurance Berhad

Date of Appointment:
15 February 2023

Malaysian | 48 years old | Female

Academic / Professional Qualification:
- Post Graduate Diploma in Marketing, The University of Birmingham
- Chartered Marketer with the Chartered Institute of Marketing, UK.

Working Experience:
- Has over 21 years of experience in the consumer goods (FMCG), hospitality and life insurance sectors. She was the Chief Marketing Officer of Manulife Vietnam before assuming current role. In current role, she oversees Brand and Proposition Management, Corporate Communication, Digital Marketing, Customer Experience and Advance Analytics.

Ng Chun Nam

Chief Financial Officer,
Manulife Insurance Berhad

Date of Appointment:
1 May 2023

Malaysian | 46 years old | Male

Academic / Professional Qualification:
- Bachelor of Science in Actuarial Science, London School of Economics, UK
- Master of Science in Actuarial Management, Cass Business School, UK
- Institute of Actuaries, UK (Fellow)

Working Experience:
- Has over 21 years of experience within the financial services sector across Asia. He held various senior positions within Manulife including Chief Actuary, Chief Product and Pricing Officer, Chief Financial Officer of Manulife Cambodia, Chief Financial Officer of Manulife Vietnam. He was a VP within the Royal Bank of Scotland Cross Asset Solution Group, serving primarily financial institutions in the SEA region; and the Regional Manager, Asset Liability Management in the Strategic Finance team prior to joining Manulife.

Ricky Lim Soon Joo

Chief Product Officer,
Manulife Insurance Berhad

Date of Appointment:
20 October 2021

Malaysian | 51 years old | Male

Academic / Professional Qualification:
- Bachelor of Science in Actuarial Mathematics and Statistics, Heriot-Watt University, Scotland, UK

Working Experience:
- Has over 27 years of experience in the insurance industry (both conventional and takaful), developing innovative products and propositions for agency, bancassurance, direct marketing and digital channels. Prior to joining Manulife, he was a Director of Business Development for Pacific Life Re, Singapore supporting Malaysia direct insurers.

Senior Key Management Profile

Soh Yoon Yee

Chief Human Resources Officer,
Manulife Holdings Berhad

Date of Appointment:
8 November 2023

Malaysian | 48 years old | Female

Academic / Professional Qualification:
- Bachelor of Business Administration in Business Management, University of Nebraska-Lincoln, US

Working Experience:
- Has over 20 years of HR related experience in Malaysia across multiple industries including banking, natural resources, consulting, and retail. Prior to joining Manulife, she was the Lead, HR Business Partner for Consumer Financial Services. Her experience includes recruitment, compensation, talent management, employee engagement, and human resource administration.

Cheryl Chor Kun Law

Head of Product,
Manulife Investment Management (M) Berhad

Date of Appointment:
13 March 2017

Malaysian | 45 years old | Female

Academic / Professional Qualification:
- Bachelor of Science, Universiti Putra Malaysia
- Chartered Financial Analyst (CFA) Charter holder

Working Experience:
- Has over 20 years of experience in the banking and unit trust/ asset management industry, with over 17 years in funds development function. She is responsible for the overall development and management of investment funds for the retail, institutional and pension business, and supporting the insurance funds.

Ng Chze How

Head of Retail Wealth Distribution,
Manulife Investment Management (M) Berhad

Date of Appointment:
3 January 2019

Malaysian | 51 years old | Male

Academic / Professional Qualification:
- Bachelor of Art from University of Strathclyde, UK

Working Experience:
- More than 23 years of experience in asset management, banking and life insurance industry. Prior to joining Manulife, he held the following key positions: General Manager and Director of AIA Pension and Asset Management Sdn. Bhd. and the Chief Agency Officer of AIA Bhd. He also held several senior leadership roles in AmFunds Management Berhad, Prudential Funds Management Berhad and Standard Chartered Bank (Malaysia) Berhad prior to joining Manulife.

Foong Hing Yooi

Head of Legal & Compliance,
Manulife Investment Management (M) Berhad

Date of Appointment:
1 January 2014

Malaysian | 56 years old | Female

Academic / Professional Qualification:
- Bachelor of Laws (Hons), University of Malaya
- Financial Planning Association of Malaysia (FPAM) (Certified Member)

Working Experience:
- Has more than 31 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 Compliance Manager of MBF Unit Trust Management Berhad. Before joining the unit trust industry, she was a practicing lawyer and had also held a managerial position in the Legal and Secretarial Department of a public listed property development company.

Senior Key Management Profile

Jason Chong Soon Min

Chief Executive Officer &
Executive Director,
Manulife Investment Management
(M) Berhad

Date of Appointment:
8 February 2010

Malaysian | 57 years old | Male

Academic / Professional Qualification:
- Bachelor of Science in Economics and Finance (Honors), University of Southern New Hampshire, USA
- Capital Markets and Services Representative License in Fund Management and Financial Planning in Malaysia

Working Experience:
- Has more than 35 years of experience in the investment industry. He joined the asset management arm of Manulife Holdings Berhad 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, he served as the Chief Investment Officer/Managing Director. He was then promoted to Chief Executive Officer/Executive Director in May 2017. Before joining Manulife, he was the Chief Investment Officer of another asset management company. Prior to that, he spent 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.

Kenneth Kwong Chor Wah

Head of Finance,
Manulife Investment Management
(M) Berhad

Date of Appointment:
9 April 2018

Malaysian | 49 years old | Male

Academic / Professional Qualification:
- Fellow of the Association of Chartered Certified Accountants (ACCA)
- Member of the Malaysian Institute of Accountants (MIA)

Working Experience:
- Has more than 20 years of experience in the banking and financial services industry. Prior to joining the company, he worked for the largest financial services group in Malaysia where he held key positions in both finance and strategy, serving not only in Malaysia but also regionally.

Kong Yik Gan

Head of Equity,
Manulife Investment Management
(M) Berhad

Date of Appointment:
22 November 2021

Malaysian | 46 years old | Male

Academic / Professional Qualification:
- Bachelor of Business in Economics and Finance, RMIT University, Australia
- Capital Markets and Services Representative License in Fund Management

Working Experience:
- Has more than 23 years of experience in the investment industry. Prior to joining Manulife, he held the following key positions: General Manager, Investment in Pertama Land & Development; Head of Equity (Senior Vice President), AmFunds Management Berhad; Chief Investment Officer, KAF Investment Funds; Fund Manager, Pheim Asset Management; and Senior Dealer's Representative, Kenanga Investment Bank Berhad.

Lai Ching Tham, Elsie

Head of Fixed Income & Client
Portfolio Manager,
Manulife Investment Management
(M) Berhad

Date of Appointment:
1 March 2024

Malaysian | 42 years old | Female

Academic / Professional Qualification:
- Bachelor of Chemical Engineering with Environmental Protection, Loughborough University, UK
- Capital Markets and Services Representative License in Fund Management

Working Experience:
- Has more than 18 years of experience in the investment industry, including 14 years at Manulife Investment Management (M) Berhad. She joined the firm as a Credit Research Analyst in December 2009 and was named a Fixed Income Portfolio Manager in 2011. She was redesignated as Senior Fixed Income Portfolio Manager in 2013 and expanded her responsibility as Client Portfolio Manager in 2020. In December 2023, she was appointed as the Acting Head of Fixed Income before taking up the role of Head of Fixed Income and Client Portfolio Manager in March 2024. Before joining Manulife, she was a Senior Credit Analyst in a Malaysia-based credit rating agency.

Senior Key Management Profile

Linda YK Wong

Head of Marketing & Communications, Manulife Investment Management (M) Berhad

Date of Appointment:
1 January 2014

Malaysian | 50 years old | Female

Academic / Professional Qualification:
- Post Graduate, Business & Management, University of Swansea, UK
- Post Graduate Diploma in Marketing, The Chartered Instituted of Marketing, UK
- Master in Business Administration, University of Lincolnshire & Humberside, UK

Working Experience:
- Has over 25 years of experience in the banking and asset management industry managing marketing, communications, sales campaign, events management, advertising, branding and social media functions. Prior to joining Manulife, she was the Head of Marketing and Communications of MAAKL Mutual. She also initiated and headed the Digital Marketing unit for the largest private unit trust company in Malaysia. Besides having vast experience in the financial industry, she also has sales and marketing experience in the electronics and chemicals managing sales and business development functions.

Reuben Nair

Head of Operations, Manulife Investment Management (M) Berhad

Date of Appointment:
22 May 2023

Malaysian | 41 years old | Male

Academic / Professional Qualification:
- Association of Business Executive (ABE) - ABE (UK)
- The Chartered Institute for Securities & Investment (CISI)

Working Experience:
- Has over 17 years of operations experience in custody securities services and the investment industry. Reuben Nair joined Manulife Investment Management as Head of Operations in May 2023. Prior to joining Manulife, Reuben served as the Senior Vice President, Head of Transaction Management Operations at CITI Group Securities Services, Malaysia. Before that, he held the position of Associate Director at Royal Bank of Canada (RBC) Investor & Treasury Services, Malaysia. Reuben's career began at HSBC Securities Services Malaysia, where he spent 8 years in the APAC & EMEA Operations team, including a short-term assignment in Hong Kong running custody initiatives.

Wan Shuhaida Wan Zainal Shukri

Head of Institutional & Pension Sales, Manulife Investment Management (M) Berhad

Date of Appointment:
24 October 2018

Malaysian | 49 years old | Female

Academic / Professional Qualification:
- Bachelor of Science in Business Administration, The University of Arizona, USA
- Capital Markets and Services Representative License in Fund Management

Working Experience:
- Has over 20 years of experience in the banking, unit trust and asset management industry in Malaysia, in sales, and client servicing for corporate and institutional clients. Prior to joining Manulife, Wan Shuhaida was with BNP Paribas Malaysia Berhad, CIMB-Principal Asset Management and Hwang-DBS asset Management.

Chuah Poh Thye

Interim Head of Information Technology, Manulife Investment Management (M) Berhad

Date of Appointment:
13 September 2023

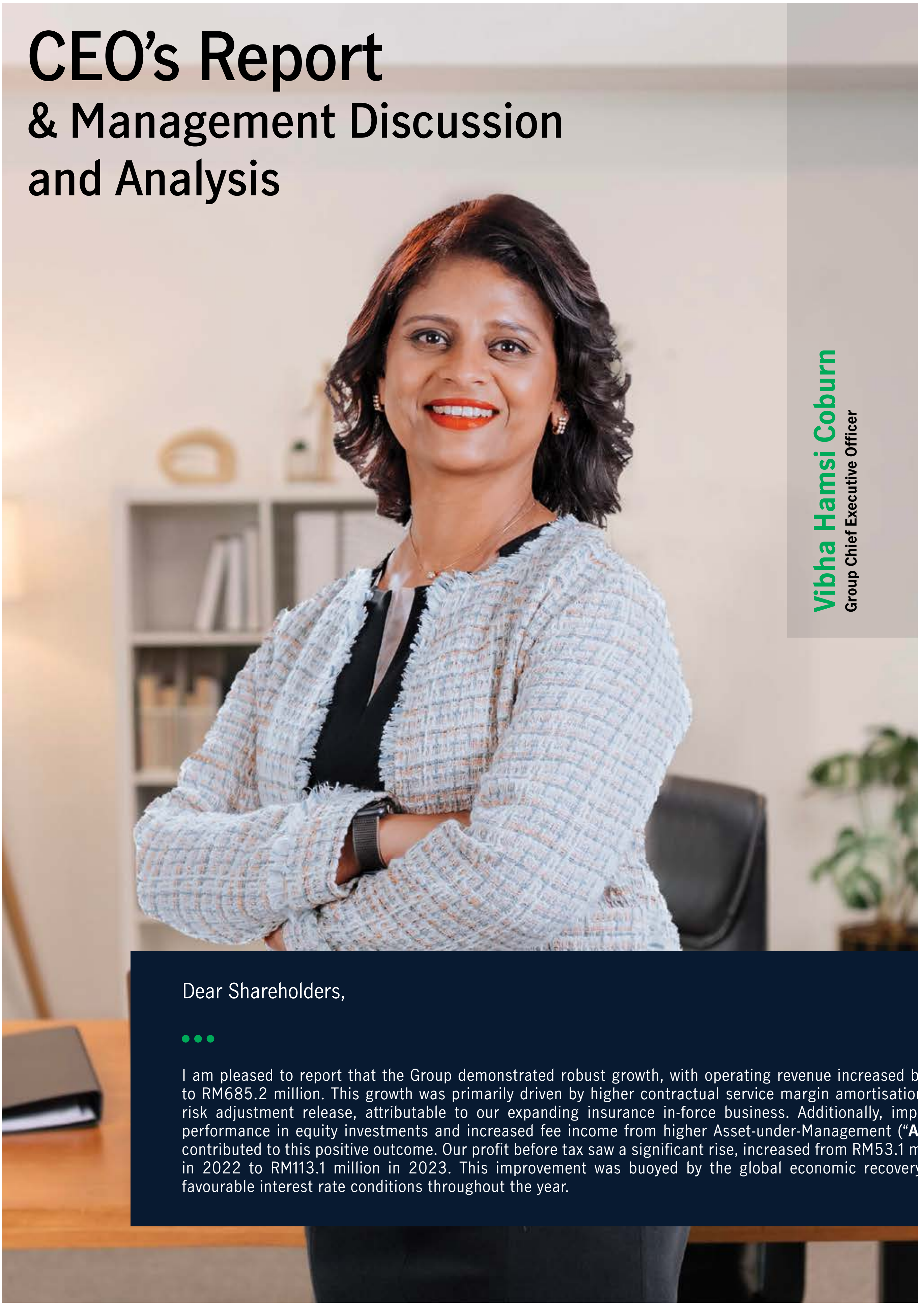
Malaysian | 45 years old | Male

Academic / Professional Qualification:
- Bachelor of Information Technology (Honours), University of Malaya

Working Experience:
- Has over 20 years of experience in the technology sector within the financial institutions, including 15 years in Manulife. He holds extensive expertise in the implementation and integration of transfer agency application. In September 2023, he was appointed as the Interim Head of Information Technology. Prior to joining Manulife, he was a system engineer in developing group and life insurance core applications at both Etiqa Insurance Berhad and MAA Insurance Berhad.

Saved 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; 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 2023 other than traffic offences.

CEO's Report
& Management Discussion and Analysis



Vibha Hamsi Coburn
Group Chief Executive Officer

Dear Shareholders,

I am pleased to report that the Group demonstrated robust growth, with operating revenue increased by 11% to RM685.2 million. This growth was primarily driven by higher contractual service margin amortisation and risk adjustment release, attributable to our expanding insurance in-force business. Additionally, improved performance in equity investments and increased fee income from higher Asset-under-Management ("**AUM**") contributed to this positive outcome. Our profit before tax saw a significant rise, increased from RM53.1 million in 2022 to RM113.1 million in 2023. This improvement was buoyed by the global economic recovery and favourable interest rate conditions throughout the year.

Net Profit After Tax for the fiscal year reached RM83.9 million, marking a notable increase of RM49.8 million compared to the previous year. This growth was fuelled by enhancements in our insurance segment's results, driven by higher profit releases from in-force business and increased investment gains of RM28.9 million from the overall improvements in the equity market and a lower interest rate environment. Our asset management business also experienced an uptick in profit, attributed to higher management fee income derived from increased AUM.

As of December 31, 2023, the Group's total assets stood at RM7,103.8 million, with total shareholders' equity stood at RM1,270.3 million, delivering a net asset per share of RM5.79. Notably, there were no significant capital expenditure commitments or changes to the Group's capital structure and resources during 2023, beyond what has been disclosed in the financial statements.

Operations Review

Insurance Business

Manulife Insurance Berhad ("**MIB**") recorded an APE of RM185 million in 2023, reflecting a 10% year-on-year growth. We are also thrilled to announce that, as of year-to-date December, our product mix has undergone a positive shift as the distribution channels shifted focus on higher margin Investment-Linked Policies ("**ILP**"), marking an 11% year-on-year growth.

Additionally, our agency channel achieved a new business of RM124 million, characterised by a substantial increase in ILP product mix from 61% to 76%. We maintained our position at number 6 in the industry, with an overall headcount of 2,389, demonstrating our continued focus on leveraging every opportunity to drive recruitment and new business.

Our bancassurance channel recorded new business sales of RM56.62 million for 2023, surpassing the 2023 Business Plan by 16%. Building on a decade of successful collaboration with Alliance Bank, MIB extended its Bancassurance partnership in July 2023 for another 15 years with the bank to offer holistic financial solutions and increase the level of comprehensive protection benefits for the bank's customers.

Manulife Insurance Labuan Limited ("**MILL**") reported new business of RM3.97 million in 2023 through its product solutions targeting the high-net-worth customer segment. We are also actively working on expanding our product offerings to meet the diverse insurance needs of our customers.

"The success of Manulife Malaysia hinges on our collective effort as a winning team, dedicated to executing our *Scale Up* growth strategy. We have seen this come true in 2023. Building upon the robust groundwork, in 2024, our call to action is to *Raise the Game* in driving the expansion and profitability."

CEO's Report & Management Discussion and Analysis

Unit Trust and Asset Management Business

Manulife Investment Management (Malaysia) Berhad ("**Manulife IM (Malaysia)**") continued to record strong growth momentum in the year, with AUM increased by 11% in the year, grew from RM13.2 billion in 2022 to RM14.6 billion in 2023. The growth in AUM has seen us perform relatively better than the industry average (equity & fixed income funds), thus gained retail market share in the year. During the year, we had also secured our maiden institutional mandate and continued to make good progress in this space.

In the same period, Manulife IM (Malaysia) introduced two new, distinctive and best-in-class global funds. These additions aimed to offer our customers expanded choices and increased diversification opportunities. Furthermore, as part of our fund rationalisation plan to enhance operational efficiency, we terminated three funds during the year.

Insurance and Asset Management Business Outlook

- **Manulife Insurance Berhad**

  The outlook for the insurance industry in Malaysia presents a mix of opportunities and challenges. Following a robust economic recovery in 2022, growth has moderated in 2023 and is expected to continue into 2024 due to persistent external headwinds. Elevated inflation may impact consumer discretionary purchasing power for insurance products. Nevertheless, the heightened customer awareness regarding health protection, wealth preservation and retirement preparedness has generated a widespread sense of being uninsured or underinsured.

  In addressing these challenges and capitalising on emerging opportunities, we steadfastly delivered our Scale Up agenda by:

  - Strengthening growth through a robust expansion of our productive and professional agency force, driving growth in bancassurance, and cultivating alternative partnerships with a primary focus on new customer acquisition.
  - Embracing customer-centricity by establishing a compelling value proposition to cater to evolving segment needs and continually improving the customer experience, prioritising a digital-first approach and convenience.
  - Accelerating digitisation through ongoing investment, to be the Digital Customer Leader in the market, building a digitally enabled salesforce, and enhancing automation for operational efficiency.
  - Elevating talents by building future-proof, high-performing teams within a workplace culture that strongly emphasises Diversity, Equity, and Inclusion (DEI).
  - Enhancing value creation for shareholders by driving the desired product mix, efficient expense management, effective inforce management, and optimising resource utilisation.

  We aim to build a strong and lasting company by keeping a good handle on risks, having good rules in place and making sure sustainability is a corporate priority to secure long-term business resiliency.

- **Manulife Investment Management (Malaysia) Berhad**

  2023 proved to be a challenging year with a succession of geopolitical uncertainties in Asia, especially China's weak economic recovery weighing down global and local markets.

  Looking ahead to 2024, we believe that ASEAN markets including Malaysia are well positioned to take advantage of more direct foreign investors looking to diversify with the China Plus One Strategy. Performance is expected to be fuelled by a recovering domestic economy, supported by clear policy rollouts. Key catalysts such as attractive valuations, high dividend yields, and the weak local currency are likely to attract foreign funds. However, persistent global geopolitical uncertainties pose a risk to our outlook.

  In the year ahead, we will continue to pursue high-quality sustainable growth, underscored by our deep understanding of the local Malaysian market, varied distribution channels, diversified product offerings that meet customers' needs, digitalisation push via our 'best-in-class' Manulife iFUNDS platform, and continuing to leverage on our global infrastructure.

CEO's Report & Management Discussion and Analysis

Advancing Our Digital Agenda

In 2023, there was a renewed focus on building our customer digital capabilities through the focus on "Digital Customer Leader (DCL)" initiative. We closed the year with the digital developments, more particularly described below.

Manulife's online customer self-service portal underwent a much-needed refresh to cater to the evolving needs of customers through latest technology. The launch of Manulife Online allows customers to access, view and download their product portfolios and payment history, view and change personal contact information; transact online premium payments and claim submissions.

We enhanced our training platform via the launch of ManuAcademy, focusing on enriching the learning experience through increased interactivity. ManuAcademy has played a pivotal role in enabling 'learning-on-the-go', offering convenient access to numerous 'bite-sized' technical and soft skills modules for continuous learning. Consequently, our agency force has been able to complete their 30 Continuing Professional Development ("**CPD**") hours swiftly, achieving a remarkable completion rate of 94% in 2023, further driving our focus in building a professional agency force.

Additionally, we improved our service offerings via MyMed, a new mobile app for hospital admission, enabling customers to view their e-Medical cards and inquire about the status of hospital admission guarantee letters conveniently.

The agency's digitalisation journey continued with the release of Money Matters, an online income calculator that motivates the distribution force to attain income goals. Manulife e-Endorsement was also introduced, allowing the ease of endorsement requests by customers via online submission such as adding on new riders, increase face amount, top-up, and reinstatement of policy.

Furthermore, we introduced several advisor and customer-centric modules to Manulife iFUNDS, our online fund investment platform. These enhancements allow advisors to conduct online suitability assessments and eligibility checks, supporting customers' decision-making processes. Customers can now access investment reports, open new accounts, make subscriptions, perform switching, and monitor their investment portfolios seamlessly. Corporate investors can also leverage Manulife iFUNDS for informed investment planning decisions.

As part of our ongoing digital transformation journey, we prioritised security measures to safeguard Manulife Malaysia against external cybersecurity threats and potential internal data leaks. We implemented various measures which include upgrading agency Microsoft 365 subscriptions with stronger Data Leakage Protection capabilities, enforcing shorter password expiry, and establishing minimum versions for mobile operating systems accessing Office 365 tools. Achieving a single sign-on across all distribution digital assets ensures a secure consumer-grade digital experience. We remain committed to enforcing Information Risk measures and controls to deliver ongoing security enhancements.

Customer-Centricity in All We Do

Manulife Malaysia continued to focus on relationship Net Promoter Score (rNPS) as a key tool to measure and enhance customer experience. The metrics provides the organisation insights into customer perception on our products, services, and the company, through a yearly survey. The feedback received from the survey helps us identify customers' pain points to gauge where Manulife Malaysia stands amongst its key competitors.

Concluding the year at 20 points, a decline over previous year, we view this outcome as a catalyst for positive change. Embracing feedback from our customers, we are dedicated to refining our strategies, improving customer experiences, and strengthening our commitment to elevating customer satisfaction.

NPS is an ongoing process that requires dedication and continuous improvement: regularly listening to our customers, acting on their feedback, and making positive changes will help us build stronger customer relationships and drive business growth while shaping our journey towards excellence.

As part of our action plan for the coming year, we aim to cultivate a customer-centric culture across our organisation, where every employee understands the significance of customer satisfaction, driving our business, and addressing improvements in areas such as our brand, product, and agents to impact the NPS score positively. As part of our action plan for the coming year, we aim to cultivate a customer-centric culture across our organisation, where every employee understands the significance of customer satisfaction, driving our business and addressing improvements in areas such as our brand, product, and agents to impact the NPS score positively.

CEO's Report & Management Discussion and Analysis

Corporate Branding

In line with our commitment to promoting a healthy lifestyle, we embarked on a 60th Anniversary activation by launching and engaging our employees through the ManulifeMOVE app, an innovative app that incentivises and rewards every move towards a healthier life. With ManulifeMOVE, our employees can track their progress against fitness goals, fostering a culture of wellness and vitality within our organisation.

In April 2023, we organised our inaugural media meet for the year, during which we shared information on the Company's strategic thrusts for the year as well as on-going campaigns in conjunction with our corporate milestone. The media engagement was a success, as we managed to foster closer ties with the media and amplify brand visibility and presence via the media coverage garnered. Through such strategic initiatives, we helped deliver greater visibility on the Manulife brand and leadership team.

This year, we recorded improved performance across the board, a testament to the efficacy of our marketing and customer engagement strategies. One of our proud achievements is the brand's performance in the Retirement category in our 'Unaided Brand Awareness' ranking, which saw a commendable growth of +1% in 2023, elevating our ranking to 5th position.

We also experienced a notable growth in website traffic, seeing a leap to 88% from 76% from the previous year. Our total website visits also registered an uptick, recording a 4% increase compared to the previous period. Furthermore, users exhibited a heightened level of engagement — a 16% increase in time spent on our website.

In addition to increased traffic and engagement metrics, our organic search performance saw a significant boost. We achieved an impressive growth of 9% in organic searches in 2023 compared to the preceding year, reflecting improved visibility and search engine optimisation efforts.

Our social media presence also continues to soar, reflecting our agility and adaptability in today's dynamic digital landscape. Manulife experienced 100% organic traffic growth on both Facebook and Instagram platforms, indicating growing public interest and brand affinity. Additionally, in alignment with Manulife's focus on engaging Gen-Y and Gen-Z, our social media strategy was designed to deliberately reflect this. Our targeted approach has proven effective: Manulife's follower count for audiences aged 18-35 on Instagram (a primarily youth-drive platform) has increased by 8% versus last year.

Overall, this surge in overall traffic on Manulife branded digital platforms demonstrates growing interest and engagement with our brand and platforms. These metrics signify our continuous efforts to enhance user experience, expand our reach, and strengthen our online presence. Despite the commendable performance, we remain committed to continuously review, analyse, and improve our marketing strategies so that they reflect the needs and wants of our target audience. Ultimately, the content we curate aim to communicate Manulife's value and offerings in a clear and credible manner, so that customers can continue to benefit from our services.

Risk Management

We recognise the vital role of robust risk management in our business operations. Our dedication to enhancing shareholder value involves developing and expanding our business within the risk appetite defined by the Board. We strive for a prudent balance between risk and reward, actively working to enhance our risk management capabilities. This ongoing effort supports the realisation of our growth plans in a carefully controlled environment.

Throughout 2023, the efficacy of our risk management processes has persisted. The Executive Management Team remained closely involved in important risk management initiatives, concentrating notably on preserving appropriate levels of liquidity and capital, and effectively managing various risk areas within the enterprise risk management framework. The commitment to responsibility and accountability for risk management is ingrained at every level within the Group, extending from the Board to each business function within the organisational structure.

For the financial year under review, Manulife highlighted the significance of mitigating strategic, market, credit, product, and operational risks and has implemented tailored action plans to address these concerns, where required. Additionally, MIB started the implementation of BNM's Climate Risk Management & Scenario Analysis ("**CRMSA**") exercise and embraced the Climate Change and Principle-based Taxonomy ("**CCPT**") framework to foster resilience and mitigate climate-related risks within its operations.

CEO's Report & Management Discussion and Analysis

Commitment to Sustainability

Grounded in a commitment to ethical business practices, community engagement, and environmental stewardship, we have worked to continuously align our operations with the United Nations' Sustainable Development Goals ("**SDGs**") as well as other instrumental guidelines and frameworks on climate action and sustainability.

Manulife's Impact Agenda ensures we are staying true to our mission aligned to three interconnected pillars of focus: empowering health and wellbeing to support the journey towards a better life, driving inclusive economic opportunities to create a more even playing field for all, and accelerating a sustainable future to preserve the planet we all share.

This year, we are happy to announce the successful delivery of Phase II of our MY Community Grant. Building upon the success of Phase 1, this year's grant was funnelled into three unique initiatives, impacting distinct communities and groups across the nation. From sustainable farming programmes to social enterprise training, the initiatives we executed in partnership with grassroots and civil society organisations aimed to bring us closer towards the fulfilment of SDGs as well as our Impact Agenda goals.

We also continue to make progress on our ambition to promote Diversity, Equity, and Inclusion through expanded hiring commitments and community support for organisations helping individuals with disabilities, and single or stay-at-home mothers, and other marginalised groups.

Our Manulife Volunteer Week similarly witnessed impressive over five engagements, contributing a total of 327 volunteer hours towards community initiatives such as river clean-ups and disability workshops and awareness training, amongst others. Employee and community wellbeing continued to be at the forefront of our operations, with several health and wellness initiatives prioritised over the year.

Recognising the urgent need for environmental conservation, we also continuously monitor our impact on the environment and work towards integrating sustainable practices into our operations. This includes efforts to reduce our environmental footprint, promote energy efficiency, and explore eco-friendly alternatives to our building operations. The Company is committed to making responsible choices that contribute to the broader global effort to address climate change and environmental degradation.

Understanding the interconnectedness between business success and societal and environmental wellbeing, Manulife will continue to improve on our sustainability outcomes in making our world a healthier, more equitable place. For more information on our approach to sustainability and initiatives for the year, kindly refer to our Sustainability Statement on page 28.

CEO's Report & Management Discussion and Analysis

Awards and Recognitions

The Group received numerous accolades acknowledging its performance in the year 2023:

Manulife Investment Management (Malaysia) Berhad	
Refinitiv Lipper Fund Awards 2023 (Group Award)	• Best Equity Fund Family Group Over Three Years, Malaysia • Best Bond Fund Family Group Over Three Years, Malaysia Provident Funds • Best Mixed Assets Fund Family Group Over Three Years, Malaysia Islamic Funds
Refinitiv Lipper Fund Awards 2023 (Individual Funds Awards)	• Manulife Investment Growth Fund: Best Equity Malaysia Fund Over 3 Years, Malaysia Funds • Manulife Investment Progress Fund: Best Equity Malaysia Small & Mid Cap Fund Over 10 Years, Malaysia Funds • Manulife Investment-ML Flexi Fund: Best Mixed Asset MYR Flexible Fund Over 10 Years, Malaysia Funds • Manulife Investment Shariah Progress Plus* Fund: Best Equity Malaysia Small & Mid Cap Fund Over 3 Years, Malaysia Islamic Funds • Manulife Investment-HW Shariah Flexi Fund: Best Mixed Asset MYR Flexible Fund Over 10 Years, Malaysia Islamic Funds ** The word "Plus" is used in the fund's name as the fund has a similar investment strategy as Manulife Investment Shariah Progress Fund with a wider universe via exposure to the Asia Pacific region.*
Refinitiv Lipper Global Islamic 2023 (Group Award)	• Best Mixed Assets Fund Family Group Over Three Years
Refinitiv Lipper Global Islamic 2023 (Individual Funds Awards)	• Best Equity Malaysia Small & Mid Cap Fund Over 3 Years - Manulife Investment Shariah Progress Plus* Fund • Best Mixed Asset MYR Flexible Fund Over 10 Years - Manulife Investment-HW Shariah Flexi Fund ** The word "Plus" is used in the fund's name as the fund has a similar investment strategy as Manulife Investment Shariah Progress Fund with a wider universe via exposure to the Asia Pacific region.*
FSMOne Recommended Unit Trusts Awards 2023/24	• Category: Core Portfolio (Equity) Core Equity – Global: Manulife Global Thematic Fund • Category: Core Portfolio (Fixed Income) Core Fixed Income – Malaysia: Manulife Investment Bond Fund • Category: Supplementary Portfolio Single Country Equity – U.S.: Manulife Investment U.S. Equity Fund • Category: Supplementary Portfolio Sector Equity – Global Healthcare: Manulife Global Healthcare Fund • Category: Private Retirement Scheme (PRS) Private Retirement Scheme – Moderate (Islamic): Manulife Shariah PRS-Moderate Fund
Global Islamic Finance Awards 2023	• Category: Best Emerging Islamic REIT Fund 2023 -Fund: Manulife Shariah Global REIT Fund
The Edge Malaysia ESG Awards 2023	• Category: Best Impact in the basic needs & Best Impact in resource security - Fund: Manulife Global Aqua Fund

Manulife Insurance Berhad	
HR Asia Best Companies to Work For in Asia 2023	• Gold Harmonia Winner: Distinguished for consistently winning the HR Asia Best Companies to Work for in Asia award for five years or more consecutively.
HR Excellence Awards Malaysia	• Bronze in Excellence in Employee Engagement
Parents' Choice Awards by Parenthood	• Best Medical Plan for Families
Industry Excellence Award by Contact Centre Association of Malaysia	• Bronze – Best Inhouse Inbound Contact Centre
Industry Excellence Award by Contact Centre Association of Malaysia	• Bronze – Best Contact Centre Team Lead Outbound
Platinum Business Awards 2023 by SME Association of Malaysia	• SME Supporter Award

CEO's Report & Management Discussion and Analysis

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 sen per share, amounting approximately to RM15.38 million for the financial year ended 31 December 2023. A Dividend Reinvestment Plan 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 2023.

Current Economic Situation and Outlook

Malaysia's GDP grew 3.7% for 2023 (2022: 8.7%) thus falling short of the expected official GDP growth forecast range of 4% to 5%. From a quarterly perspective, Q4 2023 GDP growth came in at 3% (Q3 2023: 3.3%; Q2 2023: 2.9%; Q1 2023: 5.6%). The external environment was challenging in 2023 due primarily to slower global trade, global technology downcycle driving a decline of -8% in overall exports (the biggest decline since 2009), geopolitical strains and tightening global monetary policies. From a sectoral angle, growth was seen in services, construction, and commodities. Malaysia's Manufacturing Purchasing Managers' Index was 47.9 in December 2023 (December 2022: 47.8) and was below 50.0 since August 2022 indicative of a contraction in the sector. The economy had previously experienced an 8.7% growth in 2022, up from 3.1% in 2021, driven by achievements in services, construction, and manufacturing following the post-pandemic period.

Headline inflation declined to 2.5% in 2023 (2022: 3.3%) with core inflation averaging 3.0% (2022: 3.0%) While the removal of subsidies and reforms in fiscal policy are envisioned to lead to price pressure, the current assessment is for BNM to keep the Overnight Policy Rate unchanged at 3.00% in 2024, with a downward bias amidst expectations of policy rate unwinding by the Fed. Unemployment has stabilised at 3.3% in December 2023, and BNM expects resilient 2024 GDP growth anchored on domestic expenditure and improving external demand.

Appreciation

Reflecting on the year that was 2023, I am filled with gratitude and pride in the collective achievements of our winning team. This year was a testament to our resilience, commitment, and the enduring values that have shaped Manulife Malaysia over the past six decades.

In celebrating our 60th year of service in Malaysia, I acknowledge the exemplary milestones we have reached, borne from our robust fundamentals as a Group. Sixty years of dedication, progress, and unwavering commitment to our customers have laid a strong foundation for the legacy we continue to build.

In 2023, we not only marked this significant anniversary but also recorded outstanding progress. Financially, it has been a growth year, showcasing the collective efforts of our dedicated team. Our success is a reflection of the trust our customers place in us, affirming our role as a leading financial services provider in the country.

Importantly, our progress is not only measured in financial terms but through the impact we have on the communities and environment we operate in. Understanding the interconnectedness between business success and societal wellbeing, we will continue to engage in community development initiatives, promote the effective utilisation of resources, champion employee wellbeing, and scale up our products solution and services for the betterment of society.

As we look ahead to 2024 and beyond, I am excited to embrace a year, capturing opportunities that can lead us higher. In fast-tracking our Digital Journey and enhancing our sustainability commitments this coming year, we will be guided by the values that are the bedrock of our identity: Obsess About Customers, Think Big, Do The Right Thing, Own It, Get It Done Together and Share Your Humanity.

In closing this year's report, I want to express my thanks to our customers, shareholders, and business associates for their ongoing support. Additionally, I extend my gratitude to the Board of Directors for their valuable insights and guidance.

Our success is a collective effort, and I extend my deepest gratitude to each employee, agent/advisor, and business partner who has played an integral role in making a difference. Our commitment to making decisions easier and lives better has been exemplified by your passion, dedication, and relentless pursuit of excellence.

Thank you for your unwavering dedication, and here is to another year filled with shared success and continued growth.

VIBHA HAMSI COBURN

Group Chief Executive Officer
Manulife Holdings Berhad

Sustainability Statement

As a business, we are stronger when people and the planet thrive. Over the past year, we have been steadfast in our commitment to making progress on our Impact Agenda and Environmental, Social, and Governance (ESG) commitments. This work benefits our business, our planet, and the people who call it home. United in the pursuit of our common goals, we are building a *better* business to *better* the world.

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 2023, unless otherwise specified.

REFERENCE & GUIDELINES

Our sustainability related disclosures are in accordance with Bursa Malaysia Securities Berhad ("**Bursa Securities**")'s Main Market Listing Requirements relating to the Sustainability Statement in Annual Reports, and have been enhanced this year in accordance with Bursa Securities Sustainability Reporting Guide (3rd Edition).

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 used, is the Manulife Financial Corporation's 2023 Environmental, Social & Governance (ESG) 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 IM (Malaysia)**") and Manulife Insurance Labuan Limited ("**MILL**"). The report covers our operations in Malaysia, including our Kuala Lumpur-based headquarters, Menara Manulife, and branch offices nationwide.

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 and governance risks and opportunities, effectively.

ASSURANCE

This Sustainability Statement has been reviewed and approved by the Group ESG Committee, Manulife's Global Chief Sustainability Officer, Global Head of Strategy and Reporting, and the Board of Directors.

Sustainability Statement

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:

Sustainability Department
Manulife Insurance Berhad
16th Floor, Menara Manulife,
Jalan Gelenggang, Damansara Heights,
50490 Kuala Lumpur
Tel: +603 2719 9228
Email: MY_Sustainability@manulife.com

Our Approach to Sustainability

We are building a better business, to better the world. As a global life insurer and asset manager, we understand the intrinsic connections between our environment, human health, and the collective wellbeing of our customers and communities. To do our part, we have continued to strengthen our Environmental, Social, and Governance (ESG) efforts through our Impact Agenda, which focuses our efforts into areas where we have the greatest ability to affect change.

Through our Impact Agenda, we are staying true to our Mission in three interconnected ways:

Empowering sustained health and wellbeing 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.

The Impact Agenda outlines our key social and environmental commitments, in areas where we have the greatest ability to affect change. It serves as a lens we use to guide our efforts and our decisions about the future of our business and is rooted in the belief that our collective actions drive meaningful change. At Manulife, this is our reason for being. It is core to who we are and the journey we are on.

Sustainability Statement

Our Mission:

Decisions made easier. Lives made better.

Brand Values

Obsess About Customers	Do The Right Thing	Think Big	Own It	Get It Done Together	Share Your Humanity
We predict their needs and do everything in our power to satisfy them.	We act with integrity and do what we say.	Anything is possible. We can always find a better way.	We feel empowered to make decisions and take action to deliver our Mission.	We are surrounded by an amazing team. We can do it better by working together.	We build a supportive, diverse and thriving workplace.

Manulife Impact Agenda: Areas we can affect change

1 Sustained Health and wellbeing	2 Driving Inclusive Economic Opportunity	3 Accelerating a Sustainable Future
Make healthier behaviour choices easier and more accessible by providing advice and solutions to drive financial security.	Accelerate the upward mobility of underrepresented groups and contribute to making financial solutions accessible to everyone.	Support the transition to a net zero economy and protect and grow the value of nature-based solutions.

Supporting the following Sustainable Development Goals:

Sustainability Statement

Sustainability Achievements and Highlights at a Glance

RAM Ratings upgrades Manulife Holdings Berhad's corporate credit ratings (CCR) **from AA3/ Stable/P1 to AA2/ Stable/P1**

Renewed a **15-year** **exclusive** bancassurance partnership with Alliance Bank

Impacted **>2,150** **beneficiaries** through our Community Investment programmes

76% **increase** in volunteer hours recorded compared to 2022

29 **litres** of donated blood collected, potentially saving up to **192 lives**

Close to a **100%** **leap** in employee Podium rewards

3,085 **hours** of employee training and learning achieved

Women comprise **60%** of our **Board of Directors** and **48%** of the **Senior Leadership Team**

Generated **31,916kWh** of solar power, saving an estimated **35,460kt** of **CO_2 emissions**

SDG		Our Impact	Learn More
1 NO POVERTY	**End poverty in all its forms, everywhere**	We collaborate with non-profit partners to offer education, skills training, entrepreneurship, and other initiatives that enable individuals to lift themselves out of poverty and build a better future for themselves.	Uplifting Communities: Phase 2 of MY Community Grant 2023: page 65
2 ZERO HUNGER	**End hunger, achieve food security and improved nutrition and promote sustainable agriculture**	We collaborate with non-profit partners who target the poor communities and families, tackling the issues of food insecurity and malnutrition by promoting sustainable agriculture.	Uplifting Communities: Phase 2 of MY Community Grant 2023: page 65
3 GOOD HEALTH AND WELL-BEING	**Ensure healthy lives and promote wellbeing for all, at all ages**	As a leading life insurer, we promote and foster an environment in which our employees, customers, and local community members are empowered to live healthy lives, both physically and mentally, through our products and services, as well as through our community investment programmes.	Future Proofing Health & Protection Needs: page 41 Empowering Employee Wellbeing: page 53 Uplifting Communities: Phase 2 of MY Community Grant 2023: page 65
4 QUALITY EDUCATION	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.**	We provide capacity building opportunities for our employees through Pursuit, LinkedIn Learning, Fuel-up Friday engagements and other means.	Training and Development: page 59
5 GENDER EQUALITY	**Achieve gender equality and empower all women and girls**	We aspire to create an inclusive and safe workplace culture through our diversity, equity, and inclusion efforts. We help remove barriers by empowering women within our organisation, our communities, and our customers by providing resources and opportunities to support them. We also encourage gender representation on public company boards through our stewardship activities in our asset management business.	Diversity, Equity, and Inclusion: page 56

Sustainability Statement

SDG		Our Impact	Learn More
6 CLEAN WATER AND SANITATION	**Ensure availability and sustainable management of water and sanitation for all**	We support clean water and sanitation through our Global Aqua Fund by investing in one collective investment scheme, with an investment focus on companies tackling the water-related challenges and helping to accelerate the transition to a more sustainable world. We connected rural communities with fresh water via gravity-fed water systems, which allowed farmers and their families to access clean water for everyday use. The programme has since installed 7 gravity water systems ranging from 2km to 7km in length, connecting 7 different rural villages in Kota Belud and benefitting more than 8,000 villagers in need.	Investing for a Sustainable Future: page 44 Uplifting Communities: Phase 2 of MY Community Grant 2023: page 65
7 AFFORDABLE AND CLEAN ENERGY	**Ensure access to affordable, reliable, sustainable, and modern energy for all**	We manage, invest in, and adopt products that support sustainable energy resources, solutions, and technologies aimed towards the transition to net zero.	Greening Where We Work: page 49
8 DECENT WORK AND ECONOMIC GROWTH	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	We provide access to employment, promote financial inclusivity, and support education targeting underrepresented communities through our corporate and community investment initiatives.	Building Next-Gen Talent Pipeline with Youth-Focused Recruitment: page 46 Nurturing a Winning Team: page 52
10 REDUCED INEQUALITIES	**Reduce inequality within and among countries**	We provide increasingly digitised and accessible products and services, aiming to reduce and remove barriers to increase economic opportunities for our client base. Within our organisation, a well-connected and strong network of Employee Resource Groups champion our diversity, equity, and inclusion values and culture. We also engage local communities and non-profit partners to address social issues and contribute to poverty alleviation, education, healthcare, and other areas of social welfare.	Maintaining a Customer-First Approach: page 39 Diversity, Equity, and Inclusion: page 56 Touching Lives in the Community: page 64
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Ensure sustainable consumption and production patterns**	We conduct various initiatives, such as our on-going 'Paperless' campaign, and other green building and energy efficiency practices, aimed at promoting sustainable consumption patterns and reducing waste generation.	Preserving the Environment: page 48
13 CLIMATE ACTION	**Take urgent action to combat climate change and its impacts**	We are taking steps to reduce our environmental footprint by incorporating climate considerations into our decision-making processes, asset operations and management, and the development of our financial products and services.	Localising Our Journey to Net Zero: page 33
15 LIFE ON LAND	**Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**	We partner with non-profits to drive initiatives aimed at conserving and restoring terrestrial ecosystems and promoting sustainable land use, via our community grant programme as well as corporate volunteer programmes.	Uplifting Communities: Phase 2 of MY Community Grant: page 65 A Force for Good: Manulife's Volunteer Week 2023: page 68
17 PARTNERSHIPS FOR THE GOALS	**Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development**	We work and engage with partners, stakeholders, and peers to understand and influence change within our industries and areas of expertise. We believe collaborative work and continuous engagement helps better inform and drive our sustainability efforts.	Strengthening Operational Efficiency and Partnerships: page 42 Touching Lives in the Community: page 64

Sustainability Statement

Accelerating our Climate Agenda

At Manulife Malaysia, we envision a future where both people and the planet thrive in harmony. Recognising the imminent threats posed by climate change to our business, public health, and the communities we serve, we are steadfast in our commitment to preserving the quality of our natural environment. This includes how we manage our operations, how we make investment decisions, and how we develop and offer financial products and services.

LOCALISING OUR JOURNEY TO NET ZERO

In view of the risks that climate change poses for our business and Malaysian economy, 2023 marked the start of implementing BNM's Climate Risk Management & Scenario Analysis (CRMSA) exercise which sets out principles and specific requirements on the management of climate-related risks by financial institutions nationwide, with the aim to enhance the resilience of the financial sector against climate-related risks.

This involved a gap analysis, comparing our existing practices in managing climate-related risks with the stringent requirements outlined in the Climate Risk Management Policy Document. Through this process, we identified key implementation gaps and crafted a board-approved implementation plan with clear timelines, interim targets, and milestones. We are dedicated to fulfilling these requirements, recognising the urgent need for proactive measures to mitigate climate-related risks on our business and wider economy.

Manulife Malaysia has also embraced the Climate Change and Principle-based Taxonomy (CCPT) framework, as guided by Bank Negara Malaysia. This framework facilitates the identification and categorisation of economic activities contributing to climate resilience. By adhering to these guidelines, we ensure that our financial decisions and investments are aligned with sustainability principles, fostering resilience and mitigating climate risks within our operations.

CARBON ACCOUNTING ASSESSMENT

Scheduled for the first quarter of 2024, Manulife Malaysia will embark on its inaugural carbon footprint assessment, providing us with a baseline to plan for the future. This crucial step enables us to comprehensively gauge our environmental footprint, set local targets to complement Manulife's group-wide climate-related aspirations, and ultimately identify areas for improvement.

MANULIFE'S CLIMATE ACTION PLAN

Globally, Manulife is at the forefront of integrating climate change considerations into our business strategies. Manulife's Climate Action Plan articulates our long-term commitment to reducing our environmental footprint, supporting the transition to net zero, and investing in climate change mitigation and resilience. By 2050, we are committed to achieving net zero financed emissions within our General Account's investment portfolio. Furthermore, we have established ambitious science-based targets, aiming to reduce absolute emissions by 40% by 2035.

Indeed, accelerating a sustainable future is an integral component of Manulife's sustainability strategy, and we remain committed to helping preserve the planet we all share. By working to address climate change, we move closer to fulfilling our mission and giving our customers the confidence to plan towards the future.

Sustainability Statement

Sustainability Governance

Manulife believes that sound governance begins with integrity and ethics, serving as a cornerstone for incorporating sustainability objectives into our decision-making processes. It plays a crucial role in fostering transparency, managing risks, and driving 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.

At Manulife, Environmental, Social, and Governance (ESG) matters are carefully managed at various levels of our organisation. The Board of Directors ("**Board**") holds ultimate responsibility for overseeing our sustainability governance and strategy. They review all sustainability-related performances and agendas, ensuring that strong governance practices are upheld in all our business dealings to foster long-term value creation.

Leading by example, the Board sets a strong tone for our organisation's sustainability efforts. The Group CEO plays a pivotal role as the 'Executive Arm' of the Board, spearheading our corporate governance structure and championing our sustainability agenda.

Our ESG Committee, comprising senior management from key functions, is tasked with executing Manulife's sustainability plan. This includes setting targets, monitoring performance indicators, and overseeing the implementation of sustainability-related strategies.

Our governance structure promotes accountability to stakeholders regarding how we manage Environmental, Social, and Governance (ESG) risks and opportunities. By facilitating discussions at the highest level, this framework ensures that all sustainability initiatives are thoroughly considered and transparently communicated throughout the organisation. As a result, decisions and action items are clearly disseminated, driving our commitment to sustainability across the organisation.

Manulife Malaysia Sustainability Governance Structure

Board of Directors

Roles & Responsibilities

- Provides strategic oversight and advice on Environmental, Social, and Governance (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

Stakeholder Engagement & Materiality

At Manulife, we actively connect with both internal and external partners to fulfil our commitment to creating positive change. Their input shapes our approach to different projects, reports, regulatory disclosures, and influences how we assess the importance of various issues. As one of the world's largest financial institutions, we recognise our responsibility to leverage our size and influence to address global challenges like the climate crisis and promote inclusive economic opportunities. Organisations like ours are essential in driving the systemic changes needed for a healthier planet and a more inclusive, sustainable economy.

Throughout our organisation, our teams regularly engage with diverse stakeholders, seeking their insights on critical issues affecting them and our business. We share our progress and promote best practices. As a global company with local operations, this ongoing dialogue is vital for refining our strategy and programmes to have a more significant impact on the issues we prioritise. The details of our engagements with key stakeholder groups and related initiatives are outlined in the following pages.

Stakeholder Group	Areas of Interest	Engagement Channels	Frequency of Engagement	Our Strategy
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. Manulife customer portal, iFUNDS, Manulife public website (PWS)) • Physical branches • Call centres, customer service counters, sales representatives (e.g. agents or advisers) • Social media platforms (Instagram, Facebook, etc.) • Customer satisfaction surveys (NPS)	**Ongoing**	• Stringent information security measures and controls in place to protect our customer's data and privacy • Accelerated our digitalisation agenda through the provision of Manulife Online, Manulife iFUNDS, etc for better customer experience • Provide innovative products and services to meet customer needs • Promoting health & safety efforts in our offices in response to COVID-19
EMPLOYEES	• Corporate priorities, vision, core values and ethical conduct • Business strategy and direction • Employee wellbeing 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	**Annually, Quarterly & Ongoing**	• Frequent employee engagement programmes e.g. Company townhalls, volunteer week • Comprehensive benefits and remuneration packages to optimise employee wellbeing • Organising of events to raise awareness on the importance of Diversity, Equity, and Inclusion (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 chain • 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	**Annually, quarterly and ongoing**	• Strengthen corporate governance by establishing and reaffirming internal processes and policies e.g. anti-bribery and anti-corruption, whistle-blowing, board diversity • Production of financial statements, annual report, and sustainability statement

Sustainability Statement

Stakeholder Group	Areas of Interest	Engagement Channels	Frequency of Engagement	Our Strategy
REGULATORS	• Compliance with legislation, rules, and regulations • Opportunities for business investment • Participation in industry working/advisory groups • Climate change • Community investment • Anti-corruption	• Official meetings and visits • Industry dialogues, events, and seminars • Industry consultations • Trainings • Working and advisory groups	**Ongoing**	• Ensure compliance with regulatory requirements, including but not limited to various disclosure exercises • Establish policies to ensure compliance with relevant legislation • Participation in industry working groups
SUPPLIERS	• Fair and mutually agreeable contract terms • Compliance with company policies, industry best practices, legislation, rules and regulations • Health and safety • Ethical and responsible conduct • Opportunities for business collaboration	• Supplier selection through pre-qualification and tendering process • Regular meetings, site visits, and networking functions • Product launches and roadshows	**Ongoing**	• Integration of risk/vendor assessments into Manulife's procurement system (Ivalua) • Streamlining of internal procurement processes to drive "buying better" within the organisation • Organising procurement roadshows and delivery of 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
AGENCY BUSINESS PARTNERS	• Adequate training for Manulife agency members • Digital tools and services for optimum customer experience • Agency recruitment and development • Career progression and performance-based incentives	• Internal publications • CAO Channel • Agency-wide meetings and recognition events • Training and development functions	**Ongoing**	• Increased frequency of capacity building programmes for Manulife agency members • Conferences and incentivised trips abroad
BANK PARTNERS	• Digital tools and services for optimum customer experience • FSC recruitment and development • Performance-based incentives	• Bank meetings, sales rallies, and sales recognition events • Training and development functions	**Ongoing**	• Incentivised trips abroad • Capacity building programmes for bank sales staff to promote and sell Bancassurance solutions on needs-based approach
COMMUNITY	• Community investments including donations, corporate volunteering programmes, etc. • Awareness-raising campaigns	• Collaborations with civil society organisations and enterprises • Corporate social responsibility and volunteering programmes • Grant provision to non-profit, social enterprise partners through our MY Community Grant • Public website and social media and social media	**Ongoing**	• Participation and collaborative efforts in organising various community outreach programmes, supporting a diverse range of causes • Partnering with selected grantees to execute our community programmes through our MY Community Grant • Awareness-raising campaigns on social media

We conducted a partial materiality assessment in 2022 to assess which topics were material to the business and stakeholders. We aim to follow this up with a thorough assessment by the conclusion of 2024, in preparation for the next reporting cycle.

Sustainability Statement

Achievements and Awards in 2023

Manulife IM (Malaysia) continued its streak of excellence this year, receiving several accolades at the 2023 Refinitiv Lipper Fund Awards for the ninth consecutive year. We clinched eight awards, reaffirming our position as a leader in the investment management industry.

Manulife IM (Malaysia) was also recognised as one of the leaders in Shariah-compliant investment solutions at the Refinitiv Lipper Fund Awards Global Islamic 2023, underscoring the company's leadership in serving the needs of investors in Malaysia. Other awards obtained include the FSMOne Recommended Unit Trusts Awards 2023/24 and the Global Islamic Finance Awards 2023.

Proudly, our Manulife Global Aqua Fund, which has carved a niche for itself with its focus on the global water value chain, clinched the top awards for best impact in the basic needs and resource security fund categories at The Edge Malaysia ESG Awards 2023. The first unit trust fund of its kind in Malaysia, the fund invests in companies involved in the water value chain, including water treatment, distribution, and technology.

Moreover, MIB flagship medical plan – Manulife Health Saver Benefit won the trust and votes of Malaysian parents and was honoured as the 2023 Best Medical Plan for Families at Parenthood's sixth annual Parents' Choice Awards. Receiving this recognition is a testament to our unwavering commitment to meeting the evolving needs of our customers by offering comprehensive, flexible, and affordable insurance products.

MIB also proudly proved its mettle once again as a people-centric organisation this year by earning two industry accolades that underscore its commitment to prioritising employees. MIB clinched the Gold Harmonia Winner status at the 'HR Asia Best Companies to Work For in Asia' award for 2023, which is conferred upon companies that have consistently won the 'HR Asia Best Companies to Work for in Asia' award for five years or more in a row. At the HR Excellence Awards Malaysia, MIB also received the Bronze award for Excellence in Employee Engagement, highlighting our efforts in keeping our employees motivated and satisfied.

Furthermore, the Contact Centre Association of Malaysia honoured MIB with two Industry Excellence Awards: the Bronze awards for Best Inhouse Inbound Contact Centre and Best Contact Centre Team Lead Outbound.

Lastly, MIB was recognised by the SME Association of Malaysia at the Platinum Business Awards 2023, receiving the SME Supporter Award — demonstrating our dedication to supporting small and medium-sized enterprises in Malaysia.

Elevating Our Business

We are dedicated to helping customers make improved financial decisions and lead longer, healthier, and more fulfilling lives by continuously improving our products and services, enhancing how we engage customers, creating valued strategic partnerships, and improving our distribution capabilities across the nation.

Chapter Highlights:

- With innovation and customer wellbeing at the core of our mission, Manulife launched two new product boosters this year; Manulife Health Saver Benefit (MHSB) Booster, and Beyond Critical Cover (BCC) Booster. The products further affirm our commitment to creating comprehensive solutions that provide top-quality medical coverage and we will continue to put our customers at the centre of our business and empower them to sustain their health and financial wellbeing.
- We witnessed upward trajectory in insurance agents' performance with events held to strengthen our customer base whilst also targeting the millennials and Gen-Z market.
- In line with our Digital Journey, we introduced several new and enhanced digital tools to empower both our workforce and customers, such as Manulife Online (our new customer website), the MyMed App, Money Matters, and Manulife iFUNDS.
- MIB and Alliance Bank extended the exclusive bancassurance partnership for an additional 15 years.

Sustainability Statement

Maintaining a Customer-First Approach

In 2023, we remained resilient in a challenging market environment to continue delivering relevant products and services for our customers. Buoyed by the momentum of 2022, we continued to innovate our product offerings and enhance our efforts to raise awareness in health, savings, and retirement solutions.

Fully embracing our Digital Journey, we also committed ourselves to nurturing a professional agency force that is empowered digitally to deliver better service to customers. With a focus on customer-centricity, innovation, and long-term partnerships, we aim to continue strengthening our position as an industry leader and seize the opportunities presented to us in 2023 and beyond.

Net Promoter Score 2023: Our Measures of Success

Net Promoter Score ("**NPS**") is a vital metric that allows Manulife Malaysia to measure the likelihood of our customers recommending our brand to others. This not only reflects their satisfaction but also indicates their loyalty and advocacy towards our organisation.

We concluded the year at +20, viewing this outcome as a catalyst for positive change. Embracing feedback from our customers, we are dedicated to refining our customer experience strategy and strengthening our commitment to elevate customer satisfaction.

Our focus includes engaging the organisation at all levels, where NPS is embedded in every process and interaction to enhance our customer-centric culture. NPS serves not only as a metric but as a compass guiding our commitment to deliver our customer promise.

Deepening Customer Relationships through Customer Portfolio Management

In our ongoing commitment to continuously optimise Customer Portfolio Management ("**CPM**"), our focus remains on understanding our customers' needs, facilitating cross-selling opportunities by proactively identifying and addressing gaps in customers' protection, and demonstrating the effectiveness of our program.

CPM enables us to engage with our customers at different moments, allowing us to understand and assess their current insurance coverages and protection gaps. With this, we are able to propose the right needs-based products and services ensuring that they have the right coverage at different life stages.

Our commitment and focus remain on understanding our customers' current product holdings, assess their potential needs, continuous engagement and sharing of latest updates and to propose the right solutions to their needs, and fostering loyalty throughout the customer's life cycle.

Sustainability Statement

Scaling-up our Digitisation Efforts

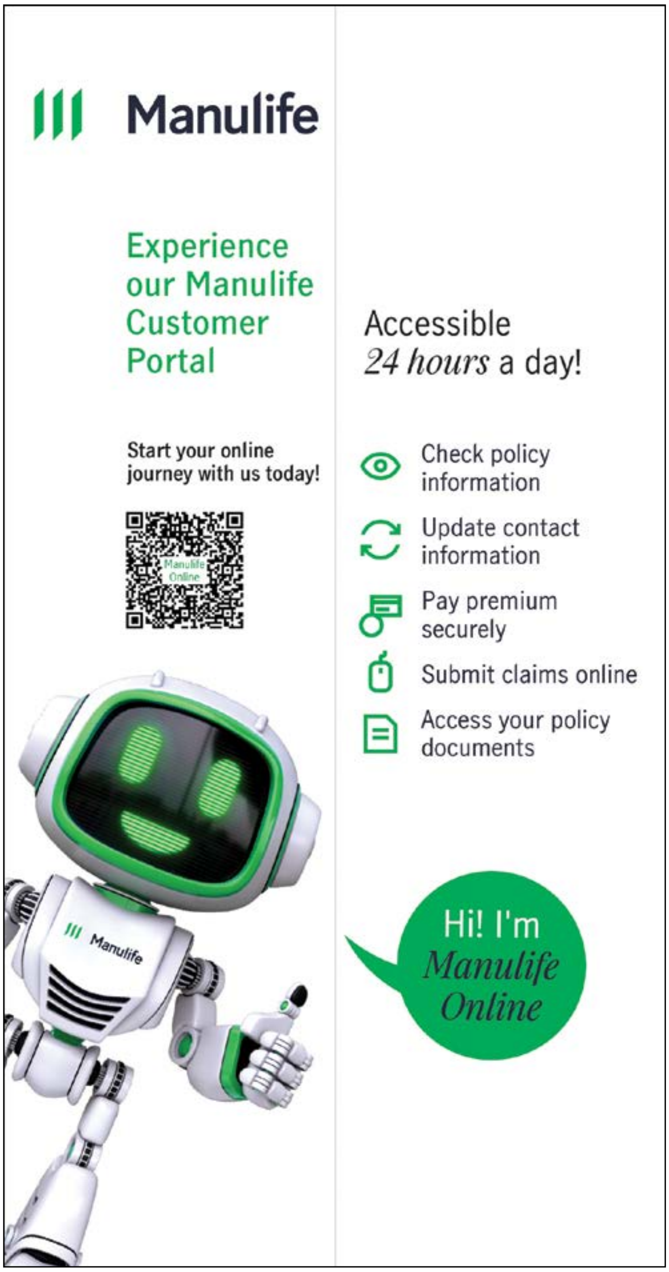
We were pleased to officially launch Manulife Online, our new customer website, which went live on 18 September 2023. The launch of our new website offers customers the flexibility to access and explore various functionalities at their convenience, regardless of time or location. Whether it is checking their policy details, updating their contact information, or making payments, customers can now do so seamlessly through our user-friendly website.

Additional functionalities will be developed and rolled out in phases over the coming years, further enhancing the digital journey and ensuring that our customers have access to the latest and most innovative features available. With these advancements, we aim to provide our customers with a more intuitive and convenient way to interact with us, ultimately enhancing their overall experience and satisfaction with our services.

We have also implemented other digitally empowering initiatives, such as the straight-through-process for policy maturity. With this enhanced process, customers no longer need to initiate requests or submit documents manually to receive their maturity payments. This automation reduces the hassle and time involved, providing customers with a seamless and convenient experience.

Additionally, the introduction of our latest MyMed App empowers customers to manage their healthcare needs more efficiently. They can access their e-Medical card, request hospital admission guarantee letters, and track the status of these requests directly through their mobile devices. This self-service capability not only saves time but also puts customers in control of their healthcare journey, enhancing satisfaction and trust in Manulife's services.

These initiatives ultimately aim to ensure positive customer experience.



Enhancing Manulife iFUNDS for Improved Servicing

In 2023, Manulife introduced enhancements to its online fund investment platform, Manulife iFUNDS. The updated platform offers users seamless portfolio management capabilities from anywhere at any time.

These new features bring added functionality to advisers, allowing them to conduct suitability assessments and eligibility checks more efficiently, thereby streamlining business processes and client management. For customers, in addition to the existing capabilities of opening new accounts, making subscriptions, performing switching, and monitoring investment portfolios, they can now access and download investment reports directly from the Manulife iFUNDS platform. Furthermore, starting from March 2023, corporate investors were granted access to Manulife iFUNDS, expanding the platform's user base and reach.

Developed in collaboration with our professional advisers, Manulife iFUNDS provides a cohesive digital experience for both advisers and customers, underscoring our commitment to delivering accessible and user-friendly investment solutions.

Sustainability Statement

Future Proofing Health & Protection Needs

Extending Health and Wellness through Manulife Health Saver Benefit (MHSB) Booster

At the core of our operations lies a commitment to wellbeing. We recognise the paramount importance of comprehensive medical coverage in providing peace of mind, particularly in an environment marked by escalating healthcare expenses. Hence in 2023, we unveiled our latest offering: the Manulife Health Saver Benefit Booster ("**MHSB Booster**").

The MHSB Booster is an optional augmentation to our existing MHSB, which expands coverage for an enhanced peace of mind. In response to Aon's 2022 Global Medical Trend Rates Report, which forecasts Malaysia's medical inflation rate at 12%, with an annual increase averaging between 10% to 15%, the MHSB Booster presents a solution. Featuring an auto-escalating Room & Board coverage, increasing by RM15 annually over a decade, alongside an additional RM2 million Annual Limit, this product mitigates the impact of medical inflation, assuring customers of stable coverage amidst rising healthcare costs.

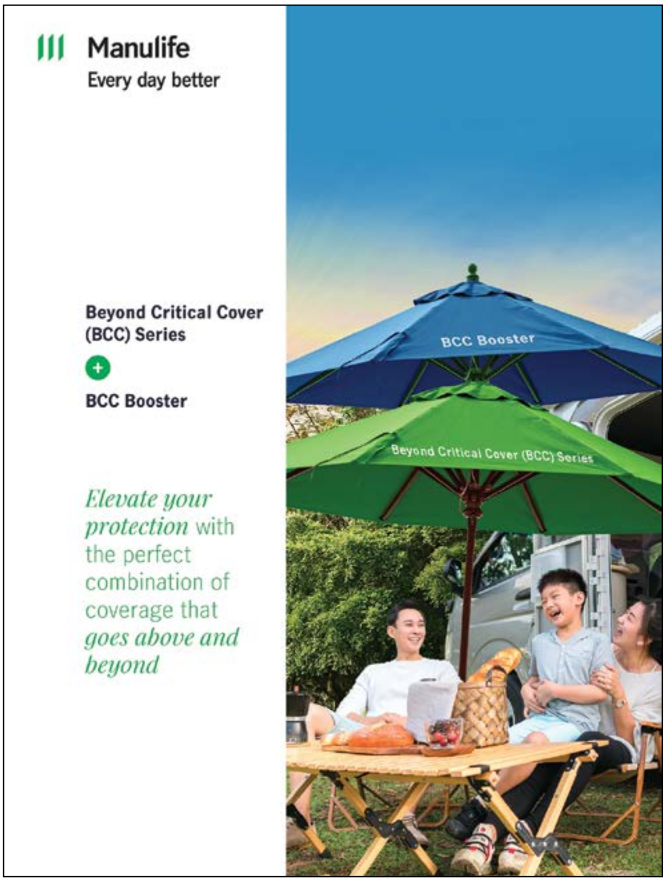
Furthermore, recognising the financial uncertainties faced by individuals nearing retirement, we have introduced the Golden Years Enhancer within the MHSB Booster. This component ensures that individuals aged 60 and above receive No Claim Discounts irrespective of claims, providing added financial security during a critical stage of life. Moreover, the MHSB offers extensions to the Pre and Post Hospitalisation periods, giving customers extended support throughout their recovery journey.

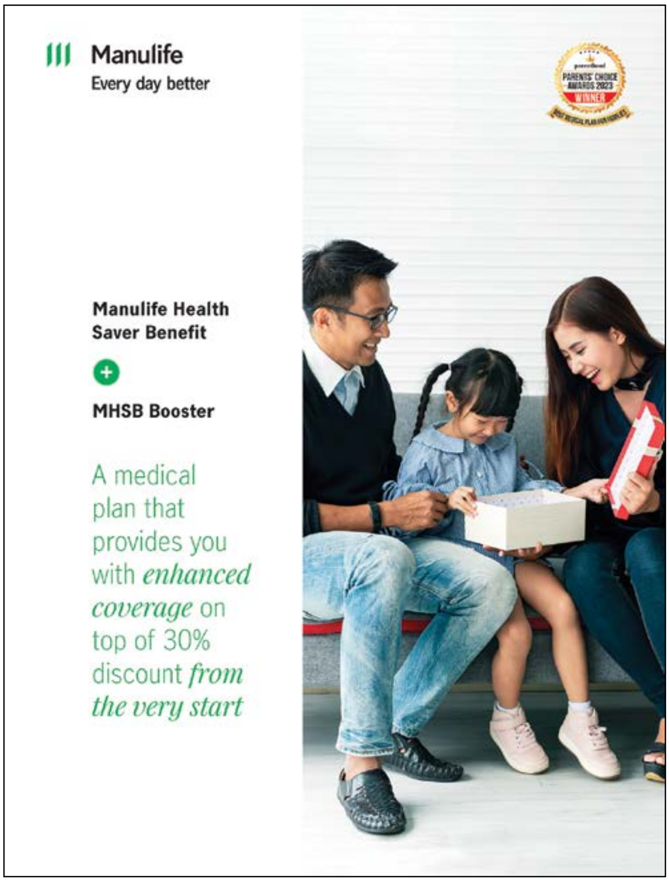
Elevate Your Protection with Beyond Critical Cover (BCC) Booster

In line with our dedication to advancing financial security, we launched the Beyond Critical Cover ("**BCC**") Booster. In an era where financial stability is paramount and medical expenses are escalating, the BCC Booster provides customers with an annual critical illness coverage increase of 5%. This increment continues until reaching 100% of the initial coverage or a maximum of RM250,000 per life, ensuring sustained protection that evolves with changing needs.

Caring for Our Customers: A Commitment to Excellence

Moreover, as part of our ongoing commitment to customer care, we introduced a Medical Loyalty Programme, extending exclusive opportunities to a select group of customers to upgrade to the MHSB and MHSB Booster without medical underwriting. This initiative, available between 8 May to 31 December 2023, was our gesture of gratitude to those who have entrusted us with their wellbeing.





Sustainability Statement

Strengthening Operational Efficiency and Partnerships

Paving the way for a new era of Partnership

Building on a decade of successful collaboration, MIB and Alliance Bank extended the exclusive bancassurance partnership for a further 15 years. This extension reaffirms the commitment of both organisations to build on their strengths and to further accelerate their shared vision to offer holistic financial solutions and increase the level of comprehensive protection benefits for the bank's customers.

Kicking off the extension of the exclusive partnership, we launched a new proposition, EliteLife Signature Saver. This plan is ideal for affluent individuals as it offers hassle free enrolment for applications up to RM1,000,000 Face Amount per life. This allows customers to diversify their portfolio and achieve steady capital appreciation with moderate volatility, without requiring long term premium commitment.

MIB and Alliance Bank have been partnering to offer innovative insurance and wealth management solutions since 2013. In the next 15 years, Alliance Bank will continue to distribute Manulife's life insurance products, enabling the bank to drive growth for its fee-based business and solidify its position as a leading financial institution in Malaysia.

Furthermore, from an alternative distribution perspective, MIB continues to offer digital insurance solutions through its partnership with Pathlab Health Management ("**PHM**"). We will launch a second digital solution, PHM Easy Life, as part of our customer acquisition strategy, for re-marketing activities to further grow our non-traditional partnerships. This allows us to reach out to more customers and underpenetrated mass markets, empowering them to sustain better health and well-being towards a better life.

In 2023, MILL introduced multi-pay options to bank partners as an alternative to single-premium solutions for its Signature Heirloom (VII), a US Dollar-denominated plan that offers high insurance coverage for the whole of life and wealth creation. A multi-pay design allows the bank's high-net-worth customers to spread their premium payments over multiple years at a duration that best fits their individual needs (i.e., paying premiums for 5 years or 10 years). In addition, MILL enhanced the commission structure for international brokers to further grow the business in the global high-net-worth market.

Maintaining a Healthy Bottom Line through Strategic Cost Management

Our strategic cost management initiatives have played a significant role in optimising our organisational performance and achieving our financial objectives. These initiatives cover a range of strategies and practices aimed at controlling and managing cost while enhancing value delivery. We have achieved noteworthy accomplishments during the year through the following initiatives:

- **Robust cost analysis:** We possess advance cost analysis capabilities, enabling more effective assessment into our core activities and cost structure to identify areas for improvement. By leveraging data analytics, we gain insights into cost drivers, trends and opportunities. This comprehensive understanding enables us to make informed decisions and implement targeted cost reduction initiatives.
- **Lean and efficient operations:** Our focus on operational efficiency and lean practices has been instrumental in achieving scalable growth. By streamlining processes, eliminating waste and optimising resource allocation, we enhance productivity and reduce costs across the organisation. Our commitment to continuous improvement ensures that efficiency gains are sustainable as we continue our growth journey into the future.
- **Strategic vendor and supplier management:** We have developed strong capabilities in vendor and supplier management, allowing us to optimise procurement processes, negotiate favourable contracts and secure cost-savings partnerships. By strategically managing our supplier relationships, we can leverage economies of scale, negotiate better pricing, and implement supplier collaboration initiatives to drive down costs and enhance value experience.
- **Technology and automation:** We leverage cutting-edge technology and automation to enhance End-to-End operational efficiency, where possible. By implementing digital solutions, process automation and utilising advanced data analytics tools, we optimise resources allocation, streamline workflows and identify opportunities for cost reduction. This technological prowess enables us to adapt quickly to changing market dynamics and scale our cost management practices across different functions within the organisation.

In addition, we are committed to leveraging technology to enhance the insurance experience for our customers. Through investments in digital platforms, we strive to provide seamless and user-friendly interfaces that simplify insurance processes and better access to information. By embracing digital innovation, we aim to deliver insurance solutions that meet the evolving needs and expectations of our customers.

We also invest in technologies that support energy-efficient within Manulife such as cloud-based environment to minimise environmental impact and support the transition to a low carbon economy.

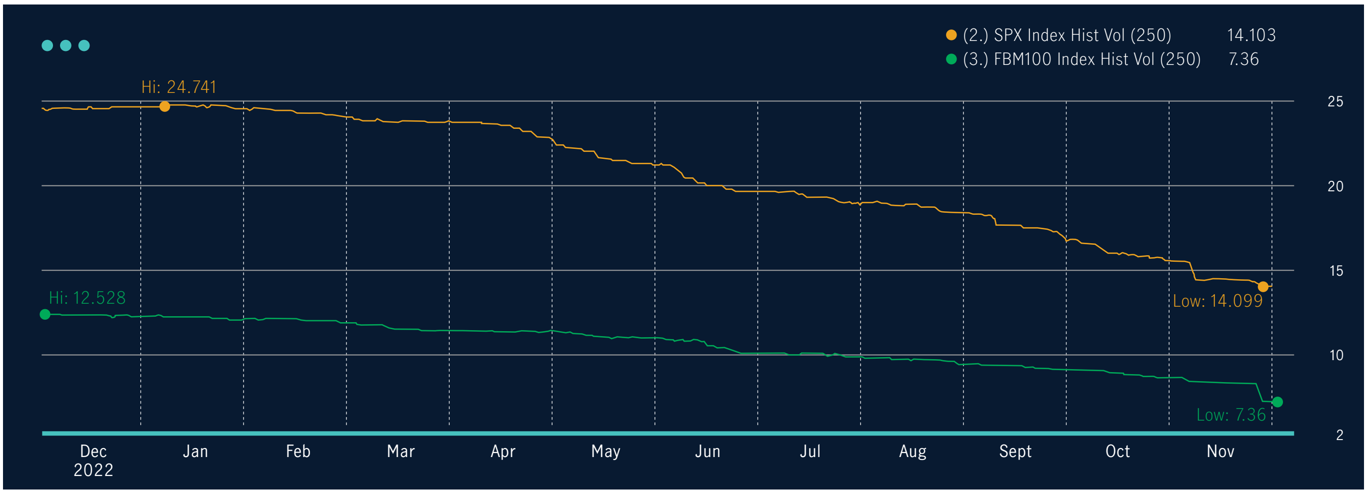
Supported by the above enablers, we will continue to also invest into our digitalisation journey to enhance our distribution channels, employee and customer experience.

Sustainability Statement

Diversifying our Investments

In 2023, there was a reversal of the lower investment returns experienced in 2022. From an economic value added (EVA) standpoint, while the investment return in 2022 was -0.87%, returns in 2023 were +6.09%. Central Banks had already commenced tightening monetary policy in 2022 itself, and by the beginning of 2023, Bank Negara Malaysia ("**BNM**") had already hiked the overnight policy rate ("**OPR**") four times in succession, bringing the OPR to 2.75%. BNM raised the OPR one final time in May 2023, bringing it to 3.00%.

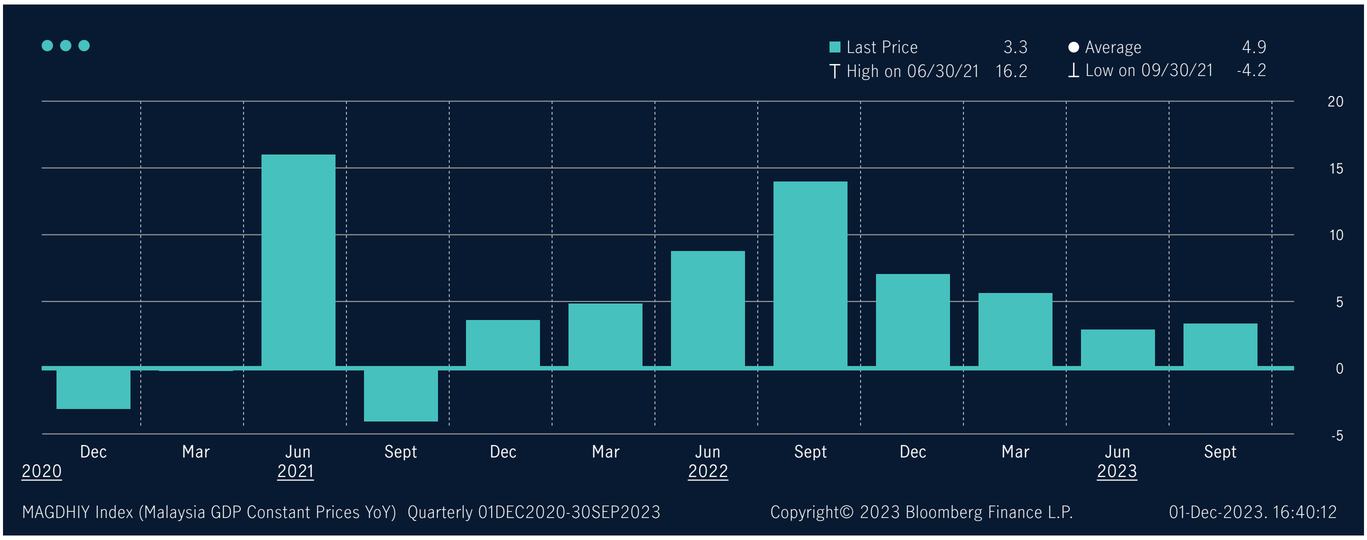
In tandem, headline inflation had also seen a reduction, starting the year at 3.7% and ending at 2.5% (compared to 3.3% in 2022). The duration of the fixed-income portfolio was kept shorter from the onset of 2022 and gradually lengthened in the second half of 2023, in tandem with the tapering off of the yield curve hike. As a result, fixed-income investments saw a healthy fair value gain in 2023.



Despite these factors, the geopolitical and external environment did not offer significant support for financial markets, particularly the Ringgit and public equity markets. This was evident from the impact of the 11 successive hikes in the Fed Funds Rate (FFR) by the Federal Open Market Committee (FOMC) from 2022 until July 2023, along with the continued escalation of the Russia-Ukraine conflict and the eruption of the Israel-Palestinian conflict later in 2023.

As illustrated in the chart below, over the one-year period between December 1st, 2022, and December 1st, 2023, although overall volatility decreased in both the US and Malaysian public equity markets, the spread between the two markets narrowed, indicating that Malaysian equities' volatility did not decrease in parallel with US equities. The local equity market lacked catalysts and exhibited limited momentum following the six State elections and the tabling of the 2024 Federal Government budget in October 2023.

From a macroeconomic perspective, Malaysia's GDP grew by 3.7% in 2023 (compared to 8.7% in 2022), falling short of the expected official GDP growth forecast range of 4% to 5%. Looking at quarterly figures, GDP growth for Q4 2023 stood at 3% (compared to 3.3% in Q3 2023, 2.9% in Q2 2023, and 5.6% in Q1 2023).



From a strategic standpoint, we managed fixed-income investments at benchmark duration, while keeping public equity just under the neutral target for 2023. We took steps to position the portfolio on a more efficient frontier by replacing foreign public equity with a Ringgit structured note. This adjustment allows for more allocations to be considered in higher-yielding foreign private assets in future years, as each segment strategy is sequentially reviewed.

Sustainability Statement

Investing for a Sustainable Future

Manulife IM (Malaysia)'s Manulife Global Aqua Fund, which has distinguished itself with its focus on the global water value chain, secured top honours for best impact in the basic needs and resource security fund categories at The Edge Malaysia ESG Awards 2023.

This fund marks the first of its kind in Malaysia, investing at least 85% of its net asset value (NAV) in the BNP Paribas Funds Aqua fund, managed by Impax Asset Management Ltd. The target fund directs its investments towards companies involved in the water value chain, encompassing water treatment, distribution, and technology. These investments are strategically aimed at addressing critical global challenges such as water contamination and infrastructure sustainability. This strategic focus is evident in its portfolio, which includes leading consultants, laboratories, and water treatment providers.

The Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and the CHIPS (Creating Helpful Incentives to Produce Semiconductors and Science) Act in the US have allocated over US$100 billion to improve water infrastructure, reduce water contaminants, and protect against drought, heat, floods, and wildfires. The US Environmental Protection Agency recently estimated that US$625 billion in drinking water infrastructure investment is required over the next 20 years. Regulatory efforts surrounding polyfluoroalkyl and fluoroalkyl substances, known as forever chemicals, are gaining momentum on both sides of the Atlantic. At the portfolio level of the target fund, earnings expectations continue to rise and remain ahead of the broader market. The investment team is confident that the long-term drivers for the theme and target fund remain intact.

Mitigating Risk for the Benefit of our Business & Stakeholders

Ensuring a Sound Business Continuity Plan

Our Business Continuity Management programme is designed to thoroughly adapt to changes. This involves meticulous planning and organisation of essential resources and procedures, coupled with unwavering corporate support and commitment. The goal is to enhance resilience across a broad spectrum of disruptions, enabling us to promptly respond and sustain mission-critical functions, ensuring the wellbeing of our customers during any crisis.

Fortifying our Company through Cybersecurity and Data Privacy Measures

In past years, there has been a near-daily occurrence of data breaches, prompting numerous organisations, including Manulife, to prioritise this issue. We place significant emphasis on customer data privacy and uphold a strong commitment to safeguarding it. Our approach involves a comprehensive information risk management process, guided by policies and standards. This encompasses various aspects like network security, data encryption, operational security, application security, vulnerability management, and logical access control. Through these measures, Manulife effectively identifies, assesses, and manages cyber risks and security concerns. Since 2021, Manulife has had zero complaints concerning breaches of customer privacy and losses of customer data.

Navigating BNM's Climate Risk Management & Scenario Analysis Exercise

In November 2022, BNM issued the Policy Document on Climate Risk Management and Scenario Analysis to manage Climate Related Risks. This document sets out the expectation consisting of core deliverables in managing Climate Related Risks spanning across years 2023 to 2024. Manulife is cognisant that Climate Related Risk drivers pose potential impacts to our customers and business.

As a first step, the Environmental Risk Supplementary Policy for Manulife Insurance Berhad has been crafted with the aim of outlining our approach to identify, assess, and manage Climate Related Risks. In September 2023, we conducted a climate related risk identification and impact assessment. Through this assessment, we have identified the impact of climate risk drivers against our principal risks. Manulife will continuously strive to ensure that material Climate Related Risks and impacts are monitored to safeguard the interest of our customers and business.

Enforcing Compliance Across the Business

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 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 anti-money laundering ("**AML**"), combating the financing of terrorism ("**CFT**"), proliferation financing, sanctions, fraud, bribery, and corruption.

Sustainability Statement

The governance and control framework consists of the following:

- *Anti-Bribery and Anti-Corruption (“**ABAC**”)*

    i. 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 three of our values to maintain the highest level of compliance:

    ii. Do the right thing: Manulife is strongly committed to doing business in an honest, ethical, and legally compliant manner. In conducting our daily business, we adopt a strict zero tolerance policy for any instances of bribery or corruption. In the past three years, Manulife Malaysia has had zero incidents of corruption.

    iii. Own it: Manulife has implemented the 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. As part of the control assessment on ABAC Risk, an assessment was conducted on Manulife’s business operations. The results of the risk assessment are used to design controls to mitigate bribery and corruption risk.

    iv. 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.

    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.

Capability-building through Compliance Training

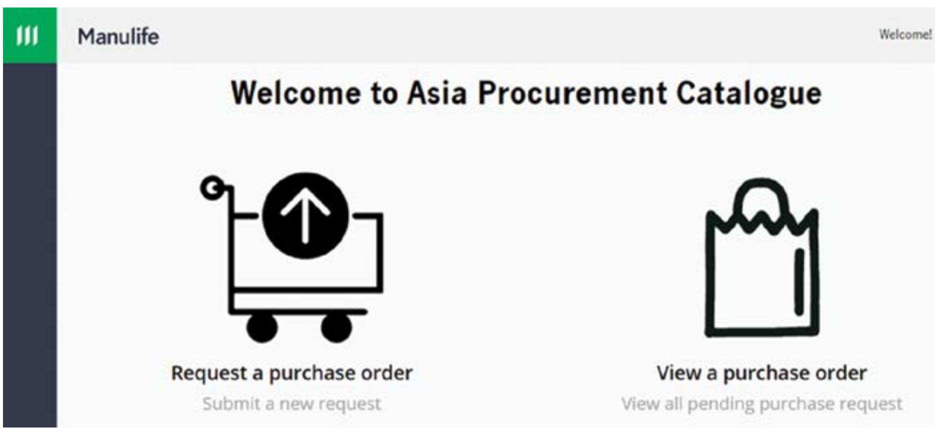
All new Manulife Malaysia’s employees are required to complete the Anti-Bribery and Corruption Awareness and AML/CFT e-Learnings at onboarding. All employees are also required to complete a refresher training on an annual basis in building greater internal awareness and competence around relevant laws. In 2023, we achieved a completion rate of 100% amongst Manulife Malaysia’s employees for our Anti-Bribery and Corruption Awareness training courses.

In addition, all members of our Board, Management Executive Committees and Management Committees, received relevant training on AML/CFT, fraud awareness, anti-bribery, and anti-corruption.

100%
Completion rate amongst our employees for the Anti-Bribery and Corruption Awareness training courses

Accelerating Efficiency through Streamlined Procurement

One of the fundamental steps towards driving procurement efficiency is to streamline processes and workflows. This involves analysing and re-evaluating existing processes, identifying bottlenecks, and implementing measures to eliminate inefficiencies. Leveraging procurement technology knowledge and solutions, besides driving strong collaboration between stakeholders, are some of the actions taken throughout the year.



Sustainability Statement

This includes having pre-negotiated rate cards and generating catalogues for a quicker ordering placement process. Asia Procurement Catalogue (APC) simplifies the purchasing process, reducing the time and effort required to locate and order items for pre-negotiated catalogue procurement items.

Vendor consolidation and rationalisation was another area that was successfully implemented by reducing the number of vendors we work with. It includes identifying panel vendors and pre-negotiating fixed commercial terms and rates. The primary goal for vendor consolidation is to minimise the number of vendors we engage with while maintaining or enhancing the quality of products and services we receive. It also simplifies and streamlines procurement processes, improves efficiency and achieves sustainable cost savings.

Manulife has a wide database of suppliers where 95% of our total spend is sourced through local suppliers following local-centric needs, and only a minimum of 5% is sourced through international suppliers. This aims to encourage a more sustainable economy and to maintain community relations within the local country while maintaining the strategic vendors at the global level.

Strengthening our Proposition via a First-in-Class Distribution Stream

Building Next-Gen Talent Pipeline with Youth-Focused Recruitment

We continued our efforts in building trust and confidence amongst millennials and Gen-Z by launching Manulife Career Hackathon recruitment sessions nationwide. To capture their attention in a meaningful yet fun way, we organised our events in unique locations including GSC Cinema halls to showcase the highlights of the Life Insurance industry.

The Manulife Career Hackathon attracted an impressive turnout, with over 250 guests in attendance, consisting of mid-career switchers, property agents, bankers and fresh graduates seeking stable, rewarding, and limitless career opportunities. The event presented impressive insights and fireside chats led by our very own successful advisors who were groomed in-house by Manulife Business Academy.

The success of the Manulife Career Hackathon extended beyond the event itself. The momentum generated during these sessions were leveraged for post-event engagement, including targeted follow-ups, onboarding, and potential referral opportunities.

Strengthening our SME Customer Base

In reaching out to our existing customers as well as SME owners, we initiated client events throughout the year across all the nation's regions. More than 50 events were held nationwide to present relevant insurance solutions to meet our customer's protection, savings, and investment needs.

Sustainability Statement

Streamlining Insurance Transactions via Manulife eEndorsement

In a ground-breaking move, Manulife Malaysia took a significant leap forward in the joint arenas of agency professionalism and digitalisation with the launch of Manulife eEndorsement and Manulife Money Matters. These initiatives were strategically designed to revolutionise how insurance transactions are processed and how financial management is approached in the digital age.

Manulife eEndorsement transforms the traditional insurance endorsement process, introducing a seamless digital platform that expedites transactions and minimises paperwork. Our agents and clients can now navigate the endorsement workflow effortlessly, reducing process times and enhancing overall efficiency. The real-time updates and document management features ensure transparency and accuracy, setting new benchmarks for streamlined insurance processes.

Manulife Money Matters: Empowering Recruitment Decisions

Manulife Money Matters additionally emerged as a powerful tool in Manulife's recruitment arsenal, providing aspiring agents with a transparent and personalised view of their potential earnings. This digital innovation not only attracts potential agents to interactively plan and visualise their financial future with the Manulife framework, but this online income calculator also becomes a strategic asset in attracting and retaining top talent.

The synergy between Manulife eEndorsement and Manulife Money Matters epitomises a strategic approach to digitalisation, ensuring that our agents are well-equipped to navigate the evolving landscape of the financial and insurance sectors. By embracing these innovations, Manulife reinforces its dedication to providing our agents and clients with a seamless, digitally-driven experience while fostering a culture of professionalism among our agents. These technological upgrades are a testament to our commitment to excellence and staying ahead in a dynamic and digital future.

Moving our Brand Needle

This year marked Manulife Malaysia's 60th anniversary, celebrating six decades of excellence in serving Malaysia. The anniversary provided a platform to commemorate our achievements, reinforcing our brand's longevity and loyalty in the Malaysian market. At the Anniversary Dinner held at Sheraton Hotel Petaling Jaya, we brought together our employees and Directors, highlighting the heartbeat of Manulife.

To mark this significant milestone, we unveiled a specially curated 60th Anniversary logo and showcased a commemorative video capturing our journey of resilience and dedication. Alongside this, we engaged our employees through the ManulifeMOVE app, promoting a healthy lifestyle and fostering a culture of wellness within the organisation. Additionally, our inaugural media meet fostered closer ties with the media, amplifying brand visibility, and presence through strategic engagement.

Manulife Malaysia's insurance ranking remained steadfast, with notable growth in unaided brand awareness, enhanced website traffic, and engagement metrics. Our organic search performance and social media presence experienced significant boosts, reflecting our commitment to enhancing user experience, expanding reach, and strengthening our online presence.

Preserving the Environment

We are actively integrating environmental considerations into our business strategies and operations, with the goal of supporting the nation's net-zero aspirations and leading by example in driving positive environmental change. Furthermore, we are committed to fostering awareness and education on environmental stewardship, empowering individuals and communities to adopt sustainable practices.

Chapter Highlights:

- Manulife Malaysia successfully commissioned solar panel installations at Menara Manulife, delivering not only financial savings but also reducing our reliance on traditional energy sources. Based on estimations, the installation will save some 35,460 kt of CO_2 emissions per annum.
- We recorded positive trends in responsible consumption of resources, such as reduced water and paper usage, as well as an increase in recycling rates.
- We also achieved a 40% reduction in paper usage through our ongoing 'Paperless' campaign, showcasing our commitment to sustainability and digitisation.

Sustainability Statement

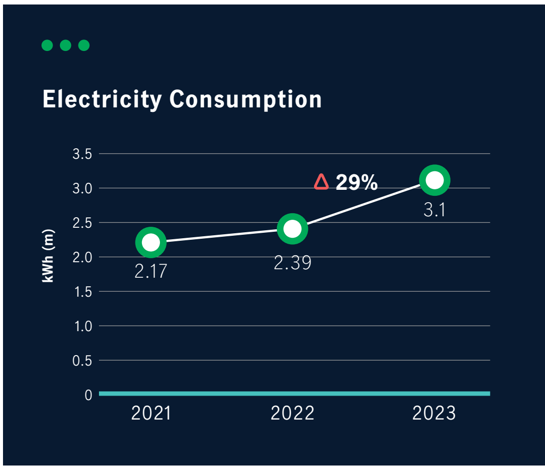
Accelerating a sustainable future is an integral component of Manulife's sustainability strategy, and we remain committed to helping preserve the planet we all share. In 2023, we took action to minimise our operational footprint and reduce operating costs through various means, including most recently, the installation of solar panels in our building.

Recognising the role that every individual plays, we also continue championing best practices and raising awareness on important topics such as energy efficiency: for example, every year, Manulife Malaysia observes Earth Hour by switching off our entire building's power – joining over 190 countries and territories in bringing an important issue to light by standing in solidarity in darkness. By incorporating environmentally responsible policies and fostering a culture of environmental stewardship, Manulife Malaysia aims to continue supporting the Group's aspirations towards a net-zero future.

Greening Where We Work

In our ongoing commitment to minimise energy consumption, we have implemented various energy-efficient measures in both our building and business operations since 2021. Notable initiatives included the widespread use of LED bulbs throughout our offices, as well as continuous upgrades and maintenance to the building's air-conditioning system.

In 2023, we however recorded an increase in energy consumption compared to the same period in the previous year. Menara Manulife (including tenants within the building) utilised a total of 3,117,598 kW of power, an increase of roughly 29% from 2022. This is attributed to the implementation of a 4+1 hybrid working arrangement, where employees worked in the office a minimum 4 days a week. In contrast, the hybrid working model was still in place in the first half of 2022 due to lockdown restrictions. Moreover, 2023 also saw Menara Manulife recording a significant increase in building occupancy. Manulife will continue to monitor its energy usage in the coming year whilst promoting energy-efficient practices and habits amongst tenants.



Solar Panel Installation at Menara Manulife

Manulife Malaysia has also taken a significant step towards *accelerating a sustainable future* with the successful commissioning of solar panel installations at our building. This pioneering initiative is now fully operational, marking a milestone in our commitment to environmental stewardship.

The energy generated through these solar panels will primarily power the ground floor lobby of Menara Manulife, thereby reducing our dependence on conventional energy sources and contribution to carbon emissions. The statistics below highlight the tangible impact of our solar panel installation, showcasing both the environmental and financial benefits.

Summary

Total solar generation	**41,916 kWh/year**
Total kWh consumed	**29,940 kWh/year**
Average estimated annual savings	**MYR 18,609.00**
Estimated monthly savings	**MYR 1,550.00**
Estimated Co_2 emissions savings	**35,460.94**

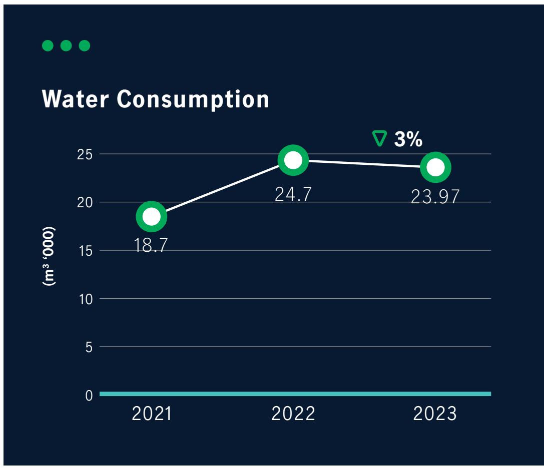
Sustainability Statement

Preserving Water

In the face of increasing demand for clean water and the impacts of climate change on water resources, Manulife continues its dedication to effectively manage water consumption in our headquarters, Menara Manulife. This commitment is of utmost importance, especially considering the potential pollution risks to our catchment areas and natural water bodies arising from ongoing development activities.

As we did in previous years, Manulife employs various strategies to encourage water conservation among our tenants. These include the implementation of measures such as placing reminders and signs at tap areas and bathrooms to minimise water wastage. A few years ago, we installed push taps that automatically switch off, eliminating the possibility of taps being unintentionally left on.

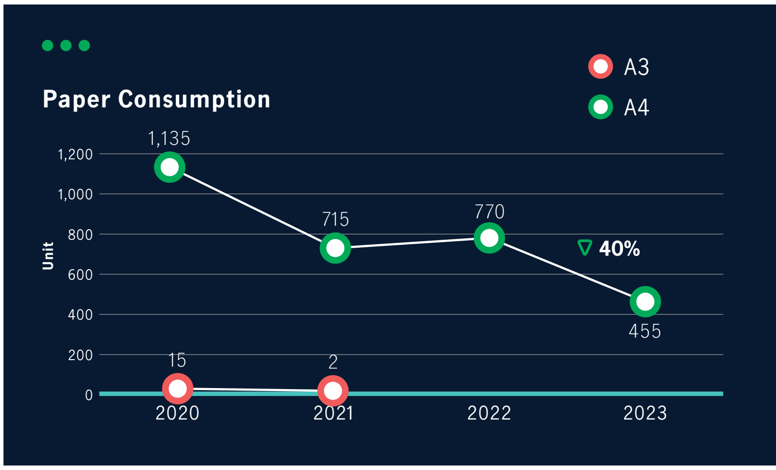
Our efforts have borne positive results: during the year 2023, our water consumption reduced by roughly 730m^3 compared to the previous year. We consider this a commendable achievement and proof that targeted initiatives and steps, such as the ones we have taken, can yield great success when implemented. Manulife will continue to champion for the sustainable and responsible usage of water by promoting sound practices and habits across our building.



Embracing a Paperless Approach

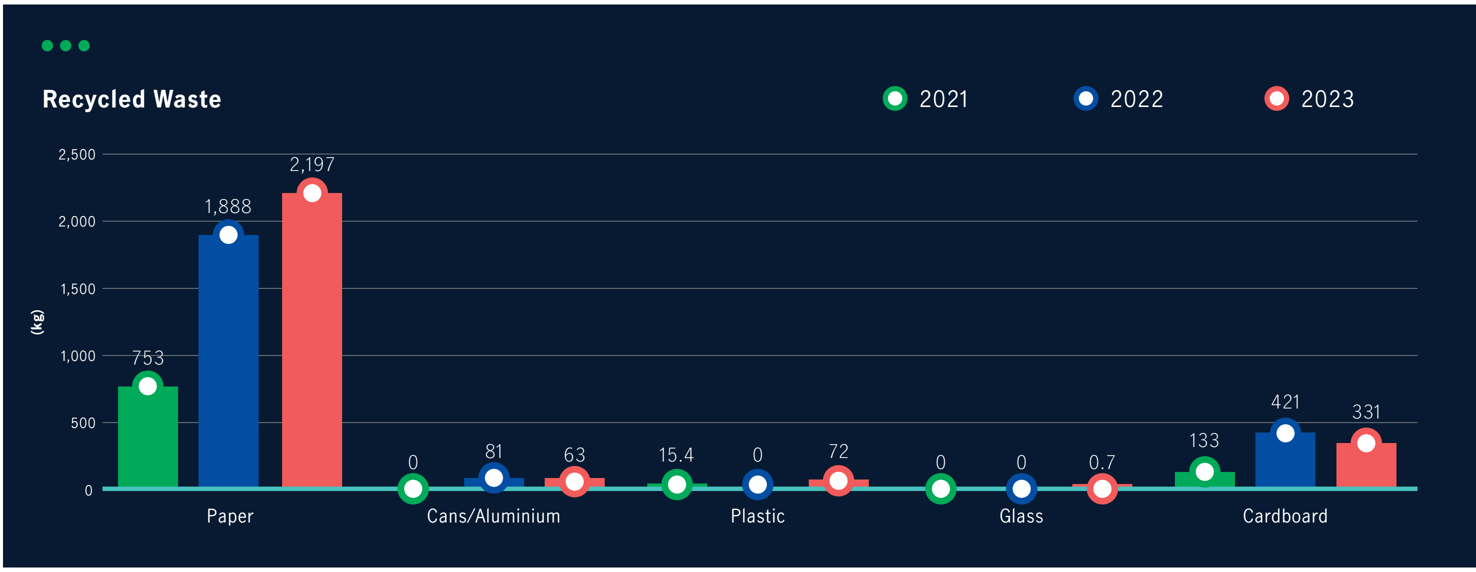
Manulife's commitment to digital transformation extends beyond product and service delivery to the fundamental operations of our business. In 2020, we introduced the 'Paperless' initiative company-wide, signalling a shift towards a more sustainable and efficient approach to document management.

In 2023, we are pleased to observe a continued decline of 40% in our paper usage, reflecting Manulifers' increasing adoption of the Company's Digital Journey. Our transition to digital processes has not only yielded positive environmental results but also cost-saving benefits. As we advance in our digital transformation journey, we reaffirm our dedication to exploring new methods for further reducing paper consumption and fostering a more sustainable tomorrow.



Sustainability Statement

Responsible Waste Management



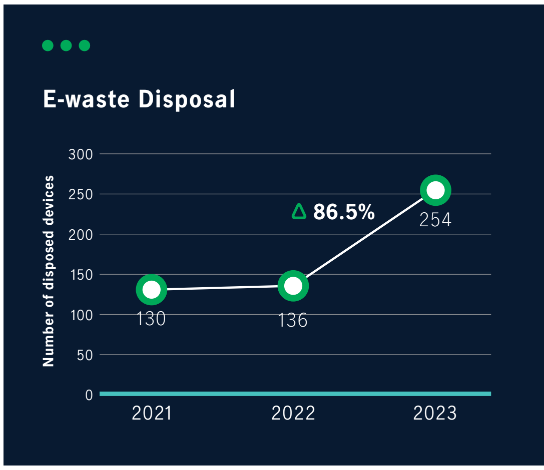
The substantial annual production of millions of tons of waste in Malaysia presents a considerable environmental challenge, as recycling practices are not yet widely embraced. In response, we began initiatives in 2021 to cultivate a recycling and waste reduction culture within our building. Our primary focus has been on monitoring recyclable waste, particularly paper generated from employee printing and copying.

In 2023, we are happy to demonstrate an increase in recycled waste compared to 2022. We view this increase as an achievement, emphasising our ongoing commitment to encourage employees to actively participate in reducing, reusing, and recycling items at work.

To facilitate responsible waste disposal among our employees, we have strategically placed recycling bins throughout our building, segregating plastic, paper, and aluminium waste. Furthermore, Manulife collaborates with a licensed waste contractor for regular monthly collections of recycled waste from Menara Manulife.

In addition to conventional recycling practices, Manulife has actively participated in the proper recycling of electronic waste (“**e-waste**”) since 2020. Acknowledging the environmental consequences associated with e-waste, we have placed a high priority on responsible handling, particularly because electronic devices often contain hazardous materials. To align with our commitment to ethical waste disposal, we have partnered with an ISO-certified vendor to manage e-waste, guaranteeing the secure and responsible disposal of our electronic devices.

As we are a financial services company holding sensitive customer data, selecting a trustworthy e-waste disposal partner is of utmost importance. Our selected vendor not only upholds the highest standards but also provides compensation to Manulife for the e-waste disposal. These funds are subsequently reinvested into our business, empowering us to enhance our sustainability endeavours in the upcoming years.



Nurturing a Winning Team

Our greatest asset is our people, which is why we are dedicated to fostering a winning team culture that empowers every individual to thrive and succeed.

Chapter Highlights:

- This year, Manulife provided employment to a total of 501 people, recording an 80% retention rate among high-potential employees (HiPo Retention).
- We continued to prioritise employee health and wellbeing, organising several Wellness Roadshows throughout the year. Another exciting milestone, the launch of our ManulifeMOVE app for employees took place in June.
- In our efforts to digitalise and empower employees to learn conveniently, we expanded Pursuit, our e-learning platform, to mobile. In total, employees clocked in more than 3,000 hours of online trainings and learning.
- Sustained top quartile Employee Engagement Survey (EES) Score at 4.45 with 77th percentile.

Sustainability Statement

At Manulife Malaysia, attracting and retaining top talents is not just a goal – it is a strategic imperative. We recognise that our people are our greatest asset, and we remain committed to investing in their professional and personal development, wellbeing, and long-term success.

From wellness roadshows and one-on-one leadership chats to digitally enabled tools (such as our newest ManulifeMOVE app for employees) and beyond, our approach to cultivating an inclusive and collaborative employee culture is one that stems from a shared commitment to Manulife's brand values: to collectively as one workforce, *Get it done together, Own it,* and *Think big.*

Empowering Employee Wellbeing

Manulife 2023 Wellness Roadshow: Mental Health and Beyond

In our continuous effort to prioritise the wellbeing of employees and community at large, Manulife organised its first Wellness talk in conjunction with International Women's Day on March 27. The virtual webinar was guided by Dr. Ong Hean Choon, who provided an overview on cervical cancer, empowering participants with knowledge on prevention, early detection, and treatment options.

Another highlighted event was a virtual session on Cardiovascular Disease Prevention and Treatment, featuring Dr. Patrick Tiau Wei Jung, a renowned Consultant Cardiologist. The session delved into various aspects of cardiovascular health, emphasising prevention and treatment through proper lifestyle management.

Wellness is also not just about staying physically healthy; it is also having financial peace of mind. Being financially well means more than just making ends meet – it is about feeling in control and secure about your money. To help our employees achieve wellness and balance across this aspect, we invited Dr. Desmond Chong Kok Fei, senior financial trainer at Agensi Kaunseling & Pengurusan Kredit (AKPK) to conduct an in-person 'Financial Traffic' Wellness Seminar at Menara Manulife.

Bringing a robust and practical perspective to the seminar, Dr Desmond shared practical tips on budgeting, saving, and setting realistic and measurable financial goals, providing participants with a roadmap for achieving financial success.

Later in the year, we conducted another Financial Wellness seminar with Zaim Iskandar, an expert in Employees Provident Fund ("**EPF**") products and services. The Deep Dive into EPF Seminar shed light on the significance in securing retirement income, and the role EPF plays in employees' financial journey.

We continued to engage Human Dynamic, our training partners in leadership and change, who led a 'Lunch and Learn' mindfulness session as part of our Mental Health Awareness Month in May. Titled "From Languishing to Flourishing: Regain your Sense of Purpose", the presentation aimed to equip attendees with practical strategies to enhance self-awareness of their mental states, and help individuals navigate their professional journeys with a renewed sense of direction during the shared mealtime experience.

In October 2023, we continued with our final roadshow event on 'Building Resilience', which explored resilience as a dynamic quality, and essential for navigating the challenges of the present context. And finally, wrapping up the year, we concluded with our final Wellness Roadshow event in November titled "Relook, Re-Approach, Restyle: Looking At Attitude With A New Lens". Overall, some 250 employees benefited from our Wellness Roadshow, helping them thrive and achieve a more balanced lifestyle.

Sustainability Statement

Launch of our ManulifeMOVE App for Employees

This past year marked an exciting milestone for Manulife Malaysia as we launched the ManulifeMOVE app in June. This innovative tool serves as an employee engagement platform, offering a plethora of features including monthly themed challenges, personalised goal setting, a Health Score tracker, and a wealth of health and wellness content. Additionally, ManulifeMOVE serves as a conduit for internal communication, spotlighting HR initiatives and activities related to Diversity, Equity, and Inclusion (DEI), Corporate Social Responsibility (CSR), and Employee Resource Groups (ERG).

The launch event for employees kicked off with a vibrant atmosphere, featuring nutritious snacks, invigorating stretches, and the exhilarating SnapRunner Challenge. The aim was to foster a culture of health and engagement among employees, with the ultimate goal of boosting productivity and retention rates. The event also served to foster a sense of camaraderie, instilling in employees a sense of inspired collaboration as they became part of a larger collective purpose.

Human Resources Support

Manulife Malaysia deploys AskHR, a dedicated contact point for all HR-related inquiries and assistance. Whether it is questions about benefits, policies, or general HR matters, employees can reach out to AskHR for prompt and personalised support.

To further enhance employee engagement and camaraderie, we rolled out the Employee Connection series, featuring a variety of engaging events and activities. From team-building exercises to social gatherings, these events are designed to foster a sense of community and belonging among our employees. Quarterly HR Roadshows were also conducted, where employees were able to obtain updates and served as an interactive platform for employees to provide feedback and ask questions.

With the aim of facilitating a culture of open dialogue, our Human Resource Department also organised a series of Coffee Chats with our executives. Employees were invited to join our Chief Human Resources Officer for an informal Coffee Chat session to discuss HR-related topics and gain insights into our people-centric initiatives. Similarly, we were excited to organise our CEO Connection series, providing employees with unique opportunities to engage directly with our CEO.

A series of Coffee Chat sessions was also hosted by our CEO, exclusively aimed at new employees and high-potential employees (HiPOs), over the year. These sessions offer a casual setting for new hires to meet our CEO, ask questions and feel empowered to embark on their journey with us. High performers and rising stars were also provided guidance and insights into leadership development opportunities during these chats. These served as a valuable opportunity for employees to engage directly with the CEO, share their aspirations, and receive support in reaching their full potential.

Sustainability Statement

Competitive Employee Benefits

Every year, Manulife conducts a periodic review of benefits to support employees' needs to ensure it remains current and relevant. Our core benefits include health screening, medical insurance, life, and personal accident coverage via the Employee Group Insurance Scheme ("**EGIS**").

This year, we are proud to announce several enhancements to the EGIS, which took effect on 1 September 2023. Amongst these is the removal of the lifetime limit on employee benefits, which was previously set between RM300,000 and RM800,000. Additionally, we have included coverage for "actual, necessary and reasonable expenses".

Furthermore, all employees were also able to enjoy enhanced Health Screening benefits from 1 January 2023, where all Level 1 to Level 7 employees are entitled to a higher health screening reimbursement of up to RM600 per annum (up from the previous RM250 limit for those aged 40 and below, and RM550 for those 40 and above).

We also enhanced the Manulife-sponsored Flexible Spending Account this year, expanding the claim coverage to allow employees to claim up to MYR1,380 on various items, ranging from smartphone purchases to music classes, to holistic medicine, fertility assessments, and travel-related expenses.

In 2022, we announced the inclusion of mental health care under outpatient coverage and are proud to continue sponsoring the enhanced policy this year. Family-friendly benefits such as Doc2us / Telemedicine and MyMed tool for easy medical claims, continued to be part of our wellness offerings.

The Manulife Scholastic Incentive Scheme, which provides cash reward for children of employees when they perform well in their studies, also benefited employees this year, as well as the extension of medical benefits i.e., COVID-19 test kits to employees.

We also introduced a 5-Day Compulsory Leave programme this year, encouraging employees to take regular breaks to rest, recharge, and rejuvenate, ultimately enhancing productivity and overall wellbeing. Following the inaugural introduction of a first-of-its-kind Volunteer Leave at Manulife, all employees were again entitled to two days of volunteer leave in 2023, allowing them to step out of the office and support causes in the community which resonate with them most.

Other employee benefits offered by Manulife include a competitive corporate rate for various partner brands, such as Alliance@ Work, BMW, INTI International University, and Mercedes Benz, amongst others.

Health & Safety in the Workplace

At Manulife Malaysia, we remain committed to prioritising the health and safety of our employees. We are pleased to report that there were zero work-related fatalities and zero lost time incident rate within our organisation during the reporting period.

Given the nature of our business operations, which predominantly entail office-based activities and client interactions, we operate in an inherently low-risk environment in terms of health and safety. Unlike industries with high-risk operations such as manufacturing or construction, where specific health and safety standards training is imperative, our operations entail minimal exposure to occupational hazards or physical risks.

Nevertheless, we recognise the importance of maintaining a safe workplace environment and adhering to relevant regulations. Our workplace policies and procedures are designed to promote a culture of safety, encouraging employees to identify and address any safety concerns proactively. While our operations may be deemed low-risk in terms of health and safety, our commitment to prioritising the wellbeing of our employees remains unwavering.

Menara Manulife Climbathon: Gearing up for an Exciting Ascent in 2024

Scheduled for a return in 2024, the Menara Manulife Climbathon promises to be a thrilling event that aims to engage not only employees but also advisors, bank partners, and the diverse community of the building's tenants.

Following the resounding success of the previous year's Climbathon, employees will again have the opportunity to showcase their physical prowess and team spirit. By involving a diverse range of stakeholders, we aim to foster a sense of togetherness and promote a healthy, active lifestyle within and beyond the workplace.

Sustainability Statement

Diversity, Equity, and Inclusion

A Snapshot of Workforce Demographics

In our journey towards building a workplace that champions diversity, equality, and inclusion ("**DEI**"), we take pride in embracing the rich mix of backgrounds, experiences, and perspectives that our workforce brings. We believe that fostering a culture of DEI is not just a corporate initiative; it is a personal commitment we make to each other and to our community.

Looking at our workforce composition, we work to ensure that our organisation's vibrant diversity is reflected across all demographics, including gender, age, and ethnicity. Our team comprises individuals from various age groups, ensuring a balanced distribution across generations. With a workforce of 501 employees, we see a blend of youthful energy and seasoned expertise:

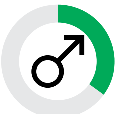
Age < 30 years: 94 employees (19%)

Age 31 – 40 years: 199 employees (40%)

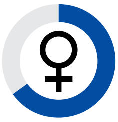
Age 41 – 50 years: 155 employees (31%)

Age > 50 years: 53 employees (10%)

Furthermore, our gender representation underscores our commitment to gender equality, with 65 % of our workforce being women. This diversity empowers us to thrive in an inclusive environment where every voice is heard and valued:



Men: 176 employees (35%)



Women: 325 employees (65%)

Reflecting the multicultural fabric of Malaysia, we also embed ethnic diversity into our workforce composition – celebrating contributions of individuals from different backgrounds:

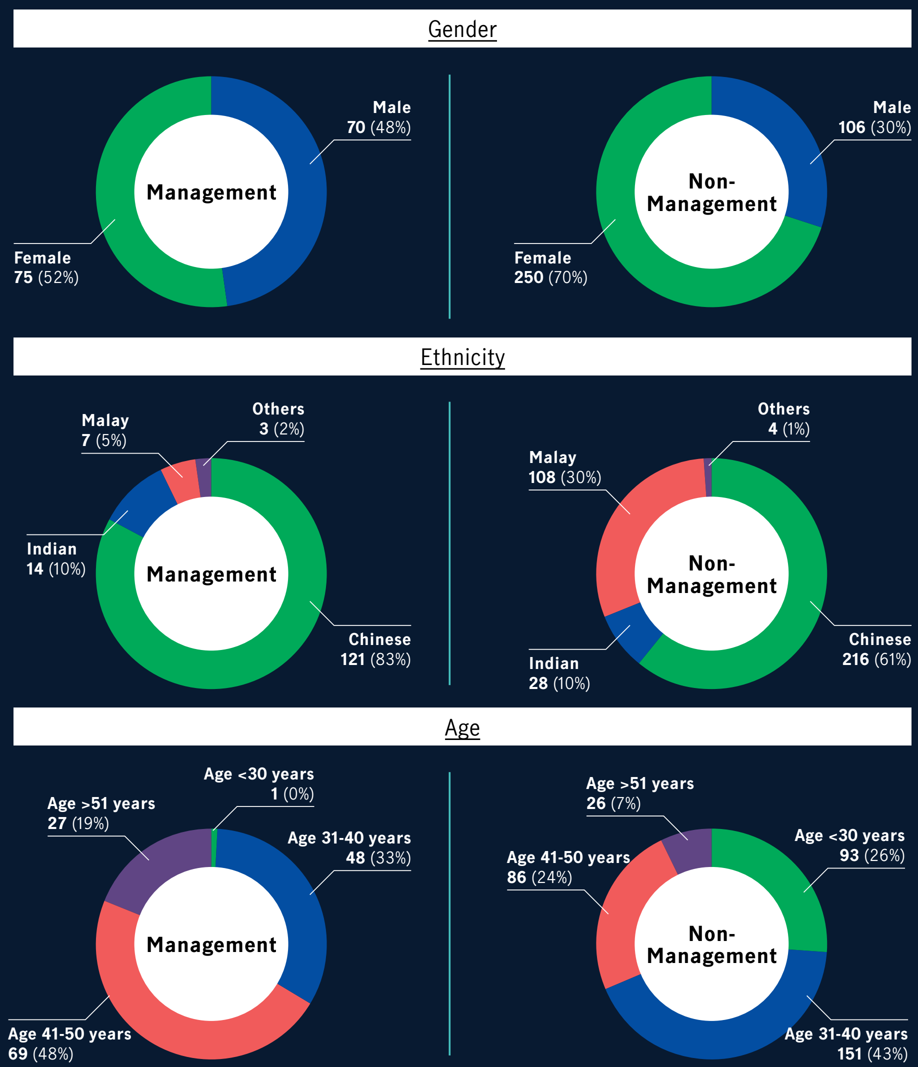
Chinese: 115 employees (23%)

Malay: 337 employees (67%)

Indian: 42 employees (9%)

Others: 7 employees (1%)

Employee demographic breakdown by Management Level



Sustainability Statement

Employee demographic breakdown by Function Group

Gender

Function Group	Man	Woman
Clerical Occupations	24%	76%
Elementary Occupations	40%	60%
Managers	48%	52%
Professional	39%	61%
Technicians & Associate Professionals	19%	81%
Grand Total	**35%**	**65%**

Ethnicity

Function Group	Chinese	Indian	Malay	Others
Clerical Occupations	30%	6%	61%	3%
Elementary Occupations	20%	40%	40%	0%
Managers	83%	10%	5%	2%
Professional	79%	7%	13%	1%
Technicians & Associate Professionals	48%	7%	43%	1%
Grand Total	**67%**	**8%**	**23%**	**1%**

Age

Function Group	Age < 30 yrs	Age 31-40 yrs	Age 41-50 yrs	Age > 51 yrs
Clerical Occupations	42%	33%	12%	12%
Elementary Occupations	40%	40%	10%	10%
Managers	1%	33%	48%	19%
Professional	10%	54%	29%	7%
Technicians & Associate Professionals	41%	31%	22%	6%
Grand Total	**19%**	**40%**	**31%**	**11%**

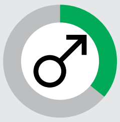
Persons with disabilities
0%

Contract / Temporary Employees
12 (2%)

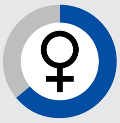
Sustainability Statement

Board of Directors demographic breakdown

Gender



Male:
2 members
(40%)



Female:
3 members
(60%)

Age Group

Age < 50 years:
1 member
(20%)

Age 50 - 60 years:
1 member
(20%)

Age > 60 years:
3 members
(60%)

Ethnicity

Caucasian:
1 member
(20%)

Indian:
3 members
(60%)

Malay:
1 member
(20%)

Women in Management and Leadership

Promoting gender diversity in leadership positions is a priority for us. Our commitment is evident in the representation of women in management roles:

Executive Committee:
11 members,
with women comprising 45% (5 members)

Senior Leadership Team:
Among 33 members, women make up half of the numbers at 48% (16 members)

Additionally, we are proud to note that women hold 60% of the seats on our Board of Directors, showcasing our commitment to gender diversity at the highest levels of leadership.

Raising Awareness on DEI

Fostering an inclusive workplace requires continuous learning and development. In 2023, we rolled out several Diversity and Inclusion training courses as shown below.

Row Labels	% of time spent on training modules
Diversity across Generations: Supporting Workplace Inclusion	47%
Diversity and Inclusion in Marketing: Inclusive Language for Marketers	11%
Diversity, Inclusion, and Belonging	26%
Foundations of Diversity, Equity, Inclusion, and Belonging	15%
How to measure diversity and inclusion	1%
Grand Total	**100%**

These numbers underscore the proactive engagement of our workforce in deepening their understanding of diversity, equity, and inclusion. Through these training initiatives, employees are encouraged to finetune their understanding of DEI and collectively build a culture that emphasises respect and tolerance.

Sustainability Statement

Festive Celebrations in the Office

In a bid to foster a creative and inclusive workplace culture, Manulife organised several festive decorating competitions within its office premises in 2023. From Chinese New Year luncheons to Christmas celebrations, the year-long initiative aimed to celebrate the rich cultural diversity among our employees, promote team collaboration, and infuse a sense of excitement and festivity during each auspicious occasion.

The vibrant decorating extravaganza not only served to promote diversity and festivity, but also encouraged individuals to showcase their artistic talents and cultural appreciation of each occasion. During Hari Raya Aidilfitri for example, teams transformed their workspaces into festive havens, incorporating traditional elements and personal touches to showcase the beauty of Hari Raya. Employees were given the opportunity to share and express their cultural identity through creative displays, contributing to a united and inclusive work environment.

Training and Development

Enabling Independent Learning

At Manulife Malaysia, we recognise that investing in the development of our employees is crucial for building a dynamic and skilled workforce. In our efforts to continuously future-proof our employees, we provide a diverse array of training opportunities and training, many which are delivered via digital platforms to enable them to take charge of their own growth at their own pace, anytime, anywhere.

The Manulife Pursuit Learning Series, for example, is more than just an e-learning platform – it is a gateway to a world of opportunities for personal and professional growth. Introduced in 2021, Pursuit Learning allows employees to explore a range of courses and resources covering various aspects of leadership, technical skills, industry trends, and more. This year, we expanded the platform to mobile: the Pursuit Learning App was inaugurally launched this year, allowing employees to conveniently enrol for courses, conduct e-learning and test assessments, and even view CPD hours status (the number of outstanding hours required to be fulfilled).

Sustainability Statement

We also continued to invest in LinkedIn Learning, which offers employees thousands of expert-led courses, tutorials, and learning paths covering a wide range of topics, from technical skills to soft skills and everything in between. With content curated by industry experts and thought leaders, LinkedIn Learning provided employees with the resources they need to stay ahead of the curve and excel in their careers.

For IT professionals, we invested in Pluralsight, a leading online platform for IT training and skill development. The premier platform offers a vast library of expert-led courses, interactive labs, and hands-on projects – equipping our IT team with the resources needed to navigate the risks of today's digital-first world.

Recharging every second Friday of the month has become an embedded corporate practice, as our 'Fuel-up Friday' initiative continued to encourage work life balance and self-driven learning. In the mornings, employees engaged in dynamic learning programmes, while the afternoons provided them with the freedom to pursue activities of their choice. In total, Manulifers achieved 3,085 hours of training this year.

Management

Learning	Sum of Duration (Hours)	Percentage
Compass	949.90	82%
Linkedin Learning	67.68	6%
Pluralsight	10.59	1%
Pursuit	128.30	11%
Grand Total	**1156.47**	**100%**

Non-Management

Learning	Sum of Duration (Hours)	Percentage
Compass	953.60	49%
Fuel Up Friday	31.27	2%
Linkedin Learning	479.45	25%
Pluralsight	11.98	1%
Pursuit	452.14	23%
Grand Total	**1928.44**	**100%**

Developing Leadership Capabilities

For our Senior Leadership Team ("**SLT**"), we invested in Clifton Strengths Training – a transformative leadership development programme based on the renowned Clifton Strengths assessment, which identifies individuals' unique talents and strengths. Through a series of workshops, coaching sessions, and interactive exercises, SLT members gained a deeper understanding of their strengths and learned how to leverage them effectively to achieve their personal and professional goals.

Manulife also encourages the full utilisation of Human Resource Development Fund ("**HRDF**") allocation; hence, employees are encouraged to expand their participation in any HRDF-claimable training programme and are not restricted to purely industry-related trainings.

Finally, the year saw a long list of curated half-day learning sessions from experts and leaders within the Company's global network. With messages carrying inspired action and shared vision, the following training sessions were conducted:

1. **Adopting a growth mindset:** A message from Pam Kimmet, Manulife Chief Human Resources Officer
2. **Communicating with Impact:** A message from Paul Lorentz, President & CEO, Manulife Investment Management
3. **Fuelling up with Leadership:** A message from Steve Finch, Manulife Chief Actuary
4. **Our Focus on Sustainability:** A message from Rahim Hirji, Chief Auditor, Head of Advisory Services
5. **Making time for wellness:** A message from Phil Witherington, Manulife Chief Financial Officer
6. **Fuelling Up on DEI:** A message from Damien Green, President & CEO, Asia
7. **Your Role in Digital Customer Leadership:** A message from Shamus Weiland, Global Chief Information Officer
8. **Learning about Feedback, Recognition, and Engagement:** A message from Jim Gallagher, General Counsel
9. **Making New Ways of Working Even Better:** A message from Karen Leggett, Global Chief Marketing Officer
10. **Focusing on customer experiences:** A message from Rahul Joshi, Manulife Chief Operations Officer
11. **Knowing our business:** A message from Marc Costantini, Global Head of Inforce Management
12. **Evolving how we work by getting it done together:** A message from Naveed Irshad, President and CEO of Manulife Canada

Sustainability Statement

Supporting a Culture of Growth & Development

In addition to the specific learning programmes above, Manulife Malaysia also enacts several training and learning policies to support the workforce's development. We believe the path to success is unique for everyone, which is why we offer curated benefits and support 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.

- **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 master's 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.

Celebrating and Recognising our Employees

Manulife Turns 60! Annual Gala

In a memorable celebration marking both Manulife's 60th Anniversary and the Company's annual gala, the Company transformed its Annual Dinner in 2023 into an unforgettable event that echoed its long-standing legacy and vibrant corporate culture. The event provided an opportune moment for reflection, where employees connected with the Company's history while looking forward to the promising future that lies ahead.

Adding a unique flavour to the festivities, the event featured mesmerising performances by talented employees, adding a personal touch to the celebration whilst displaying the talent and creativity potent within our employees.

During the gala night, the Company also took the opportunity to honour outstanding achievements and contributions by employees. Long Service Awards were presented to a total of 56 employees, celebrating their dedicated service to the Company.

Sustainability Statement

5 Years Service:
Number of Recipients
28

10 Years Service:
Number of Recipients
19

15 Years Service:
Number of Recipients
5

20 Years Service:
Number of Recipients
4

Manulife 2023 Stars of Excellence

We also take immense pride in commemorating our Stars of Excellence this year — remarkable individuals and teams who stand out within our talented global workforce. As the pinnacle of our recognition initiatives, the Stars of Excellence programme pays tribute to colleagues who have made an extraordinary impact and strive to make every day better for both internal and external customers.

Amongst an impressive global cohort, Ng Kah Wei, Head of Sales of MILL and Ricky Lim, Chief Product Officer of MIB, were jointly selected as Malaysia's Stars. Both winners were selected based on their continued demonstration of values, the stretching limits to make a positive impact to our business, and effective collaboration to drive business results. To extend our celebration of these Stars to the communities we serve, Manulife donated $500CAD (RM1,600) in honour of each awarded individual.

Scale Up Achiever Award

Another standout of the year was the launch of a new quarterly employee recognition programme, the Scale Up Achiever Award. This programme serves as a platform to honour and celebrate the achievements of our employees on a quarterly basis, who consistently embody the core values and attributes of Manulife. Through the Scale Up Achiever Award, we acknowledge individuals who exemplify integrity, collaboration, innovation, and customer focus in their daily work, showcasing their commitment to our organisation's mission and vision.

Sustainability Statement

Podium Recognitions

In addition to the above, Manulife employs a global recognition platform called 'Podium' to ensure that appreciation is widespread at all organisational levels. Podium empowers employees worldwide to express gratitude for their peers, leaders, and teams, sparking a culture of appreciation within the organisation. In 2023, a total of 556 employees received Podium recognitions, an increase from previous year's count of 532. The total number of Podium points awarded also increased, from 1.29mil points the year prior to more than 2.5 million the current year. This represents close to a 100% leap and demonstrates increased familiarity as well as effectiveness of the programme amongst employees.

Podium Recognition Statistics

2,576,060
Total number of Podium Points awarded in Malaysia as of December 2023

556
Total number of employees who received Podium Recognition as of December 2023

Attracting & Retaining Top Talent

Throughout 2023, we welcomed 88 new hires to our organisation, each bringing unique skills and perspectives. We are pleased to note that our new hires represent a diverse range of generations:

Generation X (1965 to 1980):
10 hires (11 %)

Generation Y (1981 to 1997):
58 hires (66 %)

Generation Z (1998 or later):
20 hires (23%)

On the same thread, we recorded an impressive 80% retention rate among our high-potential employees (HIPO Retention) – a result from our efforts to inculcate a rewarding and inclusive corporate culture.

To further break down insights into employee attrition within the organisation, Manulife recorded a total turnover of 22% in 2023. Management (Level 7 and above) turnover stood at 14%, indicating a relatively lower rate of turnover among managerial employees, while non-management (Level 1-6) turnover constituted the majority of the overall turnover at 86%.

Employee Engagement Survey Results

Manulife's most recent Annual Employee Engagement Survey saw an extremely positive participation rate of 97% – one of our highest participations yet, up from 94% last year. Results-wise, Manulife achieved a mean score of 4.45 out of 5. This year's results have placed us in the 77% percentile against Gallup's financial and insurance company benchmark, where Manulife sustained its top quartile engagement scores.

Under our Accountability index score, we scored 4.52, whereas under the Company's Risk Index, we scored 4.41. The Risk index provides insight into employee wellbeing, addressing sentiments such as safety to voice out concerns, disagreements, or questions of ethics to the company and its leaders.

We are fully committed to making a positive impact in our communities, standing by them during both good and tough times. Taking guidance from Manulife's Impact Agenda, we strive to drive meaningful programmes and engagements in our community to create a more inclusive and even playing field for all.

Touching Lives in the Community

Chapter Highlights:

- Phase 2 of the Manulife MY Community Grant saw successful initiatives carried out in collaboration with manekNya, MyKasih, ENOKU, Hopes Malaysia, and more.
- One-fifth (89 people) of our headquarter's workforce united for Manulife's Volunteer Week.
- During the year end, our Season of Giving saw more than 100 Manulifers gather to volunteer in conjunction with our Global Volunteer Day. We also organised several other community initiatives to support this campaign.
- Our blood donation drive saw an increase in registrations and donors, allowing the donation drive to collect 29 litres of blood and saving potentially up to 192 lives.

Sustainability Statement

At the heart of Manulife's corporate ethos lies a deep-rooted commitment to serving communities, empowering individuals, and fostering positive change. With renewed vigour each year, we look for ways to elevate our programmes and initiatives, so that they effectively address the challenges of the day in a way that is authentic and speaks to the communities we work with.

This year, we are pleased to share impactful outcomes from Phase 2 of our Manulife MY Grant. From eco-farming to purpose-driven social enterprises, the concluded programmes successfully embedded the nexus between people and planet – delivering measurable results that address both the community's welfare as well as the environment's. In total, Manulife Malaysia invested RM160,616 on our community initiatives in 2023.

Uplifting Communities: Phase 2 of MY Community Grant 2023

The Manulife MY Community Grant entered its second phase with a robust engagement strategy aimed at creating a positive impact on Malaysian communities. Building upon the success of Phase 1, which saw 101 applications submitted and over 17,000 people positively impacted, Phase 2 unfolded with three distinctive initiatives, each addressing different aspects of societal wellbeing and development.

Creative Upskilling with manekNya and MyKasih

At the onset of 2023, Manulife reached out to MyKasih to curate a tailored programme, with the aim of empowering 100 individuals, with a special focus on youths, individuals with disabilities, and single or stay-at-home mothers. We landed on a creative programme in collaboration with manekNya, a social enterprise that focuses on the Peranakan beading craft, a cultural tradition practised for centuries.

Impact Agenda Alignment:	▷ Drive inclusive economic opportunity
Programme Duration:	▷ 7 months (July - December 2023)
Beneficiaries/Impacted:	▷ Vulnerable women from B40 communities/100 individuals
Key Impacts:	▷ Sustained income for marginalised communities ▷ Cultural preservation of kasot manek and the legacy of the Baba Nyonya community

With the green light from Manulife, MyKasih joined hands with social enterprises like SURI Lifestyle, the Young Women's Christian Association of Kuala Lumpur ("**YWCA KL**") and Enable OKU ("**ENOKU**") to invite and welcome interested participants to the project.

With upskilling programmes conducted by manekNya, participants were not only taught the skills needed to create beautiful beadwork pieces, but were equipped with skills that could be applied to other areas of life – for example, experience needed to start their own small business or generate additional income. From an environmental perspective, 30-40% of the cloth that was used for training were recycled clothes. Participants and trainers also utilised public transport to travel to trainings, saving a total 0.33 tonnes of CO_2[1].

[1] calculated based on: https://www.carbonfootprint.com/calculator.as

Sustainability Statement

In total, manekNya successfully reached out to 100 women, out of which 91 women were successfully trained after 32 training sessions (eight training sessions in four locations). The participants came from various backgrounds, and included youths, single mothers, mothers of children with disabilities.

Post-programme, some of the women have signed up as trainers and/or bead embroiderers of manekNya, while others will continue to apply the new skill to their repertoire (for example, 3-4 women from SURI Lifestyle have been commissioned to design clothes featuring bead embroidery for SURI fashion shows in Langkawi).

Tackling Rural Poverty in Kota Belud, Sabah with Hopes Malaysia

Impact Agenda Alignment:	▷ Drive inclusive economic opportunity; Empower sustained health & wellbeing
Programme Duration:	▷ 5 months (January - May 2023)
Beneficiaries/Impacted:	▷ Hardcore poor/150 individuals
Key Impacts:	▷ 40-53% increase in extra monthly household income ▷ More than 20kg of fresh produce harvested per month ▷ Ensuring food security and sustainable income for 30 farming households

Remote communities in Kota Belud, Sabah have been facing poverty issues such as food security and unsustainable income. Daily life for villagers in the 74 remote and neglected rural communities in the Kadamaian area of Kota Belud has only become harder, as the rising cost of living and pandemic hardships have resulted in many vulnerable families and their children facing challenging times.

Sustainability Statement

In the second year of our partnership with Hopes Malaysia, we have continued to empower communities in the remote and poverty-stricken Kadamaian region of Kota Belud. This is achieved by implementing the Four-Phase Development Model which entails uplifting villages according to the priority of needs. By connecting underserved communities with clean water and rehabilitating the village land, rural families are able to carry out sustainable small-scale farming for improved food security and livelihood. From a capacity-building perspective, the programme also facilitates frequent rural community farming workshops, leading to increased food security and environmental stewardship. Further down the value chain, participants sell their excess produce and homemade products at the local community stall, Gerai Tamu Kita, improving their socioeconomic conditions and overall wellbeing.

> "My team and I are extremely thankful to Manulife for seeing value in our sustainable work in rural Sabah. From supporting Hopes Malaysia's Covid-19 fresh food aid to sustainable farming initiatives for families in need, our impactful collaboration has brought much-needed assistance to underserved communities in Kota Belud, Sabah."
>
> **- Sam Lee, Founder of Hopes Malaysia**

Young Reporters for the Environment with GGAF

Impact Agenda Alignment:	▷ Accelerate a sustainable future
Programme Duration:	▷ 6 months (May - December 2023)
Beneficiaries/Impacted:	▷ Students/more than 400 youths
Key Impacts:	▷ Identification and definition of local environmental issues ▷ Youths inspiring change within their local communities ▷ Development of a range of skills, including photography, videography, and storytelling

Acknowledging the pivotal role of youth voices in environmental advocacy, Manulife proudly partnered with the Green Growth Asia Foundation (GGAF) to launch the Young Reporters for the Environment programme in 2023 — an innovative journalism initiative empowering the next generation to catalyse environmental actions through the art of storytelling.

Aligned with Manulife's impact agenda to accelerate a sustainable future, the programme harnesses the transformative power of youth-driven storytelling to champion environmental action at the grassroots level. By engaging and exposing students through such creative platforms, Manulife hopes to inspire the next generation of leaders to fight for a more sustainable world.

Sustainability Statement

A Force for Good: Manulife's Volunteer Week 2023

In a week filled with purpose and positive action, Manulifers in Malaysia joined hands to make a meaningful impact through four projects that took place mid-year. With 89 sign-ups, translating to approximately 20% of our headquarters' population, Manulife Malaysia's Volunteer Week 2023 saw an enthusiastic turnout of dedicated employees eager to make a difference.

These initiatives were strategically aligned with Manulife's core values and Impact Agenda; aiming to empower sustained health and wellbeing, accelerate a sustainable future, and drive inclusive economic opportunity. Throughout the week, a total of 327 volunteer hours were accumulated, a 6.5% increase compared to the previous year.

Community Farming with Kebun Komuniti Hartamas

In collaboration with Kebun Komuniti Hartamas, 25 dedicated Manulife employees participated in planting and weeding activities at an urban community edible garden in Kuala Lumpur. This initiative was closely aligned with Manulife's commitment to empower sustained health and wellbeing and accelerate a sustainable future.

The initiative heightened awareness among the participating employees regarding composting, organic produce, and the farm-to-table concept. This hands-on experience fostered a deeper understanding of sustainable agricultural practices.

River Clean-up with Fuze Ecoteer

During the same week, 15 Manulife employees joined forces with Fuze Ecoteer to remove solid waste from the Kayu Ara riverbank, situated near low-cost flats in Lembah Subang. This initiative was aligned with Manulife's goals of accelerating a sustainable future and driving inclusive economic opportunity.

The river clean-up effort resulted in the removal of more than 250kg of waste, with a specific focus on plastic waste. The experience exposed participants to waste auditing, shedding light on the prevalence of plastic pollution in the environment.

Sustainability Statement

Sign Language Workshop with ENOKU (formerly Enable OKU)

As part of our commitment to driving inclusive economic opportunity, we also collaborated with ENOKU to organise a sign language learning awareness workshop during the Volunteer Week. The activity helped employees gain greater awareness of the challenges the deaf community faces in navigating societal norms and the need for more inclusion of People with Disabilities ("**PWD**") in workplaces.

Importantly, the collaboration opened up the possibilities of hiring potential or future employees which are PWDs through ENOKU.

Faisal Cup with Dignity for Children

The 15th Faisal Cup Finals, organised in collaboration with Dignity for Children, unfolded with great excitement and passion in June. The event brought together 120 external volunteers from various corporate partners, including Manulife Insurance. This event, designed to empower underprivileged children to play football without fear, aligned with Manulife's goal to empower sustained health and wellbeing.

In total, the tournament saw participation from 189 teams and an astounding 1,512 players hailing from different regions, including the Klang Valley, Penang, and Johor. Among the participants, 1,080 boys and 432 girls took to the field, accounting for an impressive 28% of the total participants. With age categories ranging from U8 to U18 for both boys and girls, the tournament showcased a wide range of talent and skill, proving that football knows no boundaries.

Sustainability Statement

Manulife Global Season of Giving

MOVE Employees Challenge & Act of Kindness

In a powerful extension of Manulife's heartfelt 'Season of Giving' campaign, the Global Volunteer Week took centre stage for Manulifers across the world in November. This initiative, fuelled by the passion and dedication of over 2,000 volunteers across the globe, exemplifies the Company's commitment to making a tangible difference in communities near and far.

In the 'MOVE for your Community' Challenge, our employees were not only encouraged to stay active for their own wellbeing but also for the betterment of society. Across Asia, 841 employees collectively amassed an impressive total of 34.2 million steps through their volunteering efforts. These activities ranged from teaching children and planting trees to engaging in exercises with the elderly.

The impact of these steps is far-reaching. The 34.2 million steps achieved in the challenge will be transformed into various forms of support for communities in need:

- **1,000 water-repellent jackets:** These will be provided to underprivileged children in Hong Kong through the Tung Wah Group of Hospitals.
- **2,600 care packs:** These packs will be distributed to migrant workers in Singapore through HealthServe.
- **10,000 lunches:** These meals will benefit 150 local charity school students in Vietnam through the Lotus Charity Foundation.
- **900 Peso Smart learning kits:** Elementary school students in the Philippines will receive these kits through the Corazon Sanchez Atayde Memorial Foundation and Gawad Kalinga Community Development Foundation.
- **1 public sanitation facility and 1 clean water facility:** These facilities will serve 400 people in Indonesia and will be implemented through Dompet Dhuafa.
- **700 lunches with reusable boxes:** Students in Cambodia, attending the Rabbit School across all campuses, will receive these sustainable lunches.
- **An upgraded sewing facility:** This facility will provide economic opportunities to underserved women in Malaysia. It includes essential equipment such as an industrial button machine, fabric-cutting table, industrial iron table, and portable sewing machines, and will be facilitated through the MyKasih Foundation.

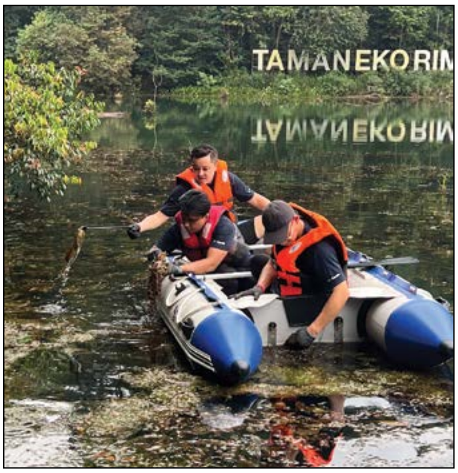
Additionally, we also carried out our annual #ManulifeActofKindness programme as part of our Season of Giving, where every employee receives the equivalent of $50 CAD to carry out the simple yet powerful task of creating an act of kindness in their communities.

Sustainability Statement

Global Volunteer Day: Forest Restoration Programme

Manulife Malaysia orchestrated a Forest Restoration event in partnership with the Kota Damansara Community Forest Society (KDCFS), uniting more than 100 Manulifers during our Global Volunteer Day. The event saw a diverse assembly of volunteers, including notable figures such as Dato Dr. Zaha Rina, Chairman of MHB Board of Directors, and Ms Mary James, MIB Director. Other participants included our Group CEO, EXCOs, employees agents and advisors.

A total of 110 individuals registered to volunteer, representing a commendable 22% of Manulife Malaysia's workforce. The collective efforts of the volunteers resulted in an accumulation of over 400 volunteer hours during the Forest Restoration Programme. This marked a significant contribution to the broader objective of community service, with Manulife Malaysia boasting a cumulative 727 volunteer hours throughout the year 2023.



Enriching Lives through Giving

Running for Cancer Research

Close to 80 Manulifers gathered at Four Seasons KL on May 7th for a noteworthy cause: the annual Terry Fox Fun-Run. The annual run is organised in commemoration of Terry Fox, an inspirational athlete who was merely 18 years old in 1977 when he received the devastating diagnosis of bone cancer.

This event, spanning 5.2km across Kuala Lumpur, was just one of the many Terry Fox Runs organised globally, inspired by Terry Fox's remarkable Marathon of Hope. Funds were raised in support of Cancer Research Malaysia, a non-profit organisation conducting research and discovering new ways to prevent, detect, treat and manage cancer.

Sustainability Statement

Nationwide Blood Donation Drive

On 9 October 2023, Manulife Malaysia successfully concluded a nationwide blood donation drive, with a total 101 individuals registered for the event, and 64 donors being accepted. The participants included a diverse group comprising employees, representatives from JTI (a participating tenant), agents, and visitors who joined as walk-ins.

Led by Life Insurance Association of Malaysia (LIAM) and in partnership with Malaysia's National Blood Bank (PDN), this initiative saw two significant events—one held at our headquarters (Menara Manulife) and another at our branch in Sarawak (Kuching).

This year brought about significant milestones, with an impressive 11.8% increase in sign-ups compared to 2022 and an extraordinary 52% surge in the number of donors. The inclusive participation of tenants from Menara Manulife and agents added a collaborative touch, reflecting a united front in contributing to the wellbeing of our community. In total, approximately 29 litres of blood were collected, potentially saving up to 192 lives in the community.

International Women's Day Bazaar

On International Women's Day, Manulife orchestrated a series of meaningful activities to honour and empower women. The atmosphere was vibrant with enthusiasm as employees and participants alike adorned themselves in the colour purple, symbolising solidarity and support for women's rights and equality.

One of the highlights of the day was the support extended to local entrepreneurs, including blind massage therapists, beauty specialists, and food and craft vendors. It was a fun-filled event that not only helped support local businesses but also promoted a more inclusive and caring work environment.

ESG Performance Data

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Non Management	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	160,616.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	17,000
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Technician and Associate Professional Under 30	Percentage	34.27
Technician and Associate Professional Between 30-50	Percentage	59.44
Technician and Associate Professional Above 51	Percentage	6.29
Professional Under 30	Percentage	8.24
Professional Between 30-50	Percentage	84.71
Professional Above 51	Percentage	7.06
Manager Under 30	Percentage	0.69
Manager Between 30-50	Percentage	80.69
Manager Above 51	Percentage	18.62
Elementary and Clerical Occupation Under 30	Percentage	41.86
Elementary and Clerical Occupation Between 30-50	Percentage	46.51
Elementary and Clerical Occupation Above 51	Percentage	11.63
Gender Group by Employee Category		
Technician and Associate Professional Male	Percentage	19.00
Technician and Associate Professional Female	Percentage	81.00
Professional Male	Percentage	39.00
Professional Female	Percentage	61.00
Manager Male	Percentage	48.00
Manager Female	Percentage	52.00
Elementary and Clerical Occupation Male	Percentage	28.00
Elementary and Clerical Occupation Female	Percentage	72.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	40.00
Female	Percentage	60.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	3,117.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	1,156
Non Management	Hours	1,928
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	15
Non Management	Number	94
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.023970

Internal assurance | External assurance | No assurance | (*)Restated

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 2023.

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**")'s 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 except for matters requiring shareholders' approval. It sets the strategic direction and mission of the Company. 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 approving the 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 systems, 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 has developed its 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 2023, 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. None of the Board Committees is chaired by the Chair of the Board, nor is the Chair of Board a member of any of the Board Committees.

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. understand 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;
2. identify principal risks, setting of risk appetites, and ensure the implementation of appropriate internal controls and systems, and mitigation measures;
3. monitor and assess developments which may affect the Group's strategic plans;
4. provide clear objectives and policies within which the management of the Company is to operate;
5. monitor the management's performance in the implementation of the strategies and provide relevant direction and advice when necessary and/or to ensure the achievement of the Company's objectives;
6. review 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. promote, together with Management, a sound corporate culture within the Company which reinforces ethical, prudent, and professional behaviour;
8. 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;
9. oversee the development and implementation of shareholder communications policy for the Company; and
10. avoid conflicts of interest and ensuring appropriate disclosure of possible conflicts of interest.

The Board in discharging their duties will have regard to the Companies Act 2016 and the relevant guidelines/standards applicable to the Company as issued from time to time.

In addition to matters reserved to the Board by the law or regulator, the following matters are specifically reserved for the Board's approval which include, among others, reviewing and approving the following:

1. Strategic/business plans and annual budget.
2. New investments, divestments, mergers and acquisitions and corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad.
3. Acquisition and disposal of significant assets of the Company.
4. Annual financial statements and the quarterly financial results prior to release to Bursa Malaysia Securities.
5. Appointment or removal from the positions of new Directors, CEO, company secretary and other members of senior management of the Company based on the recommendation of the Group Nominating/Remuneration Committee.
6. Related party transactions and capital financing.

Corporate Governance Overview Statement

THE BOARD (CONTINUED)

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 2023. 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 2023. 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	4/5
Ms. Vibha Hamsi Coburn	5/5
Mr. Renzo Christopher Viegas	4/5

This is also evidenced by the attendance record for the financial year ended 31 December 2023 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.

Despite not having a Board Diversity Policy or Gender Diversity Policy, 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. Notwithstanding the above, as at 31 December 2023, three out of five (60%) of the Directors are women Directors.

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 94 to 96 of this Annual Report.

Members

1. Mr. Renzo Christopher Viegas
   Chairman/Independent Non-Executive Director
2. Mrs. Vijayam A/P Nadarajah
   Member/Independent Non-Executive Director
3. 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 2023 is set out under the Group Audit Committee Report on page 94 of this Annual Report.

Corporate Governance Overview Statement

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
1. Mrs. Vijayam A/P Nadarajah
   Chairman/Independent Non-Executive Director
2. Mr. Matthew Edward Lawrence
   Member/Non-Independent Non-Executive Director
3. 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.

Meeting Attendance

The attendance of the Group Risk Management Committee's members for the financial year ended 31 December 2023 are as follows:-

Name of Members	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

Corporate Governance Overview Statement

GROUP NOMINATING/REMUNERATION COMMITTEE

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

Members

1. Dato' Dr. Zaha Rina binti Zahari (resigned 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)
   Chairman/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 2023 are as follows:-

Name of Members	Attendance
Dato' Dr. Zaha Rina binti Zahari (resigned w.e.f. 1 April 2023)	4 out of 4#
Mr. Renzo Christopher Viegas	8 out of 8
Mrs. Vijayam A/P Nadarajah	8 out of 8
Mr. Matthew Edward Lawrence	7 out of 8

Reflects the number of meetings held during the financial year ended 31 December 2023 prior to her resignation as a Chairman and member.

For the financial year ended 31 December 2023, the Group Nominating/Remuneration Committee has undertaken the following activities:-

1. Reviewed the annual performance bonus and increment for the staff of MHB and its subsidiaries (except for Manulife Insurance Berhad ("**MIB**"));
2. Reviewed the performance of key senior officers of MHB and/or its subsidiaries;
3. Reviewed the succession plan for senior management of MHB and its subsidiaries (except for MIB);
4. Reviewed the performance of the Board as a whole and Board Committees including Group Audit Committee;
5. Reviewed and recommended the re-election of the Directors who are due to retire by rotation at the Forty-Seventh Annual General Meeting of the Company;
6. Reviewed and recommended the retention of Dato' Dr. Zaha Rina Binti Zahari as Independent Non-Executive Director of the Company for recommendation to the shareholders for approval;
7. Reviewed the directors' fees prior to tabling to the Company's shareholders for their approval at the Annual General Meeting;
8. Appointment of Chief Financial Officer, Head of Audit Services and Chief Human Resources Officer.
9. Reviewed the term of office and performance of the Group Audit Committee and its members including the redesignation of Mr. Renzo Christopher Viegas.
10. 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.

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. guide the Board in the fulfilment of its duties. In guiding and directing the Board, ensures the focus of the Board's attention is on strategically important issues and compliance with regulatory requirements;
2. together with the secretary, sets the agenda, style and tone of the Board discussions to promote effective decision-making and constructive debate in meetings, including managing the discussion to ensure that appropriate time is allowed to consideration of issue;
3. ensure that directors take into consideration the realities of operating within the Manulife Group of Companies and provide direction that aligns with the Group's strategy;
4. ensure the directors receive accurate, timely and clear information on the Company and its activities;
5. encourage active engagement by all the members of the Board;
6. lead the board in the adoption and implementation of good corporate governance practices in the Company and/or ensure that all appropriate procedures are in place to govern the Board's operations;
7. lead efforts to address the Board's developmental needs; ensure independence of the Board in discharging its duties which includes encouraging non-executive directors to meet regularly to discuss among other things strategic, governance and operational issues;
8. escalate issues, as appropriate, in accordance with the policy; and
9. discharges any other responsibilities as required by any applicable law, the policy or standard.

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.

Corporate Governance Overview Statement

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 mission 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:-

1. developing strategic direction;
2. ensuring strategies and corporate policies are effectively implemented;
3. ensuring Board's decisions are implemented and Board's directions are responded to;
4. providing directions in the implementation of short and long-term business plans;
5. providing strong leadership, that is, effectively communicating a vision, management philosophy and business strategy to the employees;
6. keeping the Board fully informed of all important aspects of the Group's operations and ensuring sufficient information is disseminated to Board members;
7. ensuring the day-to-day business affairs of the Group are effectively managed; and
8. 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 in place.

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.

Corporate Governance Overview Statement

BOARD CHARTER

A Board Charter was formalised and adopted by the Board on 21 November 2013 and was last updated on 25 October 2023. 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	Sustainability In the Digital Age by Georg Kell & Carolina Minio Paluello (Asia School of Business ["**ASB**"])
	Mandatory Accreditation Programme Part II: Leading for Impact (Institute of Corporate Directors Malaysia [("**ICDM**")])
	IFRS 17: Understanding its impact and consequences, Insurance Reporting (IFRS 17 & IFRS 9) and Post-IFRS Readiness (Ernst & Young PLT ["**EY**"])
	Environmental, Social and Governance ("**ESG**") (EY)
	Digital Economy and Capital Market Series Financial Technology ("**Fintech**") and Big Data (CHK Consultancy Sdn Bhd ["**CHK**"])
	Digital Economy and Capital Market Series Artificial Intelligence ("**A1**") and Internet of Things (CHK)
	AMLA, Market Misconduct and Compliance Requirements (CHK)
	Code of Ethics, Anti-Bribery and Anti-corruption Policy & Managing of Customer Information (CHK)
	Reshaping Malaysia's Narrative Series 1: Strengthening Resilience & Sustaining Growth (Bursa Malaysia Berhad ["**Bursa**"])
	Networking Discussion with President of Singapore (Kuala Lumpur Business Club)
	Invest Malaysia KL Series 2; Topic : Digital Malaysia – Tomorrow's Infrastructure, Today (Bursa in collaboration with Macquarie)
	Environmental, Social and Governance ("**ESG**") (Internal; by Chief Sustainable Investment Officer, Public Markets)
	PLC Transformation ("**PLCT**") Programme: S3 Restructuring and Financing Workshop (Sage 3 Sdn Bhd ["**Sage 3**"])
	ICDM Seminar / Dialogue Session, The Path to Viability (Sage 3)
Mrs. Vijayam A/P Nadarajah	Business Luncheon Talk on "Can America stop China's rise? Will ASEAN be damaged?" by Professor Kishore Mahbubani (FIDE Forum)
	Suite Stalk - Inside Stories of Sustainability Champions (Securities Industry Development Corporation ["**SIDC**"])
	Sustainability In the Digital Age by Georg Kell & Carolina Minio Paluello (ASB)
	IFRS 17: Understanding its impact and consequences, Insurance Reporting (IFRS 17 & IFRS 9) and Post-IFRS Readiness (EY)
	Environmental, Social and Governance (ESG) (EY)
	Bursa Malaysia Mandatory Accreditation Programme (MAP) (ICDM)
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) (ICDM)

Corporate Governance Overview Statement

DIRECTORS' TRAINING (CONTINUED)

Name of Director	Training/Conference/Seminar/Forum Attended
Mr. Matthew Edward Lawrence	2023 Anti-Money Laundering and Terrorist Financing Training by Global Compliance (*Internal*)
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	Complimentary Talk on "Board Oversight of Climate Risks and Opportunities" (ASB)
	2023 Anti-Bribery and Anti-Corruption Compliance Training by Asia Compliance (*Internal*)
	2023 Fraud Awareness Training by Regional Compliance (*Internal*)
	Anti-Bribery & Anti-Corruption Compliance Training for Board of Directors (*Internal*)
	AML/CFT Refresher Training for Board of Directors (*Internal*)
Ms. Vibha Hamsi Coburn	Business Luncheon Talk on "Can America stop China's rise? Will ASEAN be damaged?" by Professor Kishore Mahbubani (FIDE Forum)
	KLBC Fireside Chat with Datuk Seri Amir Hamzah Azizan, Chief Executive Officer of the Employees Provident Fund (EPF) (Kuala Lumpur Business Club)
	Sustainability In the Digital Age by Georg Kell & Carolina Minio Paluello (ASB)
	Program: What amounts to a Conflict of Interest by Directors? (ASB)
	IFRS 17: Understanding its impact and consequences, Insurance Reporting (IFRS 17 & IFRS 9) and Post-IFRS Readiness (EY)
	Environmental, Social and Governance (ESG) (EY)
Mr. Renzo Christopher Viegas	Business Luncheon Talk on "Can America stop China's rise? Will ASEAN be damaged?" by Professor Kishore Mahbubani (FIDE Forum)
	Webinar Series - Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know (FIDE Forum)
	Bursa: Conflict of Interest and Governance of Conflict of Interest (ASB)
	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers (Bursa Malaysia)
	IFRS 17: Understanding its impact and consequences, Insurance Reporting (IFRS 17 & IFRS 9) and Post-IFRS Readiness (EY)
	Environmental, Social and Governance (ESG) (EY)
	BNRC Dialogue & Networking - 2023 (ICDM)
	Distinguished Board Leadership Series 2023 - Empowering Change through Diversity, Equity & Inclusion (DEI) (FIDE Forum)
	AI and Financial Institutions: Friends or Foe? (FIDE Forum)

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.

Corporate Governance Overview Statement

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

The remuneration of the Directors for the financial year ended 31 December 2023 is set out below:-

	Fees (RM'000)	Allowance (RM'000)	Salaries (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
COMPANY							
Executive							
Ms. Vibha Hamsi Coburn	-	-	573	264	-	199	1,036
Non-Executive							
Dato' Dr. Zaha Rina Binti Zahari	116	-	-	-	-	-	116
Mrs. Vijayam A/P Nadarajah	97	-	-	-	-	-	97
Mr. Matthew Edward Lawrence	74	-	-	-	-	-	74
Mr. Renzo Christopher Viegas	100	-	-	-	-	-	100
GROUP							
Executive							
Ms. Vibha Hamsi Coburn	-	-	2,868	1,320	-	996	5,184
Non-Executive							
Dato' Dr. Zaha Rina Binti Zahari	196	-	-	-	-	-	196
Mrs. Vijayam A/P Nadarajah	198	-	-	-	-	-	198
Mr. Matthew Edward Lawrence	74	-	-	-	-	-	74
Mr. Renzo Christopher Viegas	201	-	-	-	-	-	201

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 the 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-Eighth 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-Seventh 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-Seventh 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 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.

Corporate Governance Overview Statement

RELATIONSHIP WITH AUDITORS

The Group Audit Committee at the meeting held in February 2024 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 2023. 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 2024. The Board at its meeting held in February 2024 approved the Group Audit Committee's recommendation for the shareholders' approval to be sought at the Forty-Eighth AGM of the Company on the re-appointment of EY as external auditors of the Company for the financial year 2024.

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 87 to 90 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 96 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 was approved in accordance with a resolution of the Board dated 27 March 2024.

Statement on Risk Management and Internal Control

For the Year 2023

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 ("**GAC**") 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. Organizational 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 organizational 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, market, credit, product and operational risk. A formalized risk assessment is conducted quarterly by the respective risk owners, comprising the heads of business units. For the key risks identified, Management Mitigation Actions 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.

Statement on Risk Management and Internal Control

For the Year 2023

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, analyze, 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; and
- 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 ("MIB") is performed by the Appointed Actuary ("**AA**"), as guided by policy document issued by Bank Negara Malaysia namely (BNM/RH/PD/003-17) Financial Condition Report and (BNM/RH/PD/032-12) Risk Based Capital Framework for Insurers. 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 are in accordance with BNM/RH/STD 029-5 - Appointed Actuary: "Appointment and Duties".

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 'Directive on Minimum Capital Requirement by Labuan Licensed Entities', 'Guidelines on Insurance Capital Adequacy Framework' and 'Guidelines on Valuation Basis for Liabilities of Labuan Life Insurance Business' (the Guidelines). Generally, the appointment and duties of the AA are in accordance with Section 7.0 Appointed Actuary Requirements of the Guidelines.

Statement on Risk Management and Internal Control

For the Year 2023

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 Manulife Holding Berhad's (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, Manulife has in place a Compliance Policy that is driven by the Compliance Department in managing compliance risk within the business. The Compliance Policy is reviewed on a periodic basis or as and when required to reflect current practices and the applicable regulatory requirements.

Under the Three Lines of Defense Model, all business and support units are required to review, assess and establish the necessary controls to ensure compliance with 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 Boards 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 & 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 program 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 which covers alternate site test, tabletop exercise, 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 internal policies and standards, 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 Group 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.

Statement on Risk Management and Internal Control

For the Year 2023

ASSURANCE FROM MANAGEMENT

The Board has received full assurance from the Group CEO and respective entities' Head of Risk Management 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

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 26 February 2024.

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 2023 are as follows:-

Services	Company (RM'000)	Group (RM'000)
Audit Fees	202	1,832
Non-statutory audit-related services	11	59
Total	213	1,891

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-Seventh Annual General Meeting ("**AGM**") of the Company held on 23 June 2023, 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 2023 pursuant to the Shareholders' Mandate are disclosed as follows:-

<table>
<tr><th>No.</th><th>Nature of Transactions</th><th>Transacting Party</th><th>Class of Related Party</th><th>Actual value of transaction (RM'000)</th><th>Interested Related Party</th></tr>
<tr><td>1</td><td>Provision of various training, advisory and support services from Manulife Asia headquarters</td><td>MHB Group</td><td>MFAL^^</td><td>844</td><td rowspan="8"><u>Interested Director*</u>
Matthew Edward Lawrence

<u>Interested Major Shareholders</u>
MFC~
MLIC#
MHBL^
MFAL^^
MCHN¤</td></tr>
<tr><td>2</td><td>Outsourcing of asset management subsidiary back-office system</td><td>MIMMB</td><td>MFC Group~</td><td>2,637</td></tr>
<tr><td>3</td><td>Provision of treasury system</td><td>MHB Group</td><td>MFC Group~</td><td>-</td></tr>
<tr><td>4</td><td>Investment management/ advisory and other related services</td><td>MIMMB</td><td>MIMHK^^</td><td>3,222</td></tr>
<tr><td>5</td><td>Investment management/ advisory and other related services</td><td>MIMMB</td><td>MIMUSø</td><td>3,232</td></tr>
<tr><td>6</td><td>Investment management</td><td>MILL</td><td>MIMPMUSø</td><td>364</td></tr>
<tr><td>7</td><td>Provision of social media operational support services</td><td>MIMMB</td><td>MDSIø</td><td>95</td></tr>
<tr><td>8</td><td>Provision for actuarial services provided by Manulife's Regional Office</td><td>MHB Group</td><td>MFC Group~</td><td>-</td></tr>
</table>

Additional Compliance Information

No.	Nature of Transactions	Transacting Party	Class of Related Party	Actual value of transaction (RM'000)	Interested Related Party
9	**Outsourcing of human resource operations including payroll and back-office processing**	MHB Group	MFC Group~	724	Interested Director* Matthew Edward Lawrence Interested Major Shareholders MFC~ MLIC# MHBL^ MFAL^^ MCHN¤
10	**Accounting and finance support**	MHB Group	MFC Group~	914	
11	**Provision of application system services and infrastructure support**	MHB Group	MFC Group~	26,538	
12	**Outsourcing of foreign exchange hedging services in respect of foreign currency exposure**	MHB Group	MFC Group~	-	
13	**Provision of regional reinsurance administrative services**	MHB Group	MFC Group~	-	
14	**Provision of the back-office support for staff claims**	MHB Group	MFC Group~	34	
15	**Malaysia Net Promoter System (NPS) dashboard support**	MHB Group	MFC Group~	-	
16	**Investment management and other related services**	MIMMB	MAMI^^	92	
17	**Investment management / advisory and other related services**	MIMMB	MIM Canadaø	-	
18	**Investment management for private debt**	MHB Group	SAGA^^	16	
19	**Reinsurance Provider**	MILL	MIL Bermuda^^	274	
20	**Investment management/ advisory, distribution and other related services**	MIMMB	MIMSP^^	821	
21	**Manulife Centre of Excellence – Operations, compliance and information technology support services**	MIMMB	MFC Group~	(3,449)	
22	**Investment consulting services and foreign exchange hedging (private equity)**	MHB Group	MANGA^^	757	
23	**Actuarial valuation model operational support to Valuation Shared Service Centre (VSSC)**	MHB Group	MFC Group~	875	
24	**Actuarial valuation model operational support to Valuation System Transformation (VST) Lite**	MHB Group	MFC Group~	251	
25	**Provision of learning management system and support**	MIMMB	MFC Group~	-	

Additional Compliance Information

At the Forty-Sixth AGM of the Company held on 10 June 2022, the Company had obtained the shareholders' mandate to allow the Group to enter into RRPTs ("**2022 Shareholders' Mandate**"). Despite the following 2022 Shareholders' Mandate not being renewed in the Forty-Seventh AGM of the Company, the details of the RRPTs conducted for the financial period from 1 January 2023 to 23 June 2023 (within the financial year ended 31 December 2023) pursuant to the 2022 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	**Investment management/ advisory and other related services**	MIMMB	MIMSP^^	646	Interested Director* Matthew Edward Lawrence Interested Major Shareholders MFC~ MLIC# MHBL^ MFAL^^ MCHN¤
2	**Manulife Centre of Excellence – Operations and information technology support services**	MIMMB	MFC Group~	(1,772)	
3	**Investment consulting services**	MHB Group	MANGA^^	558	
4	**Actuarial valuation model run support**	MHB Group	MFC Group~	880	

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 and its subsidiaries
MFAL	-	Manulife Financial Asia Limited
MHB Group	-	Manulife Holdings Berhad and its subsidiaries
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 28 April 2023.

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 2023 ("**FY2023**") 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 FY2023 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 FY2023.

III. SUMMARY OF ACTIVITIES

The Group Audit Committee's activities during the FY2023 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 2022 and the Audited Group Financial Statements for the financial year ended 31 December 2022 ("**FY2022**") at its meetings held on 20 February 2023 and 29 March 2023 respectively. The quarterly financial statements for the first, second and third quarters of 2023, 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 23 May 2023, 17 August 2023 and 21 November 2023 respectively. All the Group Audit Committee's recommendations were presented for approval at the subsequent Board of Directors' meetings.

(b) The Group Audit Committee reviewed the Status Update Report on MFRS 17 Opening Balance Sheet ("**OBS**") and the Manulife Group's 2023 Audit Plan presented by the External Auditors, Ernst & Young PLT ("**EY**") on 17 August 2023. On 21 November 2023, the Group Audit Committee received briefing on observations made by EY including the resolution statuses of each observation following the completion of the OBS review.

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. Review of Group Audit Committee Terms of Reference

The Group Audit Committee had reviewed the proposed amendments of the Group Audit Committee Terms of Reference to align with the changes of the Bursa Listing Requirements and recommended the same to the Board of Directors for approval.

Group Audit Committee Report

1.4. External Audit

Meeting with the External Auditors

At the meetings held on 20 February 2023 and 29 March 2023, the Group Audit Committee reviewed and deliberated on results and issues arising from the External Auditors' audit of Manulife Holdings Berhad and its subsidiaries for the financial year ended 31 December 2022. In addition, the Group Audit Committee discussed the significant audit matters highlighted by the External Auditors including the resolutions of the issues highlighted as well as the areas for improvement.

On 17 August 2023, the Group Audit Committee reviewed the list of services for the FY2023 presented by EY in the Audit Plan for the FY2023 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 FY2023 audit.

On 21 November 2023, the External Auditors also presented the status update arising from the ongoing audit procedures over the Manulife Group's opening balance sheet adjustments arising from the adoption of the new accounting standard MFRS 17 Insurance Contracts and MFRS 9 Financial Instruments. The observations and action items highlighted were discussed and deliberated together with the Group Audit Committee during the meeting.

Annual Evaluation and Review of Independence of External Auditors

Mr. Kannan A/L Rajagopal and Mr. Chan Hooi Lam are lead audit engagement partner and the audit concurring partner respectively from the financial year ended 31 December 2023.

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 20 February 2023, the Group Audit Committee was satisfied with the External Auditors' technical competency and independence for FY2022.

Having evaluated and assessed EY's objectivity, performance and audit independence, the Group Audit Committee recommended to the Board of Director the re-appointment of EY as External Auditors for the FY2023 on 20 February 2023 for tabling to the shareholders at the Annual General Meeting.

Auditors' remuneration is disclosed in note 22 to the financial statements.

1.5. 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 the 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 FY2023, 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. Krishna Rajaa Ramalingam. He has more than 21 years of experience in both external and internal audits. He is a Certified Internal Auditor and a Fellow member of the Association of International Accountants. He graduated from University Technology Malaysia with a Diploma in Technology Management, majoring in Accountancy. 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 support to ensure that AS-Malaysia is well staffed and operating consistently 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 FY2023 covered the following:

1. IT Governance;
2. Anti-Money Laundering and Anti-Terrorism Financing;
3. Product Development and Pricing;
4. Insurance Claims;
5. Outsourcing;
6. Sales and Distribution; and
7. 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 FY2023, 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 FY2023 were RM975,880 (2022: RM850,614).

Financial Statements

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 2023.

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:		
Equity holder of the Company	77,878	(1,317)
Participating policyholders	5,996	-
	83,874	(1,317)

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 RM15,138,331 for the financial year ended 31 December 2022. Out of the total distribution, a total of RM5,481,499 was converted into 3,205,555 new ordinary shares of the Company at the conversion price of RM1.71 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 RM15,383,000 for the financial year ended 31 December 2023, 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 216,261,870 ordinary shares to 219,467,425 ordinary shares by way of issuance of 3,205,555 new ordinary shares amounting to RM5,481,499 arising from the implementation of Dividend Reinvestment Plan for financial year ended 31 December 2022 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.

Directors' Report

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, other than those arising from the adoption of MFRS 17 Insurance Contracts and MFRS 9 Financial Instruments, as disclosed in Note 2(a)(i).

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

On 28 July 2023, Manulife Insurance Berhad and Alliance Bank Malaysia Berhad have extended their exclusive bancassurance partnership for a further 15 years. There were no other significant events that occurred during the financial year.

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, Dato' Dr. Zaha Rina binti Zahari and Mrs Vijayam A/P Nadarajah 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
Ng Chun Nam (appointed on 2 May 2023)

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 as shown in the table below and note 28 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.

	Group RM'000	**Company RM'000**
Salaries	2,868	573
Contribution to defined contribution plan	204	41
Bonus	1,320	264
Share-based payment	792	158
Fees	669	385
Total	5,853	1,421

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' Report

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 1.1.2023	Acquired/ reinvested dividends	Disposed	As at 31.12.2023
Manulife Financial Corporation				
- Direct interest				
Vibha Hamsi Coburn	6,712	2,823	-	9,535
Matthew Edward Lawrence	1,951	2,620	(2,055)	2,516
Renzo Christopher Viegas	5,800	-	(2,000)	3,800

	Number of options on ordinary shares			
	As at 1.1.2023	Granted	Lapsed	As at 31.12.2023
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 deferred/restricted/performance share units			
	As at 1.1.2023	Granted/ reinvested dividends	Vested	As at 31.12.2023
Manulife Financial Corporation				
- Direct interest				
Vibha Hamsi Coburn	30,972	12,380	(9,857)	33,495
Matthew Edward Lawrence	17,302	6,398	(6,580)	17,120

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 RM35,000,000 in aggregate with total annual premium of RM214,430 and RM23,912 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.

Total amounts paid or payable to the auditors as remuneration for their statutory audit services are as follows and as disclosed in Note 22 to the financial statements:

Auditors' remuneration is as follows:

	Group 2023 RM'000	Company 2023 RM'000
Statutory audit	1,832	202
Regulatory related services	59	11
Total	1,891	213

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 March 2024.

DATO' DR. ZAHA RINA BINTI ZAHARI
CHAIRMAN

VIBHA HAMSI COBURN
GROUP CHIEF EXECUTIVE OFFICER/
EXECUTIVE DIRECTOR

Kuala Lumpur, Malaysia

Statement by Directors

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 110 to 242 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 2023 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 26 March 2024.

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, Ng Chun Nam, 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 110 to 242 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.

NG CHUN NAM

Subscribed and solemnly declared by the abovenamed Ng Chun Nam at Kuala Lumpur in Malaysia on 26 March 2024, before me.

COMMISSIONER FOR OATHS
MOHAMAD ZULISWANDI BIN MOHAMED
No. W 1006

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 2023 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 material accounting policy information, as set out on pages 110 to 242.

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 2023, 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.

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)

1. Adoption of MFRS 17 *Insurance Contracts* and its impact on transition

On 1 January 2023, the Group adopted MFRS 17 *Insurance Contracts*, replacing MFRS 4 *Insurance Contracts*, with an effective date of 1 January 2022. As detailed in Note 2(a)(i) 'Adoption of new pronouncements in the current year – MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts'* in the accompanying financial statements, the Group applied the Full Retrospective Approach to all contracts issued on or after 1 January 2021 and adopted the Fair Value Approach for contracts issued prior to this date. Note 2(a)(i) and note 2(a)(ii) also provide both quantitative and qualitative insights into the impact of the new standard and the specific accounting policies selected by the Group.

Auditing the Group's transition to MFRS 17 was complex as it is related to the Group's measurement of the insurance contract liabilities, which included the transition Contractual Service Margin ("transition CSM"). The process involved significant auditor judgement, especially in reviewing key assumptions such as the discount rate and risk adjustment related to the insurance contract liabilities' measurement, and in validating fair value assumptions for the transition CSM calculation. Our audit team comprised professionals with specialised skills and knowledge to evaluate the audit evidence.

Our audit procedures focused on the following key areas:

- Gaining an understanding, evaluating the design, and testing the operational effectiveness of management's controls over the transition to MFRS 17 standards.
- Examining controls that included management's selection of accounting policies, the determination of the transition approach, and controls relevant to developing fair value and actuarial models, the integrity of data used, the implementation of new systems and models, and the processes for assumption setting and implementation.
- Involving and collaborating with our actuarial specialists to assess the Group's accounting policies selected during the transition, analyse the key assumptions used in measuring insurance contract liabilities, including the transition CSM, ensuring they were appropriate and consistent as well as testing the methodology and calculation processes thereon.
- Conducting verifications of the underlying support and documentation for these assessments, including reviewing executed policyholder insurance contracts.
- Evaluating the adequacy of the Group's disclosures regarding the adoption of MFRS 17 to confirm they has accurately reflect the financial impacts and implications.

2. Valuation of Insurance Contract Liabilities

As at 31 December 2023, the Group recorded insurance contract liabilities (which are now measured under MFRS 17) of RM5,304 million on its statements of financial position, which includes the segregated funds insurance net liabilities. At initial recognition, the Group measures a group of insurance contracts as the total of: (a) fulfillment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk; and (b) a contractual service margin ("CSM"), which represents the estimate of unearned profit that the Group will recognise as it provides service under the insurance contracts. When projecting future cash flows for these insurance contract liabilities, the Group primarily uses deterministic projections using best estimate assumptions. Key assumptions are subjective and complex and include mortality, morbidity, investment returns, policy termination rates, premium persistency, directly attributable expenses, taxes, and policyholder dividends. Any significant changes thereon may have a material effect on the insurance contract liabilities. The accounting policies for the classification and measurement of insurance contract liabilities and the disclosures of the above key assumptions that are subject to significant professional judgement are found in Note 2(t) and Note 3 of the financial statements respectively.

Auditing the valuation of these insurance contract liabilities was complex and required the application of significant auditor judgement due to the complexity of the cash flow models, the selection and use of assumptions, and the interrelationship of these variables in measuring insurance contract liabilities. The audit effort involved professionals with specialised skills and knowledge to assist in evaluating the audit evidence obtained.

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. Valuation of Insurance Contract Liabilities (continued)

Our audit procedures focused on the following key areas:

- Gaining an understanding, evaluating the design, and testing the effectiveness of management's controls over the valuation of insurance contract liabilities.
- Examining controls related to actuarial methodology, data integrity, information technology safeguards, and the processes for assumption setting and implementation employed by management.
- Involving our actuarial specialists to assess the methodology and assumptions for compliance with the Group's policies and performing audit tests on the model review process applied by management and independently reviewing the results thereon.
- Implementing audit procedures on key assumptions, including their integration into the valuation models. This involved scrutinising support and documentation, reviewing experience studies that support specific assumptions, questioning the nature, timing, and completeness of recorded changes, and determining the accuracy of any adjustments.
- Testing the methodology and computation of the insurance contract liabilities by reviewing the calculation logic in the models, and independently calculating the fulfillment cash flows for a selection of insurance contracts to compare with the Group's valuations.
- Testing the completeness and sufficiency of data used in the valuation of insurance contract liabilities including reviewing the data extraction process and reconciliations carried out by management. These tests also include control tests performed on selected samples of insurance policies issued by the Group to ascertain effectiveness of operating controls over quality and accuracy of the underlying data.
- In respect of the investment-linked funds, auditing the fair value of financial assets and adequacy of liabilities, performing control tests over the creation and cancellation of units, as well as calculation of Net Asset Values.
- Evaluating the completeness and transparency of the Group's disclosures pertaining to the valuation of insurance contract liabilities to ensure they were thorough and provided a faithful representation of the impact according to MFRS 17 standards.

3. 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 2023 amounted to RM87 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.

(b) Investment in Asset Management subsidiary of the Company

The Company's investment in subsidiaries amounted to RM404 million as of 31 December 2023 (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.

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)

3. Management Rights of the Group and Investment in Asset Management subsidiary of the Company (continued)

   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(k).

   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.
   - 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.
   - Performing mathematical accuracy calculations and appropriate stress-tests on the DCF workings performed by the Group in estimating the VIU of the asset management CGU.
   - 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 but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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.

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

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.

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.

Independent Auditors' Report

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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, is 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) & AF 0039
Chartered Accountants

Kannan A/L Rajagopal
No. 03490/03/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 March 2024

Statements of Financial Position

As at 31 December 2023

Group	Note	As at 31.12.2023 RM'000	Restated As at 31.12.2022 RM'000	Restated As at 01.01.2022 RM'000
Assets				
Property and equipment	4	**36,973**	36,085	40,404
Investment property	5	**82,300**	78,902	73,580
Intangible assets	6	**231,047**	126,244	127,993
Financial assets at fair value through other comprehensive income	8(a)	**3,486,756**	3,073,251	2,868,934
Financial assets at fair value through profit or loss	8(b)	**1,212,741**	1,226,695	1,293,870
Financial assets at amortised cost	9	**393,366**	401,786	400,858
Right-of-use assets	10(a)	**2,675**	3,478	1,820
Current tax assets	11	**28,679**	28,087	26,430
Insurance contract assets	12	**-**	-	2,936
Reinsurance contract assets	12	**303**	315	4,486
Other assets	13	**14,873**	11,657	10,043
Cash and cash equivalents		**207,877**	244,876	219,321
Segregated funds net asset	14	**1,406,253**	1,324,405	1,397,354
Total Assets		**7,103,843**	6,555,781	6,468,029
Liabilities and Equity				
Liabilities				
Insurance contract liabilities		**3,897,957**	3,551,524	3,419,266
Segregated funds insurance net liabilities		**1,406,253**	1,324,405	1,397,354
Total insurance and segregated funds contract liabilities	12	**5,304,210**	4,875,929	4,816,620
Reinsurance contract liabilities	12	**35,108**	54,980	79,976
Current tax liabilities	11	**106**	-	953
Deferred tax liabilities	15	**120,121**	104,724	108,345
Lease liabilities	10(b)	**2,717**	3,506	1,913
Other liabilities	16	**392,400**	350,818	326,409
Total Liabilities		**5,854,662**	5,389,957	5,334,216
Equity				
Share capital	17	**136,522**	131,041	121,353
Retained earnings	18	**1,106,893**	1,035,157	1,015,562
Other reserves		**26,922**	13,561	12,900
Total shareholders' equity		**1,270,337**	1,179,759	1,149,815
Participating policyholders' equity	19	**(21,156)**	(13,935)	(16,002)
Total Equity		**1,249,181**	1,165,824	1,133,813
Total Liabilities and Equity		**7,103,843**	6,555,781	6,468,029

Statements of Financial Position

As at 31 December 2023

Company	Note	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Assets			
Property and equipment	4	**12,842**	12,795
Investment property	5	**35,358**	32,584
Intangible assets	6	**-**	2
Subsidiaries	7	**404,018**	404,018
Financial assets at fair value through profit or loss	8(b)	**53,526**	52,648
Financial assets at amortised cost	9	**5,663**	10,311
Current tax assets	11	**851**	693
Other assets	13	**186**	171
Cash and cash equivalents		**5,696**	6,742
Total Assets		**518,140**	519,964
Liabilities and Equity			
Liabilities			
Deferred tax liabilities	15	**159**	253
Other liabilities	16	**27,045**	17,825
Total Liabilities		**27,204**	18,078
Equity			
Share capital	17	**136,522**	131,041
Retained earnings	18	**347,936**	364,391
Other reserves		**6,478**	6,454
Total Equity		**490,936**	501,886
Total Liabilities and Equity		**518,140**	519,964

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

Statements of Profit or Loss
For the Financial Year Ended 31 December 2023

	Note	Group 2023 RM'000	Group Restated 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Insurance service result					
Insurance revenue	12(b)	**360,214**	316,169	**-**	-
Insurance service expenses	12(b),22	**(279,336)**	(261,376)	**-**	-
Net expenses from reinsurance contracts held	12(b)	**(3,879)**	(8,681)	**-**	-
Total insurance service results		**76,999**	46,112	**-**	-
Investment result					
Investment income		**202,039**	181,372	**5,654**	5,676
Realised and unrealised gains/(losses)		**62,343**	(47,957)	**5,402**	(1,790)
Investment expenses		**(8,955)**	(7,376)	**(2,636)**	(1,904)
Net investment income	20	**255,427**	126,039	**8,420**	1,982
Insurance finance expense	12(f)	**(204,060)**	(110,441)	**-**	-
Reinsurance finance (expense)/income	12(f)	**(4,276)**	2,550	**-**	-
Segregated fund related investment result	14				
Investment income/(expense) related to segregated fund net assets		**131,735**	(80,388)	**-**	-
Financial changes related to segregated fund net liabilities		**(131,735)**	80,388	**-**	-
Net segregated fund investment result		**-**	-	**-**	-
Total investment results		**47,091**	18,148	**8,420**	1,982
Fee income	21	**122,954**	119,112	**2,058**	1,914
General expenses	22	**(64,441)**	(63,335)	**(11,889)**	(10,279)
Commissions related to non-insurance contracts		**(69,351)**	(66,809)	**-**	-
Interest expense		**(109)**	(92)	**-**	-
Profit/(loss) before taxation		**113,143**	53,136	**(1,411)**	(6,383)
Taxation	23	**(29,269)**	(19,052)	**94**	(121)
Net profit/(loss) for the financial year		**83,874**	34,084	**(1,317)**	(6,504)
Net profit/(loss) attributable to:					
Equity holder of the Company		**77,878**	23,436	**(1,317)**	(6,504)
Participating policyholders		**5,996**	10,648	**-**	-
		83,874	34,084	**(1,317)**	(6,504)
Basic and diluted earnings per share (sen)	25	**35.80**	10.97		

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

Statements of Total Comprehensive Income

For the Financial Year Ended 31 December 2023

		Group		Company	
	Note	2023 RM'000	Restated 2022 RM'000	2023 RM'000	2022 RM'000
Net profit/(loss) for the financial year		**83,874**	34,084	**(1,317)**	(6,504)
Other comprehensive income/(loss), net of tax:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:-					
Net gains on foreign currency translation		**836**	1,162	**-**	-
Fair value gains/(losses):					
Net gains/(losses) on fair value changes		**95,191**	(110,560)	**-**	-
Realised (gains)/losses transferred to profit or loss		**(1,523)**	14,581	**-**	-
Deferred tax	15	**(25,583)**	16,850	**-**	-
Fair value gains/(losses), net of deferred tax		**68,085**	(79,129)	**-**	-
Insurance finance (expense)/income	12(f)	**(79,041)**	101,827	**-**	-
Deferred tax	15	**19,101**	(14,922)	**-**	-
Insurance finance (expense)/income, net of deferred tax		**(59,940)**	86,905	**-**	-
Reinsurance finance expense	12(f)	**(208)**	(5,674)	**-**	-
Deferred tax	15	**307**	(240)	**-**	-
Reinsurance finance income/(expense), net of deferred tax		**99**	(5,914)	**-**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**9,080**	3,024	**-**	-
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:-					
Surplus/(deficits) from revaluation of property:					
Gross surplus/(deficits) from revaluation		**71**	82	**24**	(159)
Deferred tax		**(11)**	(58)	**-**	-
Surplus/(deficits) from revaluation, net of deferred tax		**60**	24	**24**	(159)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**60**	24	**24**	(159)
Other comprehensive income/(loss) for the financial year		**9,140**	3,048	**24**	(159)

Statements of Total Comprehensive Income

For the Financial Year Ended 31 December 2023

	Note	Group 2023 RM'000	Group Restated 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Total comprehensive income/(loss) for the financial year		**93,014**	37,132	**(1,293)**	(6,663)
Other comprehensive income/(loss) attributable to:					
Equity holder of the Company		**11,493**	661	**24**	(159)
Participating policyholders	19	**(2,353)**	2,387	**-**	-
		9,140	3,048	**24**	(159)
Total comprehensive income/(loss) attributable to:					
Equity holder of the Company		**89,371**	24,097	**(1,293)**	(6,663)
Participating policyholders	19	**3,643**	13,035	**-**	-
		93,014	37,132	**(1,293)**	(6,663)

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

Statements of Changes in Equity

For the Financial Year Ended 31 December 2023

	Attributable to owners of the Company									
	← Non-distributable					→ Distributable				
Group	Share Capital RM'000	Insurance Finance Reserve RM'000	Reinsurance Finance Reserve RM'000	Fair Value Reserve RM'000	Asset Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Retained Earnings* RM'000	Total Shareholders' Equity RM'000	Participating Policyholders' Equity RM'000	Total Equity RM'000
At 1 January 2023 - as previously stated	131,041	-	-	232	6,454	(476)	817,999	955,250	-	955,250
Effect of adoption of MFRS 9 and MFRS 17 (note 2(a)(ii))	-	51,759	(6,007)	(40,243)	-	1,842	217,158	224,509	(13,935)	210,574
At 1 January 2023 - as restated before Expected Credit Loss ("ECL") impact	131,041	51,759	(6,007)	(40,011)	6,454	1,366	1,035,157	1,179,759	(13,935)	1,165,824
Effect of adoption of MFRS 9 on ECL (note 2(a)(ii))	-	-	-	1,734	-	134	(1,868)	-	-	-
At 1 January 2023 - as restated	131,041	51,759	(6,007)	(38,277)	6,454	1,500	1,033,289	1,179,759	(13,935)	1,165,824
Net profit for the financial year	-	-	-	-	-	-	77,878	77,878	5,996	83,874
Other comprehensive (loss)/income for the financial year	-	(20,247)	99	30,781	24	836	-	11,493	(2,353)	9,140
Total comprehensive (loss)/income for the financial year	-	(20,247)	99	30,781	24	836	77,878	89,371	3,643	93,014
Surplus transfer from participating policyholders (note 19)	-	-	-	-	-	-	10,864	10,864	(10,864)	-
Issuance of shares pursuant to Dividend Reinvestment Plan (note 17)	5,481	-	-	-	-	-	-	5,481	-	5,481
Dividend paid for the financial year ended 31 December 2022 (note 26)	-	-	-	-	-	-	(15,138)	(15,138)	-	(15,138)
At 31 December 2023	136,522	31,512	(5,908)	(7,496)	6,478	2,336	1,106,893	1,270,337	(21,156)	1,249,181

* Included in the retained earnings are surplus from Non-participating life fund (net of deferred tax) of approximately RM359,278,000 (after ECL impacts on 1 January 2023: RM335,621,000). These amounts are only distributable upon the actual recommended transfer from the Non-participating life fund to the Shareholder's fund by the Appointed Actuary.

Statements of Changes in Equity
For the Financial Year Ended 31 December 2023

	Attributable to owners of the Company									
	← Non-distributable →						Distributable			
Group	Share Capital RM'000	Insurance Finance Reserve RM'000	Reinsurance Finance Reserve RM'000	Fair Value Reserve RM'000	Asset Revaluation Reserve RM'000	Currency Translation Reserve RM'000	Retained Earnings* RM'000	Total Shareholders' Equity RM'000	Participating Policyholders' Equity RM'000	Total Equity RM'000
At 1 January 2022 - as previously stated	121,353	-	-	11,500	6,613	204	813,896	953,566	-	953,566
Effect of adoption of MFRS 17 (note 2(a)(ii))	-	(2,147)	(93)	5,792	-	-	185,163	188,715	(16,002)	172,713
Effect of adoption of MFRS 9 (note 2(a)(ii))	-	-	-	(8,969)	-	-	16,503	7,534	-	7,534
At 1 January 2022 - as restated	121,353	(2,147)	(93)	8,323	6,613	204	1,015,562	1,149,815	(16,002)	1,133,813
Net profit for the financial year	-	-	-	-	-	-	23,436	23,436	10,648	34,084
Other comprehensive income/(loss) for the financial year	-	53,906	(5,914)	(48,334)	(159)	1,162	-	661	2,387	3,048
Total comprehensive income/(loss) for the financial year	-	53,906	(5,914)	(48,334)	(159)	1,162	23,436	24,097	13,035	37,132
Surplus transfer from participating policyholders (note 19)	-	-	-	-	-	-	10,968	10,968	(10,968)	-
Issuance of shares pursuant to Dividend Reinvestment Plan (note 17)	9,688	-	-	-	-	-	-	9,688	-	9,688
Dividend paid for the financial year ended 31 December 2021 (note 26)	-	-	-	-	-	-	(14,809)	(14,809)	-	(14,809)
At 31 December 2022	131,041	51,759	(6,007)	(40,011)	6,454	1,366	1,035,157	1,179,759	(13,935)	1,165,824

* Included in the retained earnings are surplus from Non-participating life fund (net of deferred tax) of approximately RM337,489,000 (before ECL impacts on 1 January 2023), (1 January 2022-restated: RM338,350,000). These amounts are only distributable upon the actual recommended transfer from the Non-participating life fund to the Shareholder's fund 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 2023

	Note		Non-distributable	Distributable	
		Share capital RM'000	Asset revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2023		**131,041**	**6,454**	**364,391**	**501,886**
Net loss for the financial year		**-**	**-**	**(1,317)**	**(1,317)**
Other comprehensive income for the financial year		**-**	**24**	**-**	**24**
Total comprehensive income/(loss) for the financial year		**-**	**24**	**(1,317)**	**(1,293)**
Issuance of shares pursuant to Dividend Reinvestment Plan	17	**5,481**	**-**	**-**	**5,481**
Dividend paid	26	**-**	**-**	**(15,138)**	**(15,138)**
At 31 December 2023		**136,522**	**6,478**	**347,936**	**490,936**
At 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	17	9,688	-	-	9,688
Dividend paid	26	-	-	(14,809)	(14,809)
At 31 December 2022		131,041	6,454	364,391	501,886

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

Statements of Cash Flows

For the Financial Year Ended 31 December 2023

		Group		Company	
			Restated		
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit/(loss) for the financial year		**83,874**	34,084	**(1,317)**	(6,504)
Adjustments for non-cash items	27	**(223,913)**	(104,769)	**(10,359)**	(2,892)
Operating losses before changes in operating assets and liabilities		**(140,039)**	(70,685)	**(11,676)**	(9,396)
Purchase of investments		**(1,144,806)**	(1,396,925)	**-**	-
Proceeds from disposal and maturity of investments		**910,938**	1,097,635	**-**	-
Interest income received		**171,746**	158,541	**32**	29
Dividend income received		**27,817**	27,665	**1,916**	2,108
Rental income received		**4,270**	3,295	**3,732**	3,522
(Increase)/decrease in other receivables		**(14,697)**	12,456	**4,606**	1,599
Decrease/(increase) in fixed and call deposits		**19,257**	(7,043)	**-**	-
Increase in loans receivables		**(116)**	(4,208)	**-**	-
Decrease in insurance contract assets		**-**	2,936	**-**	-
Decrease in reinsurance asset		**12**	4,171	**-**	-
Increase in insurance contract liabilities		**267,392**	234,085	**-**	-
Decrease in reinsurance contract liabilities		**(20,080)**	(30,670)	**-**	-
Increase/(decrease) in other liabilities		**26,463**	30,350	**9,217**	(1,239)
Cash generated from/(used in) operations		**108,157**	61,603	**7,827**	(3,377)
Interest paid	10(b)	**(96)**	(81)	**-**	-
Income tax paid		**(20,678)**	(30,641)	**(158)**	(77)
Net cash inflow/(outflow) from operating activities		**87,383**	30,881	**7,669**	(3,454)

Statements of Cash Flows

For the Financial Year Ended 31 December 2023

	Note	Group 2023 RM'000	Group Restated 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment	4	**(4,486)**	(4,129)	**(812)**	(673)
Purchase of intangible assets	6	**(110,245)**	(1,914)	**-**	-
Purchase of investments		**(23,243)**	(11,151)	**(23,243)**	(11,151)
Proceeds from disposal of investments		**24,997**	19,019	**24,997**	19,019
Net cash (outflow)/inflow from investing activities		**(112,977)**	1,825	**942**	7,195
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to shareholders	26	**(9,657)**	(5,121)	**(9,657)**	(5,121)
Payment of principal portion of lease liabilities		**(1,748)**	(2,030)	**-**	-
Net cash outflow from financing activities		**(11,405)**	(7,151)	**(9,657)**	(5,121)
CASH AND CASH EQUIVALENTS					
Net (decrease)/increase during the financial year		**(36,999)**	25,555	**(1,046)**	(1,380)
Cash and cash equivalents at 1 January		**244,876**	219,321	**6,742**	8,122
Cash and cash equivalents at 31 December		**207,877**	244,876	**5,696**	6,742

CASH AND CASH EQUIVALENTS

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

	Group 2023 RM'000	Group Restated 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash and bank balances	**162,786**	181,205	**2,062**	2,717
Short-term deposits*	**45,091**	63,671	**3,634**	4,025
Cash and cash equivalents	**207,877**	244,876	**5,696**	6,742

* Short-term deposits with original maturities of less than 3 months.

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

Notes to the Financial Statements

31 December 2023

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 MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policy information 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 material accounting policy information, 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 2023 as follows:

Description	Effective date
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 *Insurance Contracts*)	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
International Tax Reform – Pillar Two Model Rules (Amendments to MFRS 112)	2 June 2023

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, except as discussed below.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(i) Adoption of new pronouncements in the current year (continued)

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts*

MFRS 17 *Insurance Contracts* was issued in May 2017, replacing MFRS 4 *Insurance Contracts*. This standard resulted in significant changes to the accounting for insurance and reinsurance contracts. The Group adopted MFRS 17 *Insurance Contracts*, including any consequential amendments to other standards and subsequent amendments to MFRS 17, beginning 1 January 2023, with corresponding comparative financial information provided for 2022. The Group's accounting policies for insurance contracts and reinsurance contracts are presented in note 2 (t).

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

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

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.

<u>MFRS 17 Transitional Provisions</u>

The Group adopted MFRS 17 retrospectively for the first time in the financial year ended 31 December 2023. Accordingly, comparative information for the financial year ended 31 December 2022, including the opening balance as at 1 January 2022, have been restated applying the transition requirements of MFRS 17 as follows:

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(i) Adoption of new pronouncements in the current year (continued)

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts* (continued)

Full Retrospective Approach

The Group has adopted the full retrospective approach unless 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 and reinsurance contracts held 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 and reinsurance 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 and reinsurance 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 liabilities) 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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(i) Adoption of new pronouncements in the current year (continued)

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts* (continued)

Measurement differences (continued)

- 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, all changes in insurance contract liabilities were recorded in profit or loss and supporting debt instruments were classified as FVTPL.

- Under MFRS 17, insurance contracts and reinsurance 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"). The Group has applied VFA to its insurance contracts with direct participating features and PAA for many group benefits contracts that have one-year or shorter term of coverage. The remainder of the Group's insurance contracts and the Group's reinsurance contracts held are measured using GMM approach. Under MFRS 4, insurance contracts were generally valued using the gross premium valuation ("GPV") method.

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:

- Statement 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. Under MFRS 4, both insurance contracts and reinsurance contracts held were not split and presented by asset and liability position, instead, all balances are presented based on the nature of the outstanding balances. Some of these changes include the following:-

  - Policy loans, which were previously reported under Loans and receivables under MFRS 4, are now reported within insurance contract liabilities under MFRS 17, as they are related to insurance contracts.

  - Insurance receivables and payables, which were previously reported either as separate line items in the financial statements or recorded in miscellaneous assets and liabilities under MFRS 4, are now reported within insurance contract liabilities under MFRS 17, as they are related to insurance contracts.

  - Reinsurance funds withheld, which were previously reported in other liabilities under MFRS 4, are now reported within reinsurance contract assets/liabilities under MFRS 17, as they are related to reinsurance contracts.

  Under MFRS 17, the Group presents the Net Asset Value of the Investment Linked Funds separately as segregated funds net assets and segregated funds insurance net liabilities. Under MFRS 4, the assets of the Investment Linked funds were consolidated together with the assets and liabilities of the Group on a line-by-line basis.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(i) Adoption of new pronouncements in the current year (continued)

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 *Insurance Contracts* (continued)

- Statement of Profit or Loss and Statement of Total Comprehensive Income:

  The presentation of the statement of profit or loss and statement of total comprehensive income changed 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. Instead, the Group separately presents Underwriting Results into insurance revenue, insurance service expense and income or expenses from reinsurance contracts held and Investment Results into investment income, insurance finance income or expenses and reinsurance finance income or expenses. 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.

  Under MFRS 17, the Group separately presents the Investments Results of the Investment Linked Funds from the Investment Results of the Group, with a corresponding disclosure of the change in the segregated funds insurance net liabilities. Under MFRS 4, the Group presents the Investment results of the Investment Linked Funds as part of the Group's Investment results on a line-by-line basis.

- 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 and reinsurance 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.

MFRS 9 *Financial Instruments*

MFRS 9 *Financial Instruments* was issued in 2014, replacing MFRS 139 *Financial Instruments: Recognition and Measurement*. MFRS 9 was effective for annual periods beginning on or after 1 January 2018 except for entities whose liabilities are primarily insurance contract liabilities. MFRS 9 addresses accounting and reporting principles for the classification and measurement of financial assets and financial liabilities, the impairment of financial assets and hedge accounting. The Company has adopted MFRS 9 effective 1 January 2018; while the Group deferred the adoption of MFRS 9 as it met the predominance criteria and adopted MFRS 9, with related amendments to IFRS 7 Financial Instruments: Disclosures as of 1 January 2023 as permitted under Amendments to MFRS 4 Insurance Contracts. The Group's and Company's accounting policies for financial instruments are presented in note 2 (g).

Transitional Provision – Classification Overlay Approach

Under MFRS 9, the classification of financial assets depends on the Group's business model of managing the financial assets and the contractual cashflow characteristics of the financial instruments.

Under the classification overlay approach adopted by the Group, the Group presented the comparative information as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset. The Group reclassified and redesignated the financial assets held as of 31 December 2021 and as of 31 December 2022, as if they have been adopting MFRS 9, however, no recomputation of Expected Credit Loss was performed. As per the provisions of Section C28C of MFRS 17, the Group shall continue to present the impairment amounts recognised under MFRS 139, if any, for the comparative period and does not need to apply the expected credit loss impairment requirements of MFRS 9. In the case of assets classified as FVTPL under MFRS 139, and reclassified as FVOCI under MFRS 9, no impairment was calculated for these financial instruments at 1 January 2022 and 31 December 2022.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(i) Adoption of new pronouncements in the current year (continued)

MFRS 9 *Financial Instruments* (continued)

Classification differences

The restatement of comparative information as of 1 January 2022 arising from the adoption of MFRS 9 resulted in differences in the assets classification of the Group when compared to their classification under MFRS 139. Classification changes included reclassifying debt securities supporting insurance contract liabilities from Fair Value Through Profit or Loss ("FVTPL") under MFRS 139 to Fair Value Through Other Comprehensive Income ("FVOCI") under MFRS 9 and reclassifying Available-for-sale ("AFS") equities under MFRS 139 to FVTPL under MFRS 9.

The following sets out the classification of financial assets upon the adoption of MFRS 9:-

- Quoted equity shares held as AFS with gains and losses recorded in OCI under MFRS 139, are measured at FVTPL, which will increase volatility in recorded profit or loss.

- The equity shares in non-listed companies that are intended to be held for the foreseeable future previously held at cost under MFRS139, are classified as FVTPL. No impairment losses were recognised in profit or loss during prior periods for these investments.

- All debt securities (other than those held by the unit trust funds which are consolidated into the Group) which include Malaysian Government Securities, Government Investment Issues and corporate debt securities are 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, debt securities held as FVTPL assets under MFRS 139 are reclassified to FVOCI assets.

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

- Debt securities which are held by the unit trust funds for trading purposes, which are consolidated into the Group financial assets are measured at FVTPL. Accordingly, these debt securities previously held as AFS financial assets under MFRS 139 are reclassified to FVTPL assets.

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

The above asset classification changes led the Group to present certain investment results previously reported in profit or loss or OCI under MFRS 139, within OCI or profit or loss under MFRS 9, respectively.

Measurement differences

The Group also remeasured the unquoted equity securities which were previously measured at cost to FVTPL upon the adoption of MFRS 9. The fair value is determined with reference to market comparable inputs (price to book ratio of publicly-listed benchmarks) which are adjusted against the net assets of the investee and takes into consideration discount for lack of marketability.

Expected Credit Loss impact

As the Group adopted the classification overlay approach for comparative balances, no ECL were recorded for the comparative balance as of 1 January 2022, as well as for financial year ended 31 December 2022. The effects from the implementation of impairment requirements based on an ECL methodology was recognised on 1 January 2023.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(ii) Effects of adoption of MFRS 17 and MFRS 9

Financial impacts from the adoption of MFRS 17

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

Measurement and classification differences	Description
Transition CSM	Contractual Service Margin (CSM) is a new liability that represents future unearned profits on insurance contracts and net gain/loss on reinsurance contracts written. For this measurement step, the net CSM amount recognised as at the transition date from both insurance and reinsurance contracts as at 1 January 2022 was RM241 million, with a corresponding impact to reduce total equity by RM188 million (net of tax).
Contract Measurement	Under MFRS 17, other components of insurance contract liabilities, aside from the CSM, are also remeasured. This measurement step includes the following changes: - Higher Risk Adjustments provisions held within the Group's insurance liabilities for non-economic risk on application of the MFRS 17 standard of RM232 million, with a corresponding impact to reduce total equity by RM176 million (net of tax); and - Lower Best Estimate Liability of RM562 million from the removal of sterling reserve requirements for products with negative reserves under MFRS 17 and the Group elected change in reserving methodology for products previously measured on the unearned premium reserve method under MFRS 4 but on a gross premium valuation method under MFRS 17. This has corresponding impact to increase total equity by RM425 million (net of tax).
Classification Difference	Under MFRS 4, Unallocated Surplus, Asset Revaluation Reserves and Fair Value Reserves of Participating Policyholders' Funds of RM152 million were reported within Insurance Contract Liabilities. Under MFRS 17, these balances are reported as Participating Policyholders' Equity, which forms part of the Non-Distributable Equity of the Group. The reclassification has contributed to lower Insurance Contract Liabilities of RM152 million, with a corresponding increase in total equity of RM112 million (net of tax).

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(ii) Effects of adoption of MFRS 17 and MFRS 9 (continued)

Financial impacts from the adoption of MFRS 9

The effects as a result of adoption of MFRS 9 were recognised as adjustments to retained earnings and accumulated other comprehensive income as at 1 January 2022 and 1 January 2023. The adoption resulted in an increase to the total equity of the Group as of 1 January 2022 and 1 January 2023 by RM7 million (net of tax) and RM5 million (net of tax), respectively as set out below:

Measurement and classification differences	Description
Difference in Measurement	The Group remeasured the unquoted equity securities held to Fair value, based on market comparable inputs (price to book ratio of publicly-listed benchmarks) which are adjusted against the net assets of the investee and takes into consideration discount for lack of marketability, contributing to an increase in total equity of the Group of RM7 million (net of tax) as at 1 January 2022 as disclosed within the Statement of Changes in Equity as "Effect of adoption of MFRS 9".
Classification Difference	The reclassification of financial assets from FVTPL to FVOCI, and from FVOCI to FVTPL resulted in a corresponding reclassification from fair value reserve to shareholders' retained earnings of RM7 million and participating policyholders' accumulated loss of RM93 million at 1 January 2022.
ECL impact	As the Group adopted the classification overlay approach for comparative balances, no ECL were recorded for the comparative results for financial year ended 31 December 2022. Instead, the effects from the implementation of impairment requirements based on an ECL methodology of RM5 million (net of tax) was recognised on 1 January 2023.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(ii) Effects of adoption of MFRS 17 and MFRS 9 (continued)

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

	Original classification under MFRS 139		New Classification and measurement under MFRS 9		
	AFS RM'000	FVTPL RM'000	FVOCI RM'000	FVTPL RM'000	Segregated Funds Net Asset* RM'000
Equity securities					
- Quoted in Malaysia	633,750	786,964	-	633,750	786,964
- Quoted outside Malaysia	131,774	67,419	-	179,704	19,489
- Unquoted	2,516	-	-	11,476	-
Real estate investment trusts	18,773	8,478	-	18,773	8,478
Unit trust funds	1,206	180,784	-	1,206	180,784
Private equity funds					
- Quoted outside Malaysia	-	19,122	-	19,122	-
Malaysian Government Securities	314,771	78,047	351,137	39,511	2,170
Government Investment Issues	283,634	117,396	344,788	35,640	20,602
Corporate debt securities					
- Unquoted	1,748,511	634,838	1,948,860	350,131	84,358
- Quoted	-	193,621	193,621	-	-
Mutual funds					
- Quoted outside Malaysia	-	217,928	-	-	217,928
Forward foreign exchange contract	-	933	-	-	933
Accrued interest	26,103	10,455	30,528	4,557	1,471
	3,161,038	2,315,985	2,868,934	1,293,870	1,323,177

* Included as part of segregated funds net asset.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(ii) Effects of adoption of MFRS 17 and MFRS 9 (continued)

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

Statement of Financial Position

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

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(ii) Effects of adoption of MFRS 17 and MFRS 9 (continued)

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

Statement of Financial Position (continued)

	31.12.2022 As previously stated RM'000	Classification and measurement RM'000	31.12.2022 As restated RM'000	Expected credit losses RM'000	1.1.2023 As restated RM'000
LIABILITIES					
Insurance contract liabilities	4,561,710	(1,010,186)	3,551,524	-	3,551,524
Segregated funds insurance net liabilities	-	1,324,405	1,324,405	-	1,324,405
Insurance claims liabilities	88,224	(88,224)	-	-	-
Reinsurance contract liabilities	-	54,980	54,980	-	54,980
Financial liability at fair value through profit or loss	12	(12)	-	-	-
Deferred tax liabilities	35,187	69,537	104,724	-	104,724
Insurance payables	814,306	(814,306)	-	-	-
Lease liabilities	3,506	-	3,506	-	3,506
Other liabilities	244,357	106,461	350,818	-	350,818
TOTAL LIABILITIES	5,747,302	(357,345)	5,389,957	-	5,389,957
EQUITY					
Share capital	131,041	-	131,041	-	131,041
Retained earnings	817,999	217,158	1,035,157	(1,868)	1,033,289
Other reserves	6,210	7,351	13,561	1,868	15,429
Total shareholders' equity	955,250	224,509	1,179,759	-	1,179,759
Participating policyholders' equity	-	(13,935)	(13,935)	-	(13,935)
TOTAL EQUITY	955,250	210,574	1,165,824	-	1,165,824
TOTAL LIABILITIES AND EQUITY	6,702,552	(146,771)	6,555,781	-	6,555,781

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of preparation (continued)

(ii) Effects of adoption of MFRS 17 and MFRS 9 (continued)

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

Statement of Total Comprehensive Income

	31.12.2022 As previously stated RM'000	Classification and measurement RM'000	31.12.2022 As restated RM'000
Net profit for the financial year	18,912	15,172	34,084
Other comprehensive (loss)/income, net of tax			
Net (loss)/gain on foreign currency translation	(680)	1,842	1,162
Fair value change of AFS/FVOCI financial assets, net of deferred tax	(11,268)	(67,861)	(79,129)
Insurance finance income, net of deferred tax	-	86,905	86,905
Reinsurance finance expense, net of deferred tax	-	(5,914)	(5,914)
Net (loss)/gains from revaluation of property	(159)	183	24
Other comprehensive (loss)/income for the financial year	(12,107)	15,155	3,048
Total comprehensive income for the financial year	6,805	30,327	37,132

(iii) Amendments/improvements to published standards that are issued but not yet effective

The following are amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and Company. The Group and Company intends to adopt these new pronouncements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
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
Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
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:

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (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) 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.

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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Property and equipment (continued)

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(k) 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.

(d) 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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Investment property (continued)

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.

(e) 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(k) on impairment.

(ii) Exclusive right

The exclusive right arises from the 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(k) on impairment of non-financial assets.

(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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) 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(c)). 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(n).

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Financial instruments

(i) Classification and measurement

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

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 Group and the Company classifies loans and other receivables as financial assets measured at amortised cost.

(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.

The Group and Company classifies its debt securities (other than those held within the unit trust funds which are held for trading) as FVOCI financial assets.

(3) Financial assets at FVOCI (equities)

On initial recognition of an equity instrument that is not held for trading, the Group and 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 Group and the Company did not irrevocably designate any equity investments as FVOCI.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Financial instruments (continued)

(i) Classification and measurement (continued)

(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 Group and the Company classifies its equity securities, debt securities held within the unit trust funds which are held for trading, real estate investment trusts and unit trust funds as financial assets at FVTPL.

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.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and 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.

(ii) Derecognition of financial assets

The Group and 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 Group and 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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Financial instruments (continued)

(iii) Impairment of financial assets

Recognition of Expected Credit Loss ("ECL")

The Group and 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 two different approaches, which is the general approach and simplified approach.

This process includes consideration of past events, current market conditions and reasonable supportable information about future economic conditions. Forward-looking macroeconomic variables used within the estimation models represent variables that are the most closely related with credit losses in the relevant portfolio.

The estimation and measurement of impairment losses requires significant judgements. These estimates are driven by many elements, changes in which can result in different levels of allowances. Elements include the estimation of the amount and timing of future cash flows, the Company's criteria for assessing if there has been a significant increase in credit risk ("SICR"), the selection of forward-looking macroeconomic scenarios and their probability weights. The Group has implemented formal policies, procedures, and controls over all significant impairment processes.

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.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

Interest income is calculated based on the gross carrying amount for both Stage 1 and 2 exposures. Interest income on Stage 3 financial instruments is determined by applying the effective interest rate to the amortized cost of the instrument, which represents the gross carrying amount adjusted for any credit loss allowance.

The Group and 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 Group and the Company considers debt security to have low credit risk when its credit risk rating is a minimum rating of "BBB". The Group and 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.

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 Group and 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 Group and the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. The Group's definitions of default and credit-impaired are based on quantitative and qualitative factors. A financial instrument is considered to be in default when significant payments of interest, principal or fees are past due for more than 90 days, unless remedial arrangements with the issuer are in place. 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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Financial instruments (continued)

(iii) Impairment of financial assets (continued)

Recognition of Expected Credit Loss ("ECL") (continued)

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 Group and 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").

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 Group and 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 Group and 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 Group and 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 2023 and 31 December 2022.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Financial instruments (continued)

(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 and 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 Group and the Company determines this based on the inability of the borrower to pay.

(h) 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.

The Group and the Company categorises its fair value measurements according to a three-level hierarchy. The hierarchy prioritises the inputs used by the Group 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 has the ability to access at the measurement date. Valuations are based on quoted prices reflecting market transactions involving assets or liabilities identical to those being measured.

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

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

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

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).

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) 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.

(j) 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.

(k) 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.

(l) 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.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) 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.

(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.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(m) Employee benefits (continued)

(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.

(n) 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.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) 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.

(p) 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.

(q) 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.

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.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) 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.

Global Minimum Top-up tax

As at 31 December 2023, the local tax authority has enacted new legislations to implement the global minimum top-up tax which will only come into effect effective 1 January 2025. Since the legislation is only effective 1 January 2025, there is no current tax impact for the financial year ended 31 December 2023.

The Group and the Company is currently still in the midst of performing its initial assessment on the impact arising from this new global minimum top-up tax requirement.

The Group and the Company has applied the temporary mandatory exemption from accounting for deferred taxes in respect of the top-up tax and accounts for it as a current tax when it is incurred.

(s) 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.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets

Classification and separation of components

Most contracts issued by the Group are considered insurance, investment, or service contracts. Contracts under which the Group accepts significant insurance risk from a policyholder are classified as insurance contracts in the Financial Statements. A contract is considered to have significant insurance risk if, and only if, an insured event could cause an insurer to pay additional amounts that are significant in any single scenario, excluding scenarios that lack commercial substance. The additional amounts refer to the present value of amounts that exceed those that would be payable if no insured event had occurred. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts to other parties are classified as reinsurance contracts held. Both insurance and reinsurance contracts are accounted for in accordance with MFRS 17. Contracts under which the Group does not accept significant insurance risk are either classified as investment contracts or considered service contracts and are accounted for in accordance with MFRS 9 *Financial Instruments* or MFRS 15 *Revenue from Contracts with Customers*, respectively.

Insurance contracts are classified as direct participation contracts or contracts without direct participation features based on specific criteria. Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items. They are viewed as creating an obligation to pay policyholders an amount that is equal to the fair value of the underlying items, less a variable fee for service.

At inception of insurance contracts issued and reinsurance contracts held, the Group analyses whether they contain the following components that should be separated and accounted for under other MFRS standards: derivatives embedded within insurance contracts that are required to be separated (MFRS 9); cash flows relating to distinct investment components (MFRS 9); and promises to transfer distinct goods or distinct non-insurance services (MFRS 15). Investment components of an insurance (or reinsurance contracts held) contract represent cash flows paid (received) in all circumstances regardless of whether an insurance event has occurred or not. Investment components are distinct if they are not interrelated with insurance component cash flows and if they could be issued on a standalone basis. The Group applies MFRS 17 to all remaining components of the insurance and reinsurance contracts held.

There are three measurement models that insurance contracts can be measured under: the variable fee approach (“VFA”), the general measurement model (“GMM”) and the premium allocation approach (“PAA”). For insurance contracts with direct participation features such as participating life insurance contracts, unit linked type contracts, and variable annuity contracts the Group applies the VFA. For many group benefits contracts that have a one-year (or shorter) term of coverage, the Group generally applies the PAA. For the remainder of the Group’s insurance contracts the GMM is applied.

(i) Level of aggregation/unit of account

Insurance contracts are aggregated into portfolios of insurance contracts which are managed together and are subject to similar risks. The Group has defined portfolios by considering various factors such as legal entities, measurement model, major product line and type of insurance risk. The portfolios of insurance contracts are further grouped into annual cohorts and by expected profitability at inception into one of three categories: onerous contracts, contracts with no significant risk of becoming onerous and other remaining contracts. Onerous contracts are those contracts that at initial inception, the Group expects to generate net outflow, without considering investment returns or the benefit of any reinsurance contracts held.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets (continued)

(ii) Initial recognition and subsequent measurement

The Group includes in the measurement of a group of insurance contracts all future cash flows within the boundary of the contracts in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period and in which the Company can compel the policyholder to pay the premiums or has a substantive obligation to provide services to policyholder. A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and as a result, can set a price or level of benefits that fully reflects those risks, or

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio, and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

The Company recognises groups of insurance contracts that it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts,

- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date, and

- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous.

<u>Insurance contracts measured under VFA and GMM</u>

At initial recognition, the Group measures a group of insurance contracts as the total of: (a) fulfilment cash flows, which comprise of estimates of future cash flows, adjusted to reflect the time value of money and financial risks, and a risk adjustment for non-financial risk; and (b) a contractual service margin (“CSM”), which represents the unearned profit the Group will recognise as it provides service under the insurance contracts.

In determining the fulfilment cash flows, the Group uses estimates and assumptions considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The Group’s CSM is a component of the insurance asset or liability for the group of insurance contracts and results in no income at initial recognition. The unit of account for CSM is on a group of contracts basis consistent with the level of aggregation specified above. If the fulfilment cash flows allocated to the group of insurance contracts, any previously recognised insurance acquisition cash flows and any cash flows arising from the contracts at the date of initial recognition in total are a net outflow then the group of contracts is considered to be onerous. A loss from onerous insurance contracts is recognised in profit and loss immediately. The Group establishes the groups at initial recognition and may add contracts to the groups after the end of a reporting period, however, the Group does not reassess the composition of the groups subsequently.

In the subsequent periods, the carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (“LRC”) and the liability for incurred claims (“LIC”). The LRC comprises the fulfilment cash flows that relate to services to be provided in the future and any remaining CSM at that date. The LIC comprises the fulfilment cash flows for incurred claims and expenses that have not yet been paid. The fulfilment cash flows at the reporting dates are measured using the current estimates of expected cash flows and current discount rates.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets (continued)

(ii) Initial recognition and subsequent measurement (continued)

Insurance contracts measured under VFA and GMM (continued)

The carrying amount of CSM at end of the reporting period is adjusted to reflect the following changes under the GMM for contracts without direct participation features: (a) effect of new contracts added to the group; (b) interest accreted on the carrying amount of CSM, measured at locked-in rate; (c) effect of any currency exchange differences on the CSM; (d) changes in fulfilment cash flows that relate to future services (non-financial), except for loss component; and (e) recognition of insurance revenue for services provided in the year. The CSM is recognised into insurance revenue over the duration of the group of insurance contracts based on the respective coverage units. The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach.

The changes in fulfilment cash flows relating to future services (non-financial) that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the expected amounts at the beginning of the period. Differences related to premiums received (or due) related to current or past services are recognised immediately in income while differences related to premiums received (or due) for future services are adjusted against the CSM.

- Changes in estimates of the present value of future cash flows in the LRC, except those relating to the time value of money and changes in financial risk that are recognised in income or expenses and OCI.

- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable.

- Changes in the risk adjustment for non-financial risk that relate to future service. A loss is created when there is an increase in fulfilment cash flows that exceeds the carrying amount of the CSM. Once a change in fulfilment cash flows reduces CSM to zero, the excess establishes a loss which is recognised in expense immediately. Any subsequent decrease in the fulfilment cash flows will reverse the losses previously recognised in expense. Any remaining loss will be released based on a systematic allocation of subsequent changes relating to future service in the fulfilment cash flows (refer to Presentation and Disclosure below).

For contracts with direct participation features under the VFA, the cashflows impacting policyholders and shareholders are treated differently. The change in the policyholders' share of the fair value of underlying items does not impact CSM. The change in the effect of the time value of money and financial risk not arising from the underlying items, such as financial guarantees, adjust the CSM. The change in fulfilment cashflows that do not vary with the return of underlying items and that do not relate to future service does not impact CSM consistent with the GMM. In contrast, under the VFA, the change in the amount of shareholders' share of the fair value of underlying items does impact CSM, except to the extent that the Company has elected the risk mitigation option. The Company uses reinsurance contracts to mitigate the financial risk arising from interest rate guarantees in certain contracts with direct participation features. Under the risk mitigation option, the Company recognises changes in the shareholders' share of the underlying items and the changes in fulfilment cash flows in income or expenses or OCI instead of adjusting CSM. For groups of insurance contracts applying the VFA, in addition to those conditions (both loss recognition and reversal) previously described for groups of contracts applying the GMM, a loss in expense is also recognised when declines in the shareholder's share of fair value of underlying items exceeds the carrying value of CSM. Any subsequent increase in the shareholder's share of fair value of underlying items will reverse the losses previously recognised in expenses.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets (continued)

(ii) Initial recognition and subsequent measurement (continued)

Reinsurance contracts measured under the GMM

The measurement of reinsurance contracts follows the same principles as the GMM, with the following exceptions or modifications specified in this section below. Reinsurance contracts held and assumed cannot use the VFA.

The Group recognises a group of reinsurance contracts held it has entered into from the earliest of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and

- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

At initial recognition, the Group recognises any net gain or net cost as a CSM in the consolidated statement of financial position, with some exceptions. If any net cost of obtaining reinsurance contract relates to insured event that occurred before initial recognition of any insurance contract, it is recognised immediately in profit or loss. In addition, if the underlying insurance contracts is in an onerous position, the Group is allowed to recognise a reinsurance gain immediately in income for the portion of claims that the Group expects to recover from the reinsurance, if the reinsurance held was entered into prior to or at the same time as the onerous contract. Consequently, a loss-recovery is created and adjusted for the group of reinsurance contracts. This determines the amounts that are subsequently presented in income as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. The Group adjusts the loss-recovery to reflect changes in the loss of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery must not exceed the portion of the carrying amount of the loss of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts (refer to Presentation and Disclosure below).

Measurement of reinsurance contract cash flows is consistent with the underlying insurance contracts, but with an adjustment for any risk of non-performance by the reinsurer. The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

Subsequently, the carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

Notes to the Financial Statements

31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets (continued)

(ii) Initial recognition and subsequent measurement (continued)

Reinsurance contracts measured under the GMM (continued)

For reinsurance contracts, when the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held representing the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is zero when loss component of the onerous group of underlying insurance contracts is zero.

Insurance and reinsurance contracts measured under the PAA

The Group applies the PAA to all insurance contracts it issues and reinsurance contracts that it holds if (a) the coverage period of the contract is one year or less; or the coverage period is longer than one year and the measurement of the LRC for the contracts under the PAA does not differ materially from the measurement that would be produced applying the GMM approach under possible future scenarios.

For insurance contracts, generally, the LRC is measured as the premium received at initial recognition minus any insurance acquisition cash flows at that date. There is no allowance for time value of money as the premiums are received within one year of the coverage period. Subsequently, the Company measures the carrying amount of the LRC at the end of each reporting period as: (a) the LRC balance at beginning of the period; plus (b) premium received in the period; minus (c) directly attributable acquisition costs net of related amortization (unless expensed as incurred); minus (d) amount recognised as insurance revenue for the period; minus (e) investment component paid or transferred to the LIC. The amount recognised as insurance revenue for the period is typically based on the passage of time.

Under the PAA measurement method, entities are permitted to either defer directly attributable acquisition costs to future periods for group of contracts that are one year or less or recognise the costs in expenses as incurred. This election can be made at the level of each group of insurance contracts. The Group has elected not to defer the directly attributable expenses for PAA policies. Insurance acquisition costs arising before the recognition of the related group of contracts are recognised as an asset or contra insurance contract liability as part of the same portfolio that the related group of contracts is expected to be included. When facts and circumstances indicate the asset maybe impaired, the Group conducts impairment tests. If the asset is impaired, an impairment loss will be recognised in expense.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, the Group will recognise a loss in expense and an increase in the LRC to the extent that the current estimate of the fulfilment cashflows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC.

The Company estimates the LIC as the fulfilment cashflows related to incurred claims. The Company does not adjust the future cashflows for the time value of money, except when claims are expected to settle more than one year after the actual claim occurs.

There are no reinsurance contracts which are recognised using the PAA measurement method.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets (continued)

(iii) Amortization of contractual service margin

The CSM represents the unearned profit for a group of insurance contracts where the Group will recognise in insurance revenue as it provides insurance services in the period. The amortization of the CSM as insurance revenue is determined by (1) identifying the coverage units in the group, (2) allocating the CSM at the end of the period (before amortizing any amounts in insurance revenue in the current period) equally to each coverage unit provided in the period and expected to be provided in future periods, and (3) recognizing in insurance revenue the amount allocated to coverage units provided in the current period.

The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

(iv) Derecognition of insurance contracts

The Group derecognises insurance contracts when the rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled; or expired) or the contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

(v) Presentation and Disclosure

The Group has presented the carrying amount of portfolios of insurance contracts that are in a net asset or liability position, and portfolios of reinsurance contracts that are in a net asset or liability position separately in the consolidated statements of financial position.

The Group separately presents the insurance service result, which comprises of insurance revenue, insurance service expenses and net income/expense from reinsurance contract held, from investment result, which comprises of investment income, insurance finance in the Statement of Profit or Loss. The Group disaggregates the change in risk adjustment for non-financial risk between the insurance service expenses and insurance finance income or expenses.

The insurance revenue depicts the performance of insurance services and excludes investment components. For GMM contracts, the insurance revenue represents the change in the LRC relating to services for which the Group expects to receive consideration, comprising of: (a) expected claims and other insurance expenses; (b) changes in risk adjustment for non-financial risk; (c) release of CSM based on coverage units; and (d) portion of premiums that relate to recovering of insurance acquisition cash flows.

The insurance service expenses arising from insurance contracts are recognised in expenses generally as they are incurred and excludes repayment of investment components. The insurance service expenses comprise of: (a) incurred claims and other insurance service expenses; (b) losses on onerous contracts and reversal of such losses; (c) adjustments to LIC; (d) amortization of insurance acquisition cash flows; and (e) impairment losses on assets for insurance acquisition cash flows if any and reversals of such impairment losses.

The amortization of insurance acquisition cash flows is equal to the recovery of insurance acquisition cash flows in insurance revenue for contracts measured under the GMM.

Notes to the Financial Statements
31 December 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(t) Insurance contract liabilities and reinsurance contract assets (continued)

(v) Presentation and disclosure (continued)

Net expenses from reinsurance contracts held comprise of allocation of reinsurance premiums paid and the amounts expected to be recovered from reinsurers. Reinsurance cash flows that are contingent on claims on the underlying contracts are treated as part of the claims expected to be recovered from reinsurers, whereas reinsurance cash flows that are not contingent on claims on the underlying contracts (for example, some types of ceding commissions) are treated as a reduction in reinsurance premiums paid. For reinsurance contracts measured under the GMM, the allocation of reinsurance premiums paid represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from: (a) the effect of the time value of money and changes in the time value of money; and (b) the effect of financial risk and changes in financial risk.

The Group disaggregates insurance finance income or expenses on insurance contracts issued for most of its group of insurance contracts measured under the GMM between income or expenses and OCI. The impact of changes in market interest rates on the value of the life insurance and related reinsurance assets and liabilities are reflected in OCI in order to minimize accounting mismatches between the accounting for insurance assets and liabilities and supporting financial assets. The impacts from differences between current period rates and locked-in rates are presented in OCI.

The Group's invested assets which are debt instruments (including bonds, private placements, mortgages, and loans) backing the groups of insurance contracts measured under the GMM are predominantly measured at FVOCI. As a result, the effect of the time value of money for the groups of insurance contracts and supporting fixed maturity assets are reflected in income or expenses and the effect of financial risk and changes in financial risk is reflected in OCI.

In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Group reclassifies any amounts that were previously recognised in OCI to income or expenses as insurance finance income or expense. There are no changes in the basis of disaggregation of insurance finance expenses between income or expenses and OCI in the period.

The Group groups contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group has established a loss component of the LRC for any onerous group representing the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows to: (i) the loss component; and (ii) the LRC excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been occurred in the form of incurred claims). The Group uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

Notes to the Financial Statements
31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS and MFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and judgements are continuously evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements, other than as discussed below.

(i) Fulfilment cash flows

Fulfilment cash flows have three major components:

- Estimate of future cash flows
- An adjustment to reflect the time value of money and the financial risk related to the future cash flows if not included in the estimate of future cash flows
- A risk adjustment for non-financial risk

The determination of insurance fulfilment cash flows involves the use of estimates and assumptions. A comprehensive review of valuation assumptions and methods is performed regularly. The review reduces the Group's exposure to uncertainty by ensuring assumptions for liability risks remain appropriate. This is accomplished by monitoring experience and updating assumptions which represent a best estimate of expected future experience, and margins that are appropriate for the risks assumed. While the assumptions selected represent the Group's current best estimates and assessment of risk, the ongoing monitoring of experience and the changes in economic environment are likely to result in future changes to the actuarial assumptions, which could materially impact the insurance contract liabilities.

Method used to measure insurance & reinsurance contract fulfilment cash flows

The Group primarily uses deterministic projection using best estimate assumption to determine the present value of future cash flows. For product features such as Universal Life minimum crediting rates guarantees, Participating life zero dividend floor implicit guarantees and variable annuities guarantees, the Group developed a stochastic approach to capture the asymmetry of the risk.

Notes to the Financial Statements

31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(i) Fulfilment cash flows (continued)

Determination of assumptions use for deterministic projections

For the deterministic projections, assumptions are made with respect to mortality, morbidity, rates of policy termination, operating expenses and certain taxes. Actual experience is monitored to ensure that assumptions remain appropriate and assumptions are changed as warranted. Assumptions are discussed in more detail in the following table.

Nature of factors and assumption methodology		Risk Management
Mortality	Mortality relates to the occurrence of death. Mortality is a key assumption for life insurance and certain forms of annuities. Mortality assumptions are based on the Group's internal experience as well as past and emerging industry experience. Assumptions are differentiated by sex, underwriting class and policy type. Assumptions are made for future mortality improvements where applicable.	The Group maintains underwriting standards to determine the insurability of applicants. Claim trends are monitored on an ongoing basis. Exposure to large claims is managed by establishing policy retention limits. Policies in excess of the limits are reinsured with other companies.
Morbidity	Morbidity relates to the occurrence of accidents and sickness for insured risks. Morbidity is a key assumption for long-term care insurance, disability insurance, critical illness and other forms of individual and group health benefits. Morbidity assumptions are based on the Group's internal experience as well as past and emerging industry experience and are established for each type of morbidity risk.	The Group maintains underwriting standards to determine the insurability of applicants. Claim trends are monitored on an ongoing basis. Exposure to large claims is managed by establishing policy retention limits. Policies in excess of the limits are reinsured with other companies.
Policy termination	Policies are terminated through lapses and surrenders, where lapses represent the termination of policies due to non-payment of premiums and surrenders represent the voluntary termination of policies by policyholders. Premium persistency represents the level of ongoing deposits on contracts where there is policyholder discretion as to the amount and timing of deposits. Policy termination and premium persistency assumptions are primarily based on the Group's recent experience adjusted for expected future conditions.	The Group seeks to design products that minimise financial exposure to lapse, surrender and premium persistency risk. The Group monitors lapse, surrender and persistency experience.
Directly attributable expenses	Directly attributable operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies, including associated directly attributable overhead expenses. The directly attributable expenses are derived from internal cost studies projected into the future with an allowance for inflation. Directly attributable acquisitions expenses are derived from internal cost studies.	The Group prices its products to cover the expected costs of servicing and maintaining them. In addition, the Group monitors expenses monthly, including comparisons of actual expenses to expense levels allowed for in pricing and valuation.
Policyholder dividends, and other adjustable policy elements	The best estimate projections for policyholder dividends, and other adjustable elements of policy benefits are determined to be consistent with management's expectation of how these elements will be managed should experience emerge consistently with the best estimate assumptions.	The Group monitors policy experience and adjusts policy benefits and other adjustable elements to reflect this experience. Policyholder dividends are reviewed annually for all businesses under a framework of Board-approved policyholder dividend policies.

Notes to the Financial Statements

31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(i) Fulfilment cash flows (continued)

Determination of assumptions use for deterministic projections (continued)

The Group reviews actuarial methods and assumptions on a regular basis. If changes are made to non-economic assumptions, the impact based on locked-in economic assumption would adjust the contractual service margin for general model and VFA contracts if there is any remaining contractual service margin for the group of policies where the change was made. This amount would then be recognised in income over the period of service provided. Changes could also impact net income and other comprehensive income to the extent that the contractual service margin has been depleted, or discount rates are different than the locked-in rates used to quantify changes to the contractual service margin.

(ii) Determination of discretionary changes

The terms of some contracts measured under the GMM give the Group discretion over the cash flows to be paid to the policyholders, either in their timing or in their amount. Changes in discretionary cash flows are regarded as relating to future service and accordingly adjusts the CSM. The Group determines how to identify a change in discretionary cash flows by specifying the basis on which it expects to determine its commitment under the contract; for example, based on a fixed interest rate, or on returns that vary based on specified asset returns. This determination is specified at the inception of the contract.

(iii) Discount rates

Insurance contract cash flows for non-participating business are discounted using risk free yield curves adjusted by an illiquidity premium to reflect the liquidity characteristics of the liabilities. Cash flows that vary based on the returns of underlying items are adjusted to reflect their variability under these adjusted yield curves. Each yield curve is interpolated between the spot rate at the last observable market data point and an ultimate spot rate which reflects the long-term real interest rate plus inflation expectations.

For participating business, insurance contract cash flows that vary based on the returns of underlying items are discounted at rates reflecting that variability.

For insurance contracts with cash flows that vary with the returns of underlying items and where the present value is measured by stochastic modelling, the cash flows are both projected and discounted at scenario specific rates calibrated on average to be the risk free yield curves adjusted for liquidity.

The spot rates used for discounting the liability cash flows are as follows and include an illiquidity premium determined with reference to net asset spreads indicative of the liquidity characteristics of the liabilities.

				December 31, 2023					
				Years					
Portfolio	**Currency**	**Observable years**	**Ultimate year**	**1**	**5**	**10**	**20**	**30**	**Ultimate**
Non-Par GMM	MYR	15	55	3.40%	3.83%	4.13%	4.09%	4.09%	4.10%
Non-Par Annuity	MYR	15	55	3.50%	3.93%	3.90%	4.09%	4.09%	4.10%
Unit Linked	MYR	15	55	3.40%	3.83%	4.13%	4.09%	4.09%	4.10%
UL MYR	MYR	15	55	3.40%	3.83%	4.93%	4.21%	4.21%	4.25%
Par Pre-05, Par Post-05	MYR	n/a	60	4.73%	4.82%	5.07%	5.23%	5.57%	5.47%
Par Annuity	MYR	n/a	60	4.59%	4.81%	4.99%	4.99%	4.99%	4.99%
Variable Annuities	USD	n/a	30	4.72%	3.81%	3.85%	4.15%	3.99%	3.99%

Notes to the Financial Statements
31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(iii) Discount rates (continued)

				December 31, 2022					
				Years					
Portfolio	Currency	Observable years	Ultimate year	1	5	10	20	30	Ultimate
Non-Par GMM	MYR	15	55	3.52%	4.61%	4.44%	3.96%	3.96%	4.10%
Non-Par Annuity	MYR	15	55	3.50%	4.41%	4.62%	3.96%	3.96%	4.10%
Unit Linked	MYR	15	55	3.52%	4.61%	4.44%	3.96%	3.96%	4.10%
UL MYR	MYR	15	55	3.25%	4.31%	5.88%	4.07%	4.07%	4.25%
Par Pre-05, Par Post-05	MYR	n/a	60	3.35%	4.63%	4.66%	5.28%	6.69%	5.82%
Par Annuity	MYR	n/a	60	4.31%	4.71%	5.06%	5.21%	5.35%	5.60%
Variable Annuities	USD	n/a	30	4.68%	3.97%	3.84%	4.10%	3.92%	3.92%

				December 31, 2023					
				Years					
Portfolio	Currency	Observable years	Ultimate year	1	5	10	20	30	Ultimate
UL USD	USD	30	70	4.43%	4.49%	6.40%	5.90%	3.80%	4.82%

				December 31, 2022					
				Years					
Portfolio	Currency	Observable years	Ultimate year	1	5	10	20	30	Ultimate
UL USD	USD	30	70	5.02%	4.89%	6.98%	5.85%	3.52%	4.83%

Amounts presented in income for policies where changes in assumptions that relate to financial risk do not have a substantial impact on amounts paid to policyholders reflect discount rates locked in beginning with the adoption of IFRS 17 or locked in at issue for later insurance contracts. These policies include term insurance, guaranteed whole life insurance, and health products including critical illness and long-term care. For policies where changes in assumptions to financial risk have a substantial impact on amounts paid to policyholders, discount rates are updated as future cash flows change due to changes in financial risk, so that the amount presented in income from future changes in financial variables is zero. These policies include adjustable universal life contracts. Impacts from differences between current period rates and discount rates used to determine income are presented in other comprehensive income.

(iv) Risk Adjustment and confidence level used to determine risk adjustment

Risk adjustments for non-financial risk represent the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts. The risk adjustment considers insurance, lapse and expense risks, includes both favourable and unfavourable outcomes, and reflects diversification benefits from the insurance contracts issued.

The Group has estimated the risk adjustment using a margin approach. This approach applies a margin for adverse deviation, typically in terms of a percentage of best estimate assumptions, where future cash flows are uncertain. The resulting cash flows are discounted at rates consistent with the best estimate cash flows to arrive at the total risk adjustment. The ranges of these margins are set by the Group and reviewed periodically.

The risk adjustment for non-financial risk for insurance contracts correspond to an 80% - 90% confidence level for all segments.

Notes to the Financial Statements
31 December 2023

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(v) Investment component, Investment-return and Investment-related service

The Group identifies the investment component, investment return-service (contract without direct participation features) and investment-related service (contract with direct participation features) of a contract as part of the product governance process.

Investment components are amounts that are to be paid to the policyholder under all circumstances. Investment components are excluded from insurance revenue and insurance service expenses.

Investment-return service and investment-related service are investment service rendered as part of an insurance contract and are part of the insurance contract service provided to the policyholder.

(vi) Relative weighting of the benefit provided by insurance coverage, investment-return service and investment related service

The contractual service margin is released into income when insurance contract services are provided, by using coverage units. Coverage units represent the quantity of service (insurance coverage, investment-return and investment-related services) provided and are determined by considering the benefit provided under the contract and its expected coverage duration. When the relative size of the investment-related service coverage or the investment-return service coverage unit is disproportionate compared to the insurance service coverage unit, or vice-versa, the Group must determine a relative weighting of the services to reflect the delivery of each of those services. The Group identifies the coverage units as part of the product governance process and did not identify contracts where such weighting was required.

(vii) Fair value approach ("FVA") to determine the Contractual Service Margin

The Group has elected the fair value approach ("FVA") as per MFRS 17.C20 to determine the Contractual Service Margin ("CSM") for all in-force policies sold up to 31 December 2020.

The key assumptions used in determining the fair value CSM are as summarised in the table below.

Fair Value CSM Component	Methodology
Own Credit Risk	A discounting adjustment of 5 basis points (bps) is applied to the discount rate used for discounting all cash flows, except for Participating blocks, which are separated from the overall general account.
Target hurdle rate for cost of capital calculation	10%
Cost of Capital Adjustment	A cost of capital adjustment is made based on the capital requirements calculated according to the local capital regime, with a target capital ratio of 180% is applied.
Risk Adjustment Diversification	30%, same as the reserving assumptions.
Tax Rate	24% (MIB) and 3% (MILL)
Expense Synergies	An expense synergy assumption is set at 50%.

(viii) Impairment assessment of intangible assets and investment in subsidiaries

The significant areas of estimation uncertainty and critical judgements in applying the accounting policy for impairment of intangible assets of the Group and investments in subsidiaries of the Company are disclosed in note 2(k), note 6 and note 7 to the financial statements.

Notes to the Financial Statements
31 December 2023

4. 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 2022		26,420	1,342	28,465	1,322	13,377	70,926
Additions		-	2,675	809	-	645	4,129
Write off	22	-	-	(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 2022/1 January 2023		21,098	3,331	28,792	1,322	14,623	69,166
Additions		-	3,926	374	8	178	4,486
Write off	22	-	-	(1,944)	-	-	(1,944)
Transfer from work-in-progress		-	(2,841)	987	-	1,854	-
Revaluation adjustment		(398)	-	-	-	-	(398)
Effect of exchange rate		-	-	4	-	3	7
At 31 December 2023		20,700	4,416	28,213	1,330	16,658	71,317
Comprising assets stated at 31 December 2023:							
Valuation		20,700	-	-	-	-	20,700
Cost		-	4,416	28,213	1,330	16,658	50,617
		20,700	4,416	28,213	1,330	16,658	71,317
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
Accumulated depreciation							
At 1 January 2022		-	-	22,392	1,065	7,065	30,522
Charge for the financial year	22	574	-	1,545	146	1,341	3,606
Reversal on revaluation		(574)	-	-	-	-	(574)
Write off	22	-	-	(473)	-	-	(473)
At 31 December 2022/1 January 2023		-	-	23,464	1,211	8,406	33,081
Charge for the financial year	22	469	-	1,515	108	1,480	3,572
Reversal on revaluation		(469)	-	-	-	-	(469)
Write off	22	-	-	(1,840)	-	-	(1,840)
At 31 December 2023		-	-	23,139	1,319	9,886	34,344
Carrying amount							
At 31 December 2023		20,700	4,416	5,074	11	6,772	36,973
At 31 December 2022		21,098	3,331	5,328	111	6,217	36,085

Notes to the Financial Statements
31 December 2023

4. PROPERTY AND EQUIPMENT (CONTINUED)

Company	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 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 2022/1 January 2023		10,714	214	3,256	935	3,763	18,882
Additions		-	620	18	-	174	812
Transfer from work-in-progress		-	(643)	19	-	624	-
Revaluation adjustment		(214)	-	-	-	-	(214)
At 31 December 2023		10,500	191	3,293	935	4,561	19,480
Comprising assets stated at 31 December 2023:							
Valuation		10,500	-	-	-	-	10,500
Cost		-	191	3,293	935	4,561	8,980
		10,500	191	3,293	935	4,561	19,480
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
Accumulated depreciation							
At 1 January 2022		-	-	2,768	776	2,023	5,567
Charge for the financial year	22	349	-	94	90	336	869
Reversal on revaluation		(349)	-	-	-	-	(349)
At 31 December 2022/1 January 2023		-	-	2,862	866	2,359	6,087
Charge for the financial year	22	238	-	97	69	385	789
Reversal on revaluation		(238)	-	-	-	-	(238)
At 31 December 2023		-	-	2,959	935	2,744	6,638
Net carrying amount							
At 31 December 2023		10,500	191	334	-	1,817	12,842
At 31 December 2022		10,714	214	394	69	1,404	12,795

Notes to the Financial Statements
31 December 2023

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:

	31.12.2023 RM'000	31.12.2022 RM'000
Group		
Building	**11,110**	11,488
Company		
Building	**5,399**	5,614

The fair value of the Group and Company's freehold property is determined based on the income approach by discounted cash flow method ("DCF method") (2022: income approach by investment method) conducted by an independent qualified valuer, 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 freehold property was adopted for the financial year ended 31 December 2023. The recognised revalued amount was based on the valuation exercise performed as at 31 December 2023.

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

Under the income method by investment method, the market value of the 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. There were no transfers between Level 1, 2, and 3 of the fair value hierarchy during the current and previous financial years.

The fair value of the property is as follows:

	31.12.2023	31.12.2022
Group		
Fair value as stated in valuation report	**20,700**	21,098
Company		
Fair value as stated in valuation report	**10,500**	10,714

The reconciliation from beginning to ending balances for the freehold property is as disclosed on page 160 to page 161.

Notes to the Financial Statements
31 December 2023

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
2023 Freehold property	Income approach DCF Method	**Projected period**	**10 years**
		Projected occupancy	**92.08% to 94.73%**
		Projected gross revenue (office and retail)	**RM4.79 psf to RM5.84 psf**
		Compounded annual growth rate ("CAGR") on revenue	**2.22%**
		Projected outgoings (office and retail)	**RM1.80 psf to RM2.07 psf**
		CAGR on outgoings (office and retail)	**1.55%**
		Discount rate	**8.00%**
2022 Freehold property	Income approach Investment method	Term period's net yield	5.00% - 6.50%
		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

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	31.12.2023 RM'000	31.12.2022 RM'000
Group			
At 1 January		**78,902**	73,580
Transfer to investment property	4	**-**	4,830
Fair value gain	20	**3,398**	492
At 31 December		**82,300**	78,902
Represented by:			
Freehold property		**82,300**	78,902

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5. INVESTMENT PROPERTY (CONTINUED)

	Note	31.12.2023 RM'000	31.12.2022 RM'000
Company			
At 1 January		**32,584**	27,868
Transfer to investment property	4	**-**	4,830
Fair value gain/(loss)	20	**2,774**	(114)
At 31 December		**35,358**	32,584
Represented by:			
Freehold property		**35,358**	32,584

The following are amounts arising from investment property that have been recognised in the profit or loss during the financial year:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Rental income (note 20)	**4,223**	3,411	**3,705**	3,543
Direct operating expenses arising from investment property that generate rental income	**(3,888)**	(3,167)	**(2,078)**	(1,565)
Direct operating expenses arising from investment property that did not generate rental income	**(622)**	(622)	**(300)**	(300)

The fair value of the Group and Company's investment property is determined based on the income approach by discounted cash flow method ("DCF method") (2022: income approach by investment method) conducted by an independent qualified valuer, 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 2023. The recognised revalued amount was based on the valuation exercise performed as at 31 December 2023.

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

Under the income method by investment method, the market value of the 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.

The fair value of the investment property is categorised under Level 3 of the fair value hierarchy. There were no transfers between Level 1, 2, and 3 of the fair value hierarchy during the current and previous financial years.

Notes to the Financial Statements
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5. INVESTMENT PROPERTY (CONTINUED)

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
2023 Investment property	Income approach DCF Method	**Projected period**	**10 years**
		Projected occupancy	**92.08% to 94.73%**
		Projected gross revenue (office and retail)	**RM4.79 psf to RM5.84 psf**
		Compounded annual growth rate (“CAGR”) on revenue	**2.22%**
		Projected outgoings (office and retail)	**RM1.80 psf to RM2.07 psf**
		CAGR on outgoings (office and retail)	**1.55%**
		Discount rate	**8.00%**
2022 Investment property	Income approach Investment method	Term period’s net yield	5.00% - 6.50%
		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

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 163 to page 164.

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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 2022		86,815	43,000	37,855	4,297	28,739	200,706
Additions		-	-	-	1,914	-	1,914
Write off	22	-	-	(1)	(32)	-	(33)
Effect of exchange rate		-	-	45	50	-	95
At 31 December 2022/ 1 January 2023		**86,815**	**43,000**	**37,899**	**6,229**	**28,739**	**202,682**
Additions		**-**	**106,637**	**224**	**3,384**	**-**	**110,245**
Transfer from computer software in progress		**-**	**-**	**3,606**	**(3,606)**	**-**	**-**
Write off	22	**-**	**-**	**(1)**	**(1,957)**	**-**	**(1,958)**
Effect of exchange rate		**-**	**-**	**26**	**7**	**-**	**33**
At 31 December 2023		**86,815**	**149,637**	**41,754**	**4,057**	**28,739**	**311,002**
Accumulated amortisation							
At 1 January 2022		-	41,675	29,944	-	69	71,688
Amortisation during the financial year	22	-	1,325	2,322	-	49	3,696
Write off	22	-	-	(1)	-	-	(1)
Effect of exchange rate		-	-	30	-	-	30
At 31 December 2022/ 1 January 2023		**-**	**43,000**	**32,295**	**-**	**118**	**75,413**
Amortisation during the financial year	22	**-**	**1,199**	**2,249**	**-**	**39**	**3,487**
Write off	22	**-**	**-**	**(1)**	**-**	**-**	**(1)**
Effect of exchange rate		**-**	**-**	**31**	**-**	**-**	**31**
At 31 December 2023		**-**	**44,199**	**34,574**	**-**	**157**	**78,930**
Accumulated impairment							
At 1 January 2022/ 31 December 2022/ 31 December 2023		**-**	**-**	**1,025**	**-**	**-**	**1,025**
Net carrying amount							
At 31 December 2023		**86,815**	**105,438**	**6,155**	**4,057**	**28,582**	**231,047**
At 31 December 2022		86,815	-	4,579	6,229	28,621	126,244

Notes to the Financial Statements
31 December 2023

6. INTANGIBLE ASSETS (CONTINUED)

Company	Note	Computer software RM'000	Total RM'000
Cost			
At 1 January 2022/31 December 2022/31 December 2023		139	139
Accumulated amortisation			
At 1 January 2022		133	133
Amortisation during the financial year	22	4	4
At 31 December 2022/1 January 2023		**137**	**137**
Amortisation during the financial year	22	**2**	**2**
At 31 December 2023		**139**	**139**
Net carrying amount			
At 31 December 2023		**-**	**-**
At 31 December 2022		2	2

(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 2023. 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:

2023

Discount rate	:	7%
Fee income growth rate	:	Average 10.6% 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)

2022

Discount rate	:	7%
Fee income growth rate	:	Average 11.9% 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)

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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 was extended for a further 15 years on 28 July 2023 and is amortised in accordance with note 2(e)(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(e)(iv). The distribution right is partially paid at the reporting dates. The remaining amount payable under the distribution agreement over the contract term is as disclosed in note 16(ii).

7. SUBSIDIARIES

	Company	
	31.12.2023 RM'000	**31.12.2022 RM'000**
Unquoted shares at cost	**412,666**	412,666
Return of capital on members' voluntary winding up	**(1,855)**	(1,855)
Accumulated impairment losses	**(6,793)**	(6,793)
	404,018	404,018

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest 2023 %	Effective interest 2022 %	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	**-**	-	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

Notes to the Financial Statements
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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 2023 and 31 December 2022.

** 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 2023 and management financial statements to the end of the accounting period of 31 December 2023 have been used. Audited by a firm of Chartered Accountants other than Ernst & Young PLT.

8. FINANCIAL ASSETS

(a) Fair value through other comprehensive income

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Malaysian Government Securities	**473,348**	463,414	351,137
Government Investment Issues	**476,257**	367,626	344,788
Corporate debt securities			
- Unquoted	**2,201,730**	1,976,698	1,948,860
- Quoted outside Malaysia	**282,122**	233,589	193,621
Private debt securities			
- Unquoted outside Malaysia	**14,186**	-	-
Accrued interest	**39,113**	31,924	30,528
Total mandatorily measured at FVOCI	**3,486,756**	3,073,251	2,868,934
Current	**264,963**	156,282	212,636
Non-current	**3,221,793**	2,916,969	2,656,298
	3,486,756	3,073,251	2,868,934

Notes to the Financial Statements

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8. FINANCIAL ASSETS (CONTINUED)

(b) Fair value through profit or loss

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Equity securities			
- Quoted in Malaysia	**592,647**	579,762	633,750
- Quoted outside Malaysia	**100,944**	146,456	179,704
- Unquoted in Malaysia	**12,682**	11,476	11,476
Private equity funds			
- Unquoted outside Malaysia	**56,985**	35,639	19,122
Structured product	**66,146**	-	-
Real estate investment trusts	**13,513**	11,859	18,773
Unit trust funds*	**1,641**	1,198	1,206
Forward foreign exchange contract (note 8(c))	**1,153**	1,865	-
Total mandatorily measured at FVTPL	**845,711**	788,255	864,031
Malaysian Government Securities	**24,018**	53,358	39,511
Government Investment Issues	**31,848**	47,443	35,640
Corporate debt securities			
- Unquoted	**305,650**	333,159	350,131
Accrued interest	**5,514**	4,480	4,557
Total designated upon initial recognition at FVTPL	**367,030**	438,440	429,839
	1,212,741	1,226,695	1,293,870
Current	**875,441**	814,143	904,117
Non-current	**337,300**	412,552	389,753
	1,212,741	1,226,695	1,293,870

Company	31.12.2023 RM'000	31.12.2022 RM'000
Equity securities		
- Unquoted in Malaysia	**1,755**	572
Unit trust funds*	**51,771**	52,076
Total mandatorily measured at FVTPL	**53,526**	52,648
Current	**53,526**	52,648
	53,526	52,648

* Being investment in unit trust funds managed by a subsidiary company.

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8. FINANCIAL ASSETS (CONTINUED)

(c) 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(g)(i)(4) and note 2(i).

		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 2023				
Hedging derivative:				
Forward foreign exchange contract				
- Less than 1 year (note 8(b))	**54,018**	**1,153**	**-**	**1,153**
31 December 2022 (restated)				
Hedging derivative:				
Forward foreign exchange contract				
- Less than 1 year (note 8(b))	31,802	1,865	-	1,865

Notes to the Financial Statements
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9. FINANCIAL ASSETS AT AMORTISED COST

Group		31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Loans receivable:				
Mortgage loans		**21,705**	21,912	18,932
Staff loans		**422**	548	672
Other unsecured loans		**5,747**	5,298	3,946
		27,874	27,758	23,550
Allowance for impairment loss		**(90)**	(90)	(90)
	(i)	**27,784**	27,668	23,460
Fixed and call deposits with licensed banks in Malaysia		**322,525**	341,782	334,739
Accrued interest		**459**	417	279
	(ii)	**322,984**	342,199	335,018
Other receivables:				
Amount due from related companies (note 28)		**1,303**	3,330	4,076
Accrued dividend income		**737**	670	566
Accrued rental income		**164**	211	95
Deposits		**1,536**	1,586	1,490
Other debtors		**39,933**	27,197	37,228
		43,673	32,994	43,455
Allowance for impairment loss		**(1,075)**	(1,075)	(1,075)
	(iii)	**42,598**	31,919	42,380
Total		**393,366**	401,786	400,858

Company		31.12.2023 RM'000	31.12.2022 RM'000
Loans receivable:			
Staff loans		**1**	1
	(i)	**1**	1
Other receivables:			
Amount due from subsidiaries (note 28)		**3,959**	8,053
Accrued rental income		**25**	53
Deposits		**368**	364
Other debtors		**2,385**	2,915
		6,737	11,385
Allowance for impairment loss		**(1,075)**	(1,075)
	(iii)	**5,662**	10,310
Total		**5,663**	10,311

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9. FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

	Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
(i)	Loans receivable:			
	Receivable within 12 months	**1,638**	1,417	1,339
	Receivable after 12 months	**26,146**	26,251	22,121
		27,784	27,668	23,460
(ii)	Fixed and call deposits with licensed banks in Malaysia:			
	Receivable within 12 months	**322,984**	342,199	335,018
		322,984	342,199	335,018
(iii)	Other receivables:			
	Receivable within 12 months	**41,062**	30,333	40,890
	Receivable after 12 months	**1,536**	1,586	1,490
		42,598	31,919	42,380

	Company	31.12.2023 RM'000	31.12.2022 RM'000
(i)	Loans receivable:		
	Receivable after 12 months	**1**	1
(iii)	Other receivables:		
	Receivable within 12 months	**5,294**	9,946
	Receivable after 12 months	**368**	364
		5,662	10,310

The carrying amounts of other receivables and fixed and call deposits approximate fair values due to the relatively short-term maturity of these balances. The carrying amount of loans receivable approximates fair value due to the insignificant impact of discounting.

Notes to the Financial Statements
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10. LEASES

(a) Right-of-use assets

Group	Note	Office Rental RM'000	Total RM'000
At 1 January 2022		1,820	1,820
Additions		3,623	3,623
Depreciation	22	(1,965)	(1,965)
At 31 December 2022		**3,478**	**3,478**
Additions		**959**	**959**
Depreciation	22	**(1,767)**	**(1,767)**
Effect of exchange rate		**5**	**5**
At 31 December 2023		**2,675**	**2,675**

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.

The following are the amounts recognised in profit or loss:

	Note	2023 RM'000	2022 RM'000
Group			
Depreciation of right-of-use assets	22	**1,767**	1,965
Interest expense on lease liabilities	27	**96**	81
Expense related to short-term leases	22	**16**	62
Expense related to leases of low-value assets	22	**174**	222
Total amount recognised in profit or loss		**2,053**	2,330
Total cash outflow for leases		**2,034**	2,395
Company			
Expense related to short-term leases	22	**76**	81
Expense related to leases of low-value assets	22	**2**	4
Total amount recognised in profit or loss		**78**	85
Total cash outflow for leases		**78**	85

Notes to the Financial Statements
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10. LEASES (CONTINUED)

(b) Lease liabilities

Group	Office Rental RM'000	Total RM'000
Lease liabilities		
At 1 January 2022	1,913	1,913
Increase	3,623	3,623
Payment of lease liabilities	(2,111)	(2,111)
Interest expense on lease liabilities	81	81
At 31 December 2022/1 January 2023	**3,506**	**3,506**
Increase	**959**	**959**
Payment of lease liabilities	**(1,844)**	**(1,844)**
Interest expense on lease liabilities	**96**	**96**
At 31 December 2023	**2,717**	**2,717**

	2023 RM'000	2022 RM'000
Of which are:		
Current lease liabilities	**1,505**	1,622
Non-current lease liabilities	**1,212**	1,884
	2,717	3,506

11. CURRENT TAX ASSETS/(LIABILITIES)

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Current tax assets	**28,679**	28,087	26,430
Current tax liabilities	**(106)**	-	(953)
	28,573	28,087	25,477

Company	31.12.2023 RM'000	31.12.2022 RM'000
Current tax assets	**851**	693

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

Notes to the Financial Statements
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12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES

a) Composition

Portfolio of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position.

The components of net insurance and reinsurance contract (assets) and liabilities are shown below.

Group	Assets RM'000	Liabilities RM'000	Net RM'000
31 December 2023			
Insurance contracts issued	**-**	**3,897,957**	**3,897,957**
Reinsurance contracts held	**(303)**	**35,108**	**34,805**
Segregated funds	**-**	**1,406,253**	**1,406,253**
Net insurance and reinsurance contracts liabilities	**(303)**	**5,339,318**	**5,339,015**
31 December 2022 (restated)			
Insurance contracts issued	-	3,551,524	3,551,524
Reinsurance contracts held	(315)	54,980	54,665
Segregated funds	-	1,324,405	1,324,405
Net insurance and reinsurance contracts liabilities	(315)	4,930,909	4,930,594
1 January 2022 (restated)			
Insurance contracts issued	(2,936)	3,419,266	3,416,330
Reinsurance contracts held	(4,486)	79,976	75,490
Segregated funds	-	1,397,354	1,397,354
Net insurance and reinsurance contracts liabilities	(7,422)	4,896,596	4,889,174

b) Movements in carrying amounts of insurance and reinsurance contracts

The following reconciliations show how the net carrying amounts of insurance contracts and reinsurance contracts held changed during the year for each reporting segment. The changes are due to cashflows and amounts recognised in the statements of profit or loss and statements of total other comprehensive income.

There are two types of tables presented:

- Tables which analyse movements in the liabilities for remaining coverage and liabilities for incurred claims separately and reconciles them to the relevant statement of profit or loss and statements of total other comprehensive income line items.

- Tables which analyse movements of contracts by measurement components including estimates of the present value of future cash flows, risk adjustment and CSM for portfolios.

Included within the 'Cash flows and other movements' in the following tables are amounts that are transferred to other items in the statement of financial position. The fulfilment cash flows may include amounts that are in the scope of a standard other than MFRS 17. For example, the Group has included some building depreciation costs in the fulfilment cash flows under paragraph B65(l) of MFRS 17. The Group removes such costs from the fulfilment cash flows when they are incurred and included in the carrying amount of another asset or liability (e.g. property and equipment) in accordance with the other standard.

Notes to the Financial Statements

31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(i) Insurance contracts issued - analysis by remaining coverage and incurred claims

The following table presents the movement in the net assets or liabilities for insurance contracts issued, showing the liabilities for remaining coverage and the liabilities for incurred claims.

	Liabilities for remaining coverage		Liabilities for incurred claims		
Group	**Exclude loss component RM'000**	**Loss component RM'000**	**Products not under PAA RM'000**	**PAA estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000**	**Total RM'000**
At 1 January 2023					
Insurance contract liabilities	3,339,709	45,752	166,062	1	3,551,524
Segregated fund insurance net liabilities	1,324,405	-	-	-	1,324,405
	4,664,114	45,752	166,062	1	4,875,929
Insurance revenue					
Expected incurred claims and other insurance service expenses	(228,876)	-	-	-	(228,876)
Change in risk adjustment for non-financial risk expired	(35,416)	-	-	-	(35,416)
CSM recognised for service provided	(48,470)	-	-	-	(48,470)
Recovery of insurance acquisition cashflows	(42,072)	-	-	-	(42,072)
Contracts under PAA	(5,380)	-	-	-	(5,380)
	(360,214)	-	-	-	(360,214)
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	236,089	(690)	235,399
Losses and reversal of losses on onerous contracts (future service)	-	970	-	-	970
Amortisation of insurance acquisition cashflow	42,967	-	-	-	42,967
	42,967	970	236,089	(690)	279,336
Investment components and premium refunds	(325,465)	-	325,465	-	-
Insurance service results	(642,712)	970	561,554	(690)	(80,878)
Insurance finance expenses	275,223	381	7,497	-	283,101
Effects of exchange rates upon consolidation	12,202	(7)	17	-	12,212
Total changes in the statements of profit or loss and other comprehensive income	(355,287)	1,344	569,068	(690)	214,435

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(i) Insurance contract issued - analysis by remaining coverage and incurred claims (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		
Group	**Exclude loss component RM'000**	**Loss component RM'000**	**Products not under PAA RM'000**	**PAA estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000**	**Total RM'000**
Cash flows and other movements					
Premiums and premium tax received	913,867	-	-	-	913,867
Claims and other insurance service expenses paid, including investment components	-	-	(537,717)	940	(536,777)
Insurance acquisition cash flows	(245,092)	-	-	-	(245,092)
Total cash flows and other movements	668,775	-	(537,717)	940	131,998
Movements related to segregated fund insurance net liabilities	81,848	-	-	-	81,848
At 31 December 2023					
Insurance contract liabilities	3,653,197	47,096	197,413	251	3,897,957
Segregated fund insurance net liabilities	1,406,253	-	-	-	1,406,253
	5,059,450	47,096	197,413	251	5,304,210

Notes to the Financial Statements
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12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(i) Insurance contract issued - analysis by remaining coverage and incurred claims (continued)

Group	Liabilities for remaining coverage		Liabilities for incurred claims		
	Exclude loss component RM'000	Loss component RM'000	Products not under PAA RM'000	PAA estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000	Total RM'000
At 1 January 2022					
Insurance contract asset	(3,075)	139	-	-	(2,936)
Insurance contract liabilities	3,287,143	-	132,098	25	3,419,266
Segregated fund insurance net liabilities	1,397,354	-	-	-	1,397,354
	4,681,422	139	132,098	25	4,813,684
Insurance revenue					
Expected incurred claims and other insurance service expenses	(220,382)	-	-	-	(220,382)
Change in risk adjustment for non-financial risk expired	(34,142)	-	-	-	(34,142)
CSM recognised for service provided	(36,768)	-	-	-	(36,768)
Recovery of insurance acquisition cashflows	(22,077)	-	-	-	(22,077)
Contracts under PAA	(2,800)	-	-	-	(2,800)
	(316,169)	-	-	-	(316,169)
Insurance service expense					
Incurred claims and other insurance service expenses	-	-	193,396	(992)	192,404
Losses and reversal of losses on onerous contracts (future service)	-	45,505	-	-	45,505
Changes to liabilities for incurred claims (past service)	-	-	1,716	-	1,716
Amortisation of insurance acquisition cashflow	21,751	-	-	-	21,751
	21,751	45,505	195,112	(992)	261,376
Investment components and premium refunds	(302,496)	-	302,496	-	-
Insurance service results	(596,914)	45,505	497,608	(992)	(54,793)
Insurance finance expenses/(income)	17,225	108	(8,720)	1	8,614
Effects of exchange rates upon consolidation	16,873	-	(28)	-	16,845
Total changes in the statements of profit or loss and other comprehensive income	(562,816)	45,613	488,860	(991)	(29,334)

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(i) Insurance contract issued - analysis by remaining coverage and incurred claims (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		
Group	**Exclude loss component RM'000**	**Loss component RM'000**	**Products not under PAA RM'000**	**PAA estimates of PV of future cash flows and risk adjustment for non-financial risk RM'000**	**Total RM'000**
Cash flows and other movements					
Premiums and premium tax received	855,594	-	-	-	855,594
Claims and other insurance service expenses paid, including investment components	-	-	(454,896)	967	(453,929)
Insurance acquisition cash flows	(237,137)	-	-	-	(237,137)
Total cash flows and other movements	618,457	-	(454,896)	967	164,528
Movements related to segregated fund insurance net liabilities	(72,949)	-	-	-	(72,949)
At 31 December 2022					
Insurance contract liabilities	3,339,709	45,752	166,062	1	3,551,524
Segregated fund insurance net liabilities	1,324,405	-	-	-	1,324,405
	4,664,114	45,752	166,062	1	4,875,929

Notes to the Financial Statements

31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(ii) Insurance contracts issued - analysis by measurement components

The following table presents the movement in the net assets or liabilities for insurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment and CSM.

			CSM		
Group	Estimates of PV of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Fair value RM'000	Others RM'000	Total RM'000
At 1 January 2023					
Insurance contract liabilities	2,920,753	288,553	248,325	93,893	3,551,524
Segregated fund insurance net liabilities	1,324,405	-	-	-	1,324,405
	4,245,158	288,553	248,325	93,893	4,875,929
Changes that relate to current services					
CSM recognised for services provided	-	-	(36,394)	(12,076)	(48,470)
Change in risk adjustment for non-financial risk expired	-	(35,416)	-	-	(35,416)
Experience adjustments	2,038	-	-	-	2,038
	2,038	(35,416)	(36,394)	(12,076)	(81,848)
Changes that relate to future services					
Contracts initially recognised in the year	(48,359)	34,905	-	28,314	14,860
Changes in estimates that adjust the CSM	(43,688)	(63,068)	100,751	6,005	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(14,070)	180	-	-	(13,890)
	(106,117)	(27,983)	100,751	34,319	970
Insurance service results	(104,079)	(63,399)	64,357	22,243	(80,878)
Insurance finance expenses	272,759	4,426	4,285	1,631	283,101
Effects of exchange rates upon consolidation	10,553	279	1,235	145	12,212
Total changes in the statement of profit or loss and other comprehensive income	179,233	(58,694)	69,877	24,019	214,435
Cash flows and other movements	131,998	-	-	-	131,998
Movements related to segregated fund insurance net liabilities	81,848	-	-	-	81,848
At 31 December 2023					
Insurance contract liabilities	3,231,984	229,859	318,202	117,912	3,897,957
Segregated fund insurance net liabilities	1,406,253	-	-	-	1,406,253
	4,638,237	229,859	318,202	117,912	5,304,210

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(ii) Insurance contracts issued – analysis by measurement components (continued)

			CSM		
Group	**Estimates of PV of future cash flows RM'000**	**Risk adjustments for non-financial risk RM'000**	**Fair value RM'000**	**Others RM'000**	**Total RM'000**
At 1 January 2022					
Insurance contract assets	(3,173)	237	-	-	(2,936)
Insurance contract liabilities	2,852,995	296,869	217,901	51,501	3,419,266
Segregated fund insurance net liabilities	1,397,354	-	-	-	1,397,354
	4,247,176	297,106	217,901	51,501	4,813,684
Changes that relate to current services					
CSM recognised for services provided	-	-	(28,728)	(8,040)	(36,768)
Change in risk adjustment for non-financial risk expired	-	(34,142)	-	-	(34,142)
Experience adjustments	(31,103)	-	-	-	(31,103)
	(31,103)	(34,142)	(28,728)	(8,040)	(102,013)
Changes that relate to future services					
Contracts initially recognised in the year	(65,501)	31,137	-	43,604	9,240
Changes in estimates that adjust the CSM	(61,048)	(108)	54,921	6,235	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	34,986	1,279	-	-	36,265
	(91,563)	32,308	54,921	49,839	45,505
Changes that relate to past services					
Adjustments to liabilities for incurred claims	1,716	-	-	-	1,716
Insurance service results	(120,951)	(1,834)	26,193	41,799	(54,793)
Insurance finance expenses/(income)	11,609	(7,573)	3,830	748	8,614
Effects of exchange rates upon consolidation	15,745	854	401	(155)	16,845
Total changes in the statement of profit or loss and other comprehensive income	(93,597)	(8,553)	30,424	42,392	(29,334)
Cash flows and other movements	164,528	-	-	-	164,528
Movements related to segregated fund insurance net liabilities	(72,949)	-	-	-	(72,949)
At 31 December 2022					
Insurance contract liabilities	2,920,753	288,553	248,325	93,893	3,551,524
Segregated fund insurance net liabilities	1,324,405	-	-	-	1,324,405
	4,245,158	288,553	248,325	93,893	4,875,929

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(iii) Reinsurance contracts held - Analysis by remaining coverage and incurred claims

The following table presents the movement in the net assets or liabilities for reinsurance contracts held, showing assets for remaining coverage and amounts recoverable on incurred claims arising from business ceded to reinsurers.

Group	Liabilities for remaining coverage		Amount recoverable: incurred claims RM'000	Total RM'000
	Excluding loss recovery component RM'000	Loss recovery component RM'000		
At 1 January 2023				
Reinsurance contract assets	844	-	(1,159)	(315)
Reinsurance contract liabilities	85,937	(74)	(30,883)	54,980
	86,781	(74)	(32,042)	54,665
Allocation of reinsurance premiums paid				
Expected recovery for claims and other expenses	45,965	-	-	45,965
Change in risk adjustment for non-financial risk expired	2,012	-	-	2,012
Net cost/gain recognised	9,110	-	-	9,110
Experience refunds	(3,833)	-	-	(3,833)
Other	282	-	-	282
	53,536	-	-	53,536
Amounts recoverable from reinsurers				
Recoveries of incurred claims and expenses	-	475	(47,844)	(47,369)
Change in risk adjustment for non-financial risk expired	-	49	-	49
Recoveries of losses and reversal of loss recovery on onerous contracts (future service)	-	(2,337)	-	(2,337)
	-	(1,813)	(47,844)	(49,657)
Net expenses from reinsurance contracts	53,536	(1,813)	(47,844)	3,879
Reinsurance finance expenses/(income)	4,662	(53)	-	4,609
Effect of changes in non-performance risk of reinsurers	(125)	-	-	(125)
Effects of exchange rates upon consolidation	(392)	-	(9)	(401)
Total changes in the statements of profit or loss and other comprehensive income	57,681	(1,866)	(47,853)	7,962
Cash flows				
Premiums paid	(80,108)	-	-	(80,108)
Amounts received	-	-	52,286	52,286
Total cash flows	(80,108)	-	52,286	(27,822)
At 31 December 2023				
Reinsurance contract assets	787	-	(1,090)	(303)
Reinsurance contract liabilities	63,567	(1,940)	(26,519)	35,108
	64,354	(1,940)	(27,609)	34,805

Notes to the Financial Statements

31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(iii) Reinsurance contracts held - Analysis by remaining coverage and incurred claims (continued)

Group	Liabilities for remaining coverage: Excluding loss recovery component RM'000	Liabilities for remaining coverage: Loss recovery component RM'000	Amount recoverable: incurred claims RM'000	Total RM'000
At 1 January 2022				
Reinsurance contract assets	6,150	-	(10,636)	(4,486)
Reinsurance contract liabilities	108,482	-	(28,506)	79,976
	114,632	-	(39,142)	75,490
Allocation of reinsurance premiums paid				
Expected recovery for claims and other expenses	47,070	-	-	47,070
Change in risk adjustment for non-financial risk expired	851	-	-	851
Net cost/gain recognised	1,970	-	-	1,970
Experience refunds	(591)	-	-	(591)
Other	207	-	-	207
	49,507	-	-	49,507
Amounts recoverable from reinsurers				
Recoveries of incurred claims and expenses	-	14	(41,504)	(41,490)
Change in risk adjustment for non-financial risk expired	-	2	-	2
Recoveries of losses and reversal of loss recovery on onerous contracts (future service)	-	(88)	-	(88)
Changes in amounts recoverable arising from changes in liabilities for incurred claims	-	-	750	750
	-	(72)	(40,754)	(40,826)
Net expenses from reinsurance contracts	49,507	(72)	(40,754)	8,681
Reinsurance finance expenses/(income)	3,154	(2)	-	3,152
Effect of changes in non-performance risk of reinsurers	(28)	-	-	(28)
Effects of exchange rates upon consolidation	(250)	-	(13)	(263)
Total changes in the statements of profit or loss and other comprehensive income	52,383	(74)	(40,767)	11,542
Cash flows				
Premiums paid	(80,234)	-	-	(80,234)
Amounts received	-	-	47,867	47,867
Total cash flows	(80,234)	-	47,867	(32,367)
At 31 December 2022				
Reinsurance contract assets	844	-	(1,159)	(315)
Reinsurance contract liabilities	85,937	(74)	(30,883)	54,980
	86,781	(74)	(32,042)	54,665

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(iv) Reinsurance contracts held - analysis by measurement components

The following table presents the movement in the net assets or liabilities for reinsurance contracts issued, showing estimates of the present value of future cash flows, risk adjustment and CSM.

			CSM		
Group	Estimates of PV of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	Fair value RM'000	Others RM'000	Total RM'000
At 1 January 2023					
Reinsurance contract assets	10,191	(1,923)	(8,582)	(1)	(315)
Reinsurance contract liabilities	89,587	(19,031)	(13,098)	(2,478)	54,980
	99,778	(20,954)	(21,680)	(2,479)	54,665
Changes that relate to current services					
Net cost/gain recognised	-	-	8,124	986	9,110
Change in risk adjustment for non-financial risk expired	-	2,061	-	-	2,061
Experience adjustments	(4,955)	-	-	-	(4,955)
	(4,955)	2,061	8,124	986	6,216
Changes that relate to future services					
Contracts initially recognised in the year	(3,928)	(5,438)	-	8,112	(1,254)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(770)	(770)
Changes in estimates that adjust the CSM	23,835	(1,040)	(13,199)	(9,596)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	(395)	82	-	-	(313)
	19,512	(6,396)	(13,199)	(2,254)	(2,337)
Net expenses from reinsurance contracts	14,557	(4,335)	(5,075)	(1,268)	3,879
Reinsurance finance expenses/(income)	7,536	(2,530)	(443)	46	4,609
Effect of changes in non-performance risk of reinsurers	(125)	-	-	-	(125)
Effects of exchange rates upon consolidation	(581)	(174)	412	(58)	(401)
Total changes in the statement of profit or loss and other comprehensive income	21,387	(7,039)	(5,106)	(1,280)	7,962
Cash flows	(27,822)	-	-	-	(27,822)
At 31 December 2023					
Reinsurance contract assets	(303)	-	-	-	(303)
Reinsurance contract liabilities	93,646	(27,993)	(26,786)	(3,759)	35,108
	93,343	(27,993)	(26,786)	(3,759)	34,805

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(b) Movements in carrying amounts of insurance and reinsurance contracts (continued)

(iv) Reinsurance contracts held - analysis by measurement components (continued)

Group	Estimates of PV of future cash flows RM'000	Risk adjustments for non-financial risk RM'000	CSM Fair value RM'000	CSM Others RM'000	Total RM'000
At 1 January 2022					
Reinsurance contract assets	16,873	(17,213)	(176)	(3,970)	(4,486)
Reinsurance contract liabilities	109,201	(5,437)	(20,355)	(3,433)	79,976
	126,074	(22,650)	(20,531)	(7,403)	75,490
Changes that relate to current services					
Net cost/gain recognised	-	-	1,368	602	1,970
Change in risk adjustment for non-financial risk expired	-	851	-	-	851
Experience adjustments	5,058	-	-	-	5,058
	5,058	851	1,368	602	7,879
Changes that relate to future services					
Contracts initially recognised in the year	(3,411)	(4,045)	-	7,235	(221)
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	(481)	(481)
Changes in estimates that adjust the CSM	4,282	650	(2,691)	(2,241)	-
Changes in estimates that relate to losses and reversal of losses on onerous contracts	545	69	-	-	614
	1,416	(3,326)	(2,691)	4,513	(88)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	890	-	-	-	890
Net expenses from reinsurance contracts	7,364	(2,475)	(1,323)	5,115	8,681
Reinsurance finance (income)/expenses	(847)	4,389	(343)	(47)	3,152
Effect of changes in non-performance risk of reinsurers	(28)	-	-	-	(28)
Effects of exchange rates upon consolidation	(418)	(218)	517	(144)	(263)
Total changes in the statement of profit or loss and other comprehensive income	6,071	1,696	(1,149)	4,924	11,542
Cash flows	(32,367)	-	-	-	(32,367)
At 31 December 2022					
Reinsurance contract assets	10,191	(1,923)	(8,582)	(1)	(315)
Reinsurance contract liabilities	89,587	(19,031)	(13,098)	(2,478)	54,980
	99,778	(20,954)	(21,680)	(2,479)	54,665

Notes to the Financial Statements
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12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(c) Insurance revenue by transition approaches

The following table provides information as a supplement to the insurance revenue disclosures in note 12 (b).

Group	31.12.2023 RM'000	31.12.2022 RM'000
Life insurance contracts issued		
Contracts under fair value approach	**231,546**	227,709
Contracts under full retrospective approach	**49,691**	58,017
Other contracts	**78,977**	30,443
	360,214	316,169
Reinsurance contracts held		
Contracts under fair value approach	**(56,858)**	(48,211)
Contracts under full retrospective approach	**788**	(2,866)
Other contracts	**2,534**	1,570
	(53,536)	(49,507)

(d) Effect of new business recognised in the year

(i) The following tables present components of new business for insurance contracts issued.

Group	31.12.2023 Non-Onerous RM'000	31.12.2023 Onerous RM'000
Estimates of present value of future cash outflows	**(331,750)**	**(338,200)**
Insurance acquisition cash flows	**(98,885)**	**(125,866)**
Claims and other insurance service expenses payable	**(232,865)**	**(212,334)**
Estimates of present value of future cash inflows	**371,626**	**346,683**
Risk adjustment for non-financial risk	**(11,562)**	**(23,343)**
Contractual service margin	**(28,314)**	**-**
Losses on onerous contracts at initial recognition	**-**	**(14,860)**

Group	31.12.2022 Non-Onerous RM'000	31.12.2022 Onerous RM'000
Estimates of present value of cash outflows	(386,817)	(188,578)
Insurance acquisition cash flows	(113,893)	(67,649)
Claims and other insurance service expenses payable	(272,924)	(120,929)
Estimates of present value of cash inflows	453,100	187,796
Risk adjustment for non-financial risk	(22,679)	(8,458)
Contractual service margin	(43,604)	-
Losses on onerous contracts at initial recognition	-	(9,240)

Notes to the Financial Statements
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12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(d) Effect of new business recognised in the year (continued)

(ii) The following tables present components of new business for reinsurance contracts held.

Group	2023 RM'000	2022 RM'000
Estimates of present value of future cash outflows	**(37,641)**	(26,872)
Estimates of present value of future cash inflows	**41,569**	30,283
Risk adjustment for non-financial risk	**5,438**	4,045
Contractual service margin	**(8,112)**	(7,235)
Recoveries of losses on onerous contracts at initial recognition	**1,254**	221

(e) Expected recognition of contractual service margin

Group	Less than 1 year RM'000	1 to 5 years RM'000	5 to 10 years RM'000	10 to 20 years RM'000	More than 20 years RM'000	Total RM'000
31 December 2023						
Insurance contracts issued	**52,529**	**159,281**	**112,494**	**85,347**	**26,463**	**436,114**
Reinsurance contracts held	**(8,389)**	**(14,525)**	**(4,304)**	**(3,015)**	**(312)**	**(30,545)**
	44,140	**144,756**	**108,190**	**82,332**	**26,151**	**405,569**
31 December 2022						
Insurance contracts issued	53,225	117,189	86,129	65,667	20,008	342,218
Reinsurance contracts held	(2,589)	(9,612)	(7,201)	(3,896)	(861)	(24,159)
	50,636	107,577	78,928	61,771	19,147	318,059

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12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(f) Investment income and insurance finance income and expense

For the year ended December 31, 2023 Group	Insurance contracts RM'000	Non-insurance RM'000	Total RM'000
Total investment income	313,543	35,552	349,095
Portion recognised in statement of profit or loss (Note 20)	219,875	35,552	255,427
Portion recognised in other comprehensive income	93,668	-	93,668
Insurance finance expense from insurance contracts issued and effect of movement in exchange rates			
Interest accreted to insurance contracts using locked-in rate	(39,067)	-	(39,067)
Due to changes in interest rates and other financial assumptions	(19,156)	-	(19,156)
Changes in fair value of underlying items of direct participation contracts	(198,124)	-	(198,124)
Effects of risk mitigation option	109	-	109
Net foreign exchange expense	4	-	4
Other	(26,867)	-	(26,867)
Total insurance finance expense from insurance contracts issued	(283,101)	-	(283,101)
Portion recognised in statement of profit or loss	(204,060)	-	(204,060)
Portion recognised in other comprehensive income	(79,041)	-	(79,041)
Reinsurance finance expense from reinsurance contracts held and effect of movement in foreign exchange rates			
Interest accreted to reinsurance contracts using locked-in rate	(1,263)	-	(1,263)
Due to changes in interest rates and other financial assumptions	(3,346)	-	(3,346)
Changes in risk of non-performance of reinsurer	125	-	125
Total reinsurance finance expense from reinsurance contracts held	(4,484)	-	(4,484)
Portion recognised in statement of profit or loss	(4,276)	-	(4,276)
Portion recognised in other comprehensive income	(208)	-	(208)
Total net investment income, insurance finance expense and reinsurance finance expense	25,958	35,552	61,510
Portion recognised in statement of profit or loss	11,539	35,552	47,091
Portion recognised in other comprehensive income	14,419	-	14,419

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12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(f) Investment income and insurance finance income and expense (continued)

For the year ended December 31, 2022 Group	Insurance contracts RM'000	Non-insurance RM'000	Total RM'000
Total investment income	18,280	11,780	30,060
Portion recognised in statement of profit or loss (Note 20)	114,259	11,780	126,039
Portion recognised in other comprehensive income	(95,979)	-	(95,979)
Insurance finance expense from insurance contracts issued and effect of movement in exchange rates			
Interest accreted to insurance contracts using locked-in rate	(20,991)	-	(20,991)
Due to changes in interest rates and other financial assumptions	29,545	-	29,545
Changes in fair value of underlying items of direct participation contracts	(16,224)	-	(16,224)
Effects of risk mitigation option	3,930	-	3,930
Net foreign exchange expense	(235)	(8)	(243)
Other	(4,628)	(3)	(4,631)
Total insurance finance expense from insurance contracts issued	(8,603)	(11)	(8,614)
Portion recognised in statement of profit or loss	(110,430)	(11)	(110,441)
Portion recognised in other comprehensive income	101,827	-	101,827
Reinsurance finance expense from reinsurance contracts held and effect of movement in foreign exchange rates			
Interest accreted to reinsurance contracts using locked-in rate	(2,054)	-	(2,054)
Due to changes in interest rates and other financial assumptions	(1,098)	-	(1,098)
Changes in risk of non-performance of reinsurer	28	-	28
Total reinsurance finance expense from reinsurance contracts held	(3,124)	-	(3,124)
Portion recognised in statement of profit or loss	2,550	-	2,550
Portion recognised in other comprehensive income	(5,674)	-	(5,674)
Total net investment income, insurance finance expense and reinsurance finance expense	6,553	11,769	18,322
Portion recognised in statement of profit or loss	6,379	11,769	18,148
Portion recognised in other comprehensive income	174	-	174

Notes to the Financial Statements
31 December 2023

12. INSURANCE AND REINSURANCE CONTRACT (ASSETS)/LIABILITIES (CONTINUED)

(g) Insurance and reinsurance contracts contractual obligations – maturity analysis

The table below represents the maturities of the insurance contracts issued and reinsurance contracts held as at the dates presented.

Group	Carrying value RM'000	Less than 1 year RM'000	1 to 2 years RM'000	2 to 3 years RM'000	3 to 4 years RM'000	4 to 5 years RM'000	Over 5 years RM'000	Total RM'000
31 December 2023								
Insurance contracts issued	**3,897,957**	**176,607**	**142,872**	**150,066**	**192,535**	**278,365**	**6,168,864**	**7,109,309**
Reinsurance contracts held	**34,805**	**17,041**	**10,474**	**3,701**	**(1,280)**	**(1,074)**	**22,418**	**51,280**
	3,932,762	**193,648**	**153,346**	**153,767**	**191,255**	**277,291**	**6,191,282**	**7,160,589**
31 December 2022								
Insurance contracts issued	3,551,524	105,568	115,379	151,303	164,549	204,034	6,180,117	6,920,950
Reinsurance contracts held	54,665	24,227	15,544	15,537	(1,558)	(1,441)	22,320	74,629
	3,606,189	129,795	130,923	166,840	162,991	202,593	6,202,437	6,995,579

Insurance contract liabilities cash flows include estimates related to the timing and payment of death and disability claims, policy surrenders, policy maturities, annuity payments, minimum guarantees on segregated fund products, policyholder dividends, commissions and premium taxes offset by contractual future premiums on in-force contracts and exclude amount from insurance contract liabilities for account of segregated fund holders.

These estimated cash flows are based on the best estimate assumptions used in the determination of insurance contract liabilities. These amounts are undiscounted. Reinsurance contract liabilities cash flows include estimates related to the timing and payment of future reinsurance premiums offset by recoveries on in-force reinsurance agreements. Due to the use of assumptions, actual cash flows may differ from these estimates.

13. OTHER ASSETS

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Prepayment	**14,873**	11,657	10,043
Current	**8,755**	5,133	10,864
Non-current	**6,118**	6,524	4,312
	14,873	11,657	15,176

Company	31.12.2023 RM'000	31.12.2022 RM'000
Prepayment	**186**	171
Current	**186**	171

Notes to the Financial Statements
31 December 2023

14. SEGREGATED FUNDS

Manulife Insurance Berhad ("MIB") manages a number of segregated funds on behalf of policyholders. Policyholders are provided with the opportunity to invest in different categories of segregated funds that respectively hold a range of underlying investments. MIB retains legal title to the underlying investments; however, returns from these investments belong to the policyholders. Accordingly, MIB does not bear the risk associated with these assets outside of guarantees offered on certain variable life and annuity products

The carrying value in segregated funds net assets are as follows:

Group	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
ASSETS			
Investments			
Quoted securities	**848,296**	759,236	795,442
Quoted unit trust funds	**183,732**	175,735	180,784
Debt securities	**133,402**	111,393	107,131
Fixed deposits	**66,441**	92,986	71,048
Foreign investments	**156,077**	167,994	237,416
Derivative assets	**1,174**	511	933
Other receivables	**8,502**	9,053	11,207
Deferred tax asset	**-**	928	-
Cash at bank	**22,821**	13,917	18,584
Total assets	**1,420,445**	1,331,753	1,422,545
LIABILITIES			
Payables	**7,208**	5,856	8,052
Deferred tax liabilities	**1,354**	-	9,523
Current tax liabilities	**5,630**	1,492	7,616
Total liabilities	**14,192**	7,348	25,191
NET ASSETS ATTRIBUTABLE TO POLICYHOLDERS, REPRESENTING SEGREGATED FUNDS NET ASSET	**1,406,253**	1,324,405	1,397,354
SEGREGRATED FUNDS INSURANCE NET LIABILITIES	**(1,406,253)**	(1,324,405)	(1,397,354)

Notes to the Financial Statements
31 December 2023

14. SEGREGATED FUNDS (CONTINUED)

The segregated funds related investment results are as follows:

Group	2023 RM'000	2022 RM'000
INCOME/(EXPENSE)		
Interest income	**8,174**	6,703
Dividend income	**34,412**	37,218
Rebate income	**3,283**	3,048
Realised gains on disposal of investments	**54,297**	7,654
Realised exchange gains	**7,279**	4,947
Realised derivative loss	**(6,661)**	(5,788)
Unrealised capital gains/(losses)	**31,028**	(133,222)
Unrealised derivatives gains/(losses)	**663**	(422)
Net amortisation of premiums	**(786)**	(733)
Effect of exchange rate	**46**	207
Investment income/(expense) related to segregated fund net assets	**131,735**	(80,388)
Financial changes related to segregated fund net liabilities	**(131,735)**	80,388

15. DEFERRED TAX LIABILITIES

Analysis of deferred tax liabilities are as follows:

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Presented after appropriate offsetting as follows:			
Deferred tax liabilities	**120,121**	104,724	108,345
Current	**3,864**	3,024	6,471
Non-current	**116,257**	101,700	101,874
	120,121	104,724	108,345

Company	31.12.2023 RM'000	31.12.2022 RM'000
Presented after appropriate offsetting as follows:		
Deferred tax liabilities	**159**	253
Current	**159**	253

Notes to the Financial Statements

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15. DEFERRED TAX LIABILITIES (CONTINUED)

The components of deferred tax (assets)/liabilities as of the date of the statement of financial position are as follows:

	Assets			Liabilities			Net (after offsetting)		
Group	**31.12.2023 RM'000**	**31.12.2022 RM'000**	**01.01.2022 RM'000**	**31.12.2023 RM'000**	**31.12.2022 RM'000**	**01.01.2022 RM'000**	**31.12.2023 RM'000**	**31.12.2022 RM'000**	**01.01.2022 RM'000**
Accelerated depreciation	**-**	-	-	**873**	877	201	**873**	877	201
Unallocated surplus	**-**	-	-	**108,536**	100,124	99,312	**108,536**	100,124	99,312
Self-occupied and investment property	**-**	-	-	**398**	337	230	**398**	337	230
Investments	**-**	(2,630)	-	**23,706**	-	17,748	**23,706**	(2,630)	17,748
Insurance contract liabilities	**(13,326)**	-	(9,147)	**-**	5,775	-	**(13,326)**	5,775	(9,147)
Reinsurance contract liabilities	**(66)**	-	-	**-**	241	1	**(66)**	241	1
	(13,392)	(2,630)	(9,147)	**133,513**	107,354	117,492	**120,121**	104,724	108,345

	Liabilities		Net (after offsetting)	
Company	**31.12.2023 RM'000**	**31.12.2022 RM'000**	**31.12.2023 RM'000**	**31.12.2022 RM'000**
Accelerated depreciation	**159**	253	**159**	253
	159	253	**159**	253

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.

15. DEFERRED TAX LIABILITIES (CONTINUED)

The components and movements of deferred tax (assets)/liabilities during the financial year are as follows:

Group	Accelerated depreciation RM'000	Unallocated surplus RM'000	Self-occupied and investment property RM'000	Investments RM'000	Insurance contract liabilities RM'000	Reinsurance contract liabilities RM'000	Total RM'000
At 1 January 2022 (restated)	201	99,312	230	17,748	(9,147)	1	108,345
Recognised in:							
Profit or loss:							
- Taxation (note 23)	676	812	49	(3,528)	-	-	(1,991)
Other comprehensive income							
- Asset revaluation reserve	-	-	58	-	-	-	58
- Fair value reserve	-	-	-	(16,850)	-	-	(16,850)
- Insurance finance reserve	-	-	-	-	14,922	-	14,922
- Reinsurance finance reserve	-	-	-	-	-	240	240
At 31 December 2022/1 January 2022 (restated)	**877**	**100,124**	**337**	**(2,630)**	**5,775**	**241**	**104,724**
Recognised in:							
Profit or loss:							
- Taxation (note 23)	**(4)**	**8,412**	**50**	**753**	**-**	**-**	**9,211**
Other comprehensive income							
- Asset revaluation reserve	**-**	**-**	**11**	**-**	**-**	**-**	**11**
- Fair value reserve	**-**	**-**	**-**	**25,583**	**-**	**-**	**25,583**
- Insurance finance reserve	**-**	**-**	**-**	**-**	**(19,101)**	**-**	**(19,101)**
- Reinsurance finance reserve	**-**	**-**	**-**	**-**	**-**	**(307)**	**(307)**
At 31 December 2023	**873**	**108,536**	**398**	**23,706**	**(13,326)**	**(66)**	**120,121**

Notes to the Financial Statements
31 December 2023

15. DEFERRED TAX LIABILITIES (CONTINUED)

The components and movements of deferred tax (assets)/liabilities during the financial year are as follows (continued):

Company	Note	Accelerated depreciation RM'000	Total RM'000
At 1 January 2022		132	132
Recognised in:			
Profit or loss			
- Taxation	23	121	121
At 31 December 2022/1 January 2023		**253**	**253**
Recognised in:			
Profit or loss			
- Taxation	23	**(94)**	**(94)**
At 31 December 2023		**159**	**159**

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:

	Group	
	2023 RM'000	2022 RM'000
Unutilised tax losses	**2,919**	2,876
Other deductible temporary differences	**269**	251
	3,188	3,127
Deferred tax assets not recognised	**765**	750

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.

Notes to the Financial Statements
31 December 2023

16. OTHER LIABILITIES

Group		31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Other creditors		**37,866**	65,128	62,136
Prepaid premium		**105,906**	117,714	112,333
Accrued liabilities		**190,050**	130,669	111,298
Amount due to related companies (note 28)	(i)	**46,606**	22,807	23,272
Amount payable under Distribution Agreement	(ii)	**11,972**	14,500	17,370
		392,400	350,818	326,409
Current		**389,900**	345,883	318,628
Non-current		**2,500**	4,935	7,781
		392,400	350,818	326,409

Company		31.12.2023 RM'000	31.12.2022 RM'000
Other creditors		**1,963**	1,591
Accrued liabilities		**4,267**	2,976
Amount due to related companies (note 28)	(i)	**20,815**	13,258
		27,045	17,825
Current		**27,045**	17,825
Non-current		**-**	-
		27,045	17,825

(i) The amounts due to related companies 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.

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17. SHARE CAPITAL

	Group and Company			
	31.12.2023		31.12.2022	
	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	**216,262**	**131,041**	211,559	121,353
Issuance pursuant to Dividend Reinvestment Plan (note 26)	**3,205**	**5,481**	4,703	9,688
At 31 December	**219,467**	**136,522**	216,262	131,041

18. RETAINED EARNINGS

The retained earnings are classified as distributable and non-distributable as follows:

Group	Note	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Distributable	(i)	**747,615**	697,668	677,212
Non-distributable	(ii)	**359,278**	337,489	338,350
		1,106,893	1,035,157	1,015,562

(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.

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19. PARTICIPATING POLICYHOLDERS' EQUITY

Group	Accumulated Loss RM'000	Insurance and Reinsurance Finance Reserve RM'000	Fair Value Reserve RM'000	Asset Revaluation Reserve RM'000	Total Participating Policyholders' Equity RM'000
At 1 January 2023 - as previously reported	**-**	**-**	**-**	**-**	**-**
Effects of adoption of MFRS 9 and MFRS 17	**(13,748)**	**5,350**	**(7,293)**	**1,756**	**(13,935)**
Effects of adoption of MFRS 9 classification overlay	**242**	**(3,214)**	**2,972**	**-**	**-**
At 1 January 2023 - as restated	**(13,506)**	**2,136**	**(4,321)**	**1,756**	**(13,935)**
Net profit for the financial year	**5,996**	**-**	**-**	**-**	**5,996**
Other comprehensive (loss)/ income for the financial year	**-**	**(39,693)**	**37,304**	**36**	**(2,353)**
Total comprehensive income/ (loss) for the financial year	**5,996**	**(39,693)**	**37,304**	**36**	**3,643**
Surplus transfer to equity holder of the Company	**(10,864)**	**-**	**-**	**-**	**(10,864)**
At 31 December 2023	**(18,374)**	**(37,557)**	**32,983**	**1,792**	**(21,156)**
At 1 January 2022 - as previously reported	-	-	-	-	-
Effects of adoption of MFRS 17	(105,955)	(27,649)	116,029	1,573	(16,002)
Effects of adoption of MFRS 9	92,527	-	(92,527)	-	-
At 1 January 2022 - as restated	(13,428)	(27,649)	23,502	1,573	(16,002)
Net profit for the financial year	10,648	-	-	-	10,648
Other comprehensive income/ (loss) for the financial year	-	32,999	(30,795)	183	2,387
Total comprehensive income/ (loss) for the financial year	10,648	32,999	(30,795)	183	13,035
Surplus transfer to equity holder of the Company	(10,968)	-	-	-	(10,968)
At 31 December 2022	(13,748)	5,350	(7,293)	1,756	(13,935)

Notes to the Financial Statements
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20. INVESTMENT INCOME

	Group		Company	
	2023 RM'000	Restated 2022 RM'000	2023 RM'000	2022 RM'000
Investment income:				
Financial assets at FVTPL				
Interest/profit sharing income:				
Debt securities	**15,720**	17,296	**-**	-
Structured product	**844**	-	**-**	-
Dividend/distribution income:				
Equity securities				
- quoted in Malaysia	**24,651**	23,312	**-**	100
- quoted outside Malaysia	**1,835**	2,524	**-**	-
- unquoted in Malaysia	**757**	1,314	**76**	70
Real estate investment trusts				
- quoted in Malaysia	**597**	606	**-**	3
Unit trust funds in Malaysia	**-**	-	**1,840**	1,931
Private equity funds outside Malaysia	**43**	37	**-**	-
Financial assets at FVOCI				
Interest income:				
Debt securities	**149,504**	134,450	**-**	-
Private debt securities	**396**	-	**-**	-
Net amortisation of premiums	**(7,429)**	(9,745)	**-**	-
Cash and cash equivalents				
Interest income	**10,681**	8,051	**33**	29
Investment properties				
Rental income	**4,223**	3,411	**3,705**	3,543
Other income	**217**	116	**-**	-
	202,039	181,372	**5,654**	5,676
Realised and unrealised gains/(losses) on assets supporting insurance:				
Net realised gains/(losses)				
Equity securities and unit trust funds	**21,867**	25,225	**(139)**	(773)
Debt securities	**1,523**	(14,581)	**-**	-
Derivatives	**(1,569)**	(1,820)	**-**	-
Subsidiaries	**-**	-	**-**	(53)
	21,821	8,824	**(139)**	(826)
Net fair value gains/(losses)				
Equity securities and unit trust funds	**2,115**	(68,568)	**1,588**	(850)
Unquoted equity securities	**1,206**	-	**1,183**	-
Private equity funds	**7,738**	4,086	**-**	-
Structured product	**8,156**	-	**-**	-
Debt securities	**14,104**	(7,378)	**-**	-
Derivatives	**(712)**	1,865	**-**	-
Foreign exchange gains/(loss)	**3,235**	12,722	**(4)**	-
Investment property	**3,398**	492	**2,774**	(114)
	39,240	(56,781)	**5,541**	(964)

Notes to the Financial Statements

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20. INVESTMENT INCOME (CONTINUED)

		Group		Company	
	Note	2023 RM'000	Restated 2022 RM'000	2023 RM'000	2022 RM'000
Reversal of expected credit loss					
Financial assets at FVOCI					
Debt securities	(i)	**1,282**	-	**-**	-
		62,343	(47,957)	**5,402**	(1,790)
Investment expenses		**(8,955)**	(7,376)	**(2,636)**	(1,904)
Net investment income	12(f)	**255,427**	126,039	**8,420**	1,982

(i) The Group adopted MFRS 9's ECL impairment requirements as at January 1, 2023 without restating the comparative period. Impairments for 2023 are based on MFRS 9's ECL requirements and impairments for 2022 are based on MFRS 139's incurred loss impairment requirements.

21. FEE INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fund management fee income	**97,699**	89,048	**-**	-
Charges and fee income	**25,255**	30,064	**-**	-
Outsourcing fee income	**-**	-	**2,058**	1,914
	122,954	119,112	**2,058**	1,914

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22. EXPENSES

		Group		Company	
	Note	2023 RM'000	Restated 2022 RM'000	2023 RM'000	2022 RM'000
Claims and benefits		**176,517**	142,073	**-**	-
Fees and commissions		**146,907**	153,548	**-**	-
Losses on onerous contracts		**970**	45,505	**-**	-
Staff costs		**110,740**	106,386	**3,280**	4,354
Directors' remuneration					
- Fees	28	**1,061**	1,075	**385**	396
- Other emoluments	28	**8,129**	9,597	**1,036**	1,164
Auditors' remuneration					
- Statutory audit		**1,832**	671	**202**	95
- Regulatory related services		**59**	102	**11**	57
Depreciation of property and equipments	4	**3,572**	3,606	**789**	869
Amortisation of intangible assets	6	**3,487**	3,696	**2**	4
Write off					
- Property and equipment	4	**104**	98	**-**	-
- Intangible assets	6	**1,957**	32	**-**	-
Depreciation of right-of-use assets	10	**1,767**	1,965	**-**	-
Expense relating to short-term leases	10	**16**	62	**76**	81
Expense relating to leases of low-value assets	10	**174**	222	**2**	4
Bancassurance service fee		**2,750**	3,000	**-**	-
Bancassurance incentives and allowances		**27,892**	19,124	**-**	-
Credit card charges		**2,931**	2,932	**-**	-
Computer hardware and software maintenance		**5,816**	6,288	**348**	170
Information technology related expenses		**39,408**	28,112	**991**	679
Marketing and printing expenses		**7,017**	8,514	**63**	65
Meeting and conferences		**1,595**	1,244	**12**	9
Net outsourcing fees expense		**5,640**	6,340	**1,341**	1,111
Professional fees		**919**	2,504	**294**	368
Training expenses		**2,374**	2,397	**50**	23
Travelling and entertainment expenses		**1,926**	1,489	**44**	40
Other expenses		**7,798**	2,361	**2,963**	790
		563,358	552,943	**11,889**	10,279
Amounts attributed to insurance acquisition cash flows incurred during the year		**(262,548)**	(249,983)	**-**	-
Amortisation of insurance acquisition cash flows	12	**42,967**	21,751	**-**	-
		343,777	324,711	**11,889**	10,279
Represented by:					
Insurance service expenses		**279,336**	261,376	**-**	-
General expenses		**64,441**	63,335	**11,889**	10,279
		343,777	324,711	**11,889**	10,279

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23. TAXATION

	Group 2023 RM'000	Group Restated 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
In respect of the profit of the Group and Company:				
Current tax				
Current financial year	**22,041**	19,831	**-**	-
(Over)/under provision in prior financial year	**(1,983)**	1,212	**-**	-
	20,058	21,043	**-**	-
Deferred tax				
Current financial year (note 15)	**9,211**	(1,991)	**(94)**	121
	29,269	19,052	**(94)**	121

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

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as below:

	Group 2023 RM'000	Group Restated 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Profit/(loss) before taxation	**113,143**	53,136	**(1,411)**	(6,383)
Taxation at Malaysia statutory tax rate of 24% (2022: 24%)	**27,154**	12,752	**(339)**	(1,532)
Effect of different tax rate	**6,975**	9,410	**-**	-
Section 110 tax credit set off	**(2,391)**	(1,942)	**-**	-
Income not subject to tax	**(7,295)**	(7,093)	**(2,020)**	(350)
Expenses not deductible for tax purposes	**6,835**	4,548	**2,265**	2,003
Changes in unrecognised deferred tax assets	**(26)**	165	**-**	-
	31,252	17,840	**(94)**	121
(Over)/under provision in prior financial year				
- Current tax	**(1,983)**	1,212	**-**	-
Tax expense	**29,269**	19,052	**(94)**	121

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24. 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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
RSU expenses	**3,209**	3,444	**378**	423
	3,209	3,444	**378**	423

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.

25. 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	
		2023	Restated 2022
Net profit/(loss) attributable to owners of the Company	(RM'000)	**77,878**	23,436
Weighted average number of shares	('000)	**217,535**	213,595
Basic earnings per share	(sen)	**35.80**	10.97

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

26. DIVIDEND PAID

	2023		2022	
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 2022				
- First and final dividend	**7.0**	**15,138**	-	-
Single tier dividend for 2021				
- First and final dividend	**-**	**-**	7.0	14,809
	7.0	**15,138**	7.0	14,809

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26. DIVIDEND PAID (CONTINUED)

Out of the total distribution of 2022 First and Final Single Tier Dividend, a total of RM5,481,499 was converted into 3,205,555 new ordinary shares of the Company at the conversion price of RM1.71 per ordinary share under the Dividend Reinvestment Plan on 9 August 2023. The remaining RM9,656,832 was distributed as cash dividend.

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.

The directors recommend the payment of a first and final dividend of 7.0 sen per share, amounting to approximately RM15,383,000 for the financial year ended 31 December 2023, which is subject 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 2024 when approved by the shareholders.

27. ADJUSTMENTS FOR NON-CASH ITEMS

Non-cash items in the statements of cash flows comprise of:

	Group		Company	
	2023 RM'000	Restated 2022 RM'000	2023 RM'000	2022 RM'000
Interest income	**(177,145)**	(159,797)	**(33)**	(29)
Dividend income	**(27,883)**	(27,793)	**(1,916)**	(2,104)
Rental income	**(4,223)**	(3,411)	**(3,705)**	(3,543)
Net amortisation of premiums	**7,429**	9,745	**-**	-
(Gains)/loss on disposal of FVOCI financial assets	**(1,523)**	14,581	**-**	-
(Gains)/loss on disposal of FVTPL financial assets	**(20,298)**	(23,405)	**139**	773
Fair value (gain)/loss on investment property	**(3,398)**	(492)	**(2,774)**	114
Fair value (gain)/loss on FVTPL financial assets	**(32,607)**	69,995	**(2,771)**	850
Reversal of expected credit loss on FVOCI financial assets	**(1,282)**	-	**-**	-
Depreciation of property and equipment	**3,572**	3,606	**789**	869
Property and equipment written off	**104**	98	**-**	-
Amortisation of intangible assets	**3,487**	3,696	**2**	4
Intangible asset written off	**1,957**	32	**-**	-
Depreciation of right-of-use assets	**1,767**	1,965	**-**	-
Interest expense of lease liabilities	**96**	81	**-**	-
Loss on dissolution of subsidiary	**-**	-	**-**	53
Taxation	**29,269**	19,052	**(94)**	121
Foreign exchange (gains)/loss	**(3,235)**	(12,722)	**4**	-
	(223,913)	(104,769)	**(10,359)**	(2,892)

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28. 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:

Name of company	Country of 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
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
Manulife General Account Investments (Singapore) Pte Ltd ("SAGA")	Singapore	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 in page 208.

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

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28. 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:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expenses/(income):				
Penultimate holding company				
Information technology outsourcing expenses	**1,868**	(526)	**-**	-
Outsourcing fee income	**(1,561)**	-	**-**	-
Intermediate holding company				
Reimbursement of personnel expenses	**4,967**	2,760	**670**	985
Reimbursement of director fees	**236**	73	**236**	73
Reimbursement of software maintenance expenses	**13,630**	5,040	**282**	179
Reimbursement of consultation fee	**24**	103	**-**	-
Reimbursement of overhead expense	**(1,552)**	(860)	**(277)**	(198)
Reimbursement of education and training expenses	**46**	5	**45**	5
Reimbursement of travelling expense	**7**	14	**-**	-
Regional office functional services and support	**2,417**	826	**-**	-
Provision of IT development services	**356**	694	**-**	-
Provision of IT infrastructure support and maintenance services	**16,431**	20,251	**518**	509
Provision of accounting and finance support	**914**	202	**-**	-
Provision of HR support	**724**	700	**-**	-
Provision of staff claims system	**34**	33	**-**	-
Provision of compliance support	**106**	119	**-**	-
Subsidiaries of ultimate holding company				
Rebate income	**(7,804)**	(10,175)	**-**	-
Outsourcing fee income	**(3,425)**	(3,648)	**-**	-
Outsourcing fee expense	**98**	347	**-**	-
Management fee expense	**8,392**	5,456	**-**	-
Investment consulting services	**1,315**	509		
Reinsurance premium ceded	**273**	219	**-**	-
Information technology outsourcing expenses	**483**	391	**-**	-
Provision of IT infrastructure support and maintenance services	**3,692**	3,536	**-**	-
Subsidiaries of the Company				
Outsourcing fee income (note 21)	**-**	-	**(2,058)**	(1,914)
Outsourcing fee expense	**-**	-	**1,321**	1,094
Rental income	**-**	-	**(1,611)**	(1,741)
Short term leases (note 22)	**-**	-	**76**	81
Fund management expenses	**-**	-	**-**	8
Management fees and maintenance charges	**-**	-	**71**	78

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28. 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	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, other short-term employee benefits and other directors' emoluments		**23,908**	23,552	**2,459**	2,760
Retirement benefits contribution	(i)	**2,860**	3,156	**256**	278
RSU expenses (note 24)	(ii)	**3,209**	3,444	**378**	423
		29,977	30,152	**3,093**	3,461

(i) The retirement benefits contributions of the Company were made to the defined contribution plan as mentioned in note 2(m)(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(m)(iii) to the financial statements.

Directors

The aggregate amount of emoluments received and receivable by directors of the Group and the Company during the financial year are detailed as follows:

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive director of the Company:					
Salaries		**2,868**	3,028	**573**	606
Bonus		**1,320**	1,765	**264**	353
Retirement benefits contributions	(i)	**204**	190	**41**	38
RSU expenses	(ii)	**792**	836	**158**	167
		5,184	5,819	**1,036**	1,164
Executive directors of the subsidiaries:					
Salaries		**1,464**	1,458	**-**	-
Bonus		**601**	1,155	**-**	-
Retirement benefits contributions	(i)	**384**	492	**-**	-
RSU expenses	(ii)	**496**	673	**-**	-
		2,945	3,778	**-**	-
Total directors remuneration for Executive directors		**8,129**	9,597	**1,036**	1,164
Non-executive directors of the Company:					
Fees	(iii)	**669**	679	**385**	396
Non-executive directors of the subsidiaries:					
Fees	(iii)	**392**	396	**-**	-
Total directors remuneration for Non-executive directors		**1,061**	1,075	**385**	396
		9,190	10,672	**1,421**	1,560

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28. 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(m)(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(m)(iii) to the financial statements.

(iii) Included in 2022 Non-executive directors' fees of RM1,075,000 were Investment Committee members' fees of RM115,500 which were borne by the unit trust funds managed by the asset management subsidiary. The Investment Committee has been dissolved from January 2023 onwards.

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	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Financial assets at amortised cost (note 9)				
- Amount due from related companies	**1,303**	3,330	**-**	-
- Amount due from subsidiaries	**-**	-	**3,959**	8,053
	1,303	3,330	**3,959**	8,053
Other liabilities (note 16)				
- Amount due to related companies	**46,606**	22,807	**20,815**	13,258

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29. 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
Life insurance	:	Underwriting of Participating life and Non-participating life insurance and unit-linked products
Asset management services	:	Asset management, unit trust, private retirement scheme funds

(a) Segment reporting

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

(b) Reconciliation of reportable segments

	Group	
	2023 RM'000	2022 RM'000
Total revenue		
Total revenue for reportable segments	**728,487**	657,048
Elimination of inter-segment revenue	**(43,280)**	(40,395)
Total revenue as per statement of profit or loss	**685,207**	616,653
Segment assets		
Total assets for reportable segments	**8,055,664**	7,531,647
Elimination of inter-segment assets	**(951,821)**	(975,866)
Total assets as per statement of financial position	**7,103,843**	6,555,781
Segment liabilities		
Total liabilities for reportable segments	**5,856,044**	5,388,590
Elimination of inter-segment liabilities	**(1,382)**	1,367
Total liabilities as per statement of financial position	**5,854,662**	5,389,957

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30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

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

Group	FVTPL RM'000	FVOCI RM'000	AC RM'000	Total RM'000
31 December 2023				
Financial assets				
Financial assets at FVOCI	**-**	**3,486,756**	**-**	**3,486,756**
Financial assets at FVTPL	**1,212,741**	**-**	**-**	**1,212,741**
Financial assets at amortised cost	**-**	**-**	**393,366**	**393,366**
Cash and cash equivalents	**-**	**-**	**207,877**	**207,877**
	1,212,741	**3,486,756**	**601,243**	**5,300,740**
Financial liabilities				
Lease liabilities	**-**	**-**	**2,717**	**2,717**
Other liabilities	**-**	**-**	**392,400**	**392,400**
	-	**-**	**395,117**	**395,117**
31 December 2022 (restated)				
Financial assets				
Financial assets at FVOCI	-	3,073,251	-	3,073,251
Financial assets at FVTPL	1,226,695	-	-	1,226,695
Financial assets at amortised cost	-	-	401,786	401,786
Cash and cash equivalents	-	-	244,876	244,876
	1,226,695	3,073,251	646,662	4,946,608
Financial liabilities				
Lease liabilities	-	-	3,506	3,506
Other liabilities	-	-	350,818	350,818
	-	-	354,324	354,324
1 January 2022 (restated)				
Financial assets				
Financial assets at FVOCI	-	2,868,934	-	2,868,934
Financial assets at FVTPL	1,293,870	-	-	1,293,870
Financial assets at amortised cost	-	-	400,858	400,858
Cash and cash equivalents	-	-	219,321	219,321
	1,293,870	2,868,934	620,179	4,782,983
Financial liabilities				
Lease liabilities	-	-	1,913	1,913
Other liabilities	-	-	326,409	326,409
	-	-	328,322	328,322

Notes to the Financial Statements
31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

Company	FVTPL RM'000	AC RM'000	Total RM'000
31 December 2023			
Financial assets			
Financial assets at FVTPL	**53,526**	**-**	**53,526**
Financial assets at amortised cost	**-**	**5,663**	**5,663**
Cash and cash equivalents	**-**	**5,696**	**5,696**
	53,526	**11,359**	**64,885**
Financial liabilities			
Other liabilities	**-**	**27,045**	**27,045**
	-	**27,045**	**27,045**
31 December 2022			
Financial assets			
Financial assets at FVTPL	52,648	-	52,648
Financial assets at amortised cost	-	10,311	10,311
Cash and cash equivalents	-	6,742	6,742
	52,648	17,053	69,701
Financial liabilities			
Other liabilities	-	17,825	17,825
	-	17,825	17,825

(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 other receivables, cash and bank balances and other payables (other than the amount payable under Distribution Agreement), are reasonable approximations of their fair values due to the relatively short-term maturity of these balances and the immaterial impact of discounting;

(ii) The carrying amount of amount payable under Distribution Agreement which is the remaining present value of the expected future cash flow is 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 value of unquoted equity securities are determined with reference to market comparable inputs which are adjusted against the net assets of the investee and takes into consideration discount for lack of marketability;

(v) The fair values of Malaysian Government Securities, Government Investment Issues and both quoted and unquoted corporate debt securities are based on indicative market prices;

Notes to the Financial Statements

31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Determination of fair values (continued)

(vi) The fair values of investments in mutual funds and unit trust funds are valued based on the net asset values of the underlying funds as at the reporting date;

(vii) The fair values of foreign exchange forward contracts are based on valuations provided by the financial institutions making reference to quoted market prices; and

(viii) The fair values of private equity funds are measured based on the private equity funds' net asset value or fair values reported in investees' financial statements as a measure of fair value.

(ix) The fair value of structured product is based on the mark-to-market value of the principal amount and fixed coupon which is calculated by discounting these amounts at the prevailing funding rate of the counterparty bank. The funding rate of the counterparty bank is typically a market observable input such as the swap rate or KLIBOR or its equivalent.

(x) The fair value of private debt securities is based on market observable inputs such as the prevailing yield/price for comparable tenure and rating of the security.

(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.

Notes to the Financial Statements
31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

(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 2023.

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

Notes to the Financial Statements
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30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value hierarchy (continued)

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

Notes to the Financial Statements
31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value hierarchy (continued)

The following table presents the Group's financial assets that are carried at fair value as at 1 January 2022.

Group	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
1 January 2022 (restated)				
Financial assets at FVOCI				
Malaysian Government Securities	351,137	-	351,137	-
Government Investment Issues	344,788	-	344,788	-
Corporate debt securities				
- Unquoted	1,948,860	-	1,948,860	-
- Quoted outside Malaysia	193,621	-	193,621	-
Accrued interest	30,528	-	30,528	-
	2,868,934	-	2,868,934	-
Financial assets at FVTPL				
Equity securities				
- Quoted in Malaysia	633,750	633,750	-	-
- Quoted outside Malaysia	179,704	179,704	-	-
- Unquoted in Malaysia	11,476	-	-	11,476
Private equity funds				
- Unquoted outside Malaysia	19,122	-	-	19,122
Real estate investment trusts	18,773	18,773	-	-
Unit trust funds	1,206	1,206	-	-
Malaysian Government Securities	39,511	-	39,511	-
Government Investment Issues	35,640	-	35,640	-
Corporate debt securities				
- Unquoted	350,131	-	350,131	-
Accrued interest	4,557	-	4,557	-
	1,293,870	833,433	429,839	30,598
	4,162,804	833,433	3,298,773	30,598

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

Notes to the Financial Statements
31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value hierarchy (continued)

The following table presents the Company's financial assets that are carried at fair value as at 31 December 2023 and 31 December 2022.

Company	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 December 2023				
Financial assets at FVTPL				
Equity securities				
- Unquoted in Malaysia	**1,755**	**-**	**-**	**1,755**
Unit trust funds	**51,771**	**51,771**	**-**	**-**
	53,526	**51,771**	**-**	**1,755**
31 December 2022				
Financial assets at FVTPL				
Equity securities				
- Unquoted in Malaysia	572	-	-	572
Unit trust funds	52,076	52,076	-	-
	52,648	52,076	-	572

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

Notes to the Financial Statements
31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

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

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

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Private Equity Funds			
At 1 January	**35,639**	19,122	-
Capital contributions	**12,084**	11,211	19,246
Capital returns	**(21)**	(15)	-
Fair value gain recognised in profit or loss	**7,738**	4,086	(125)
Currency movement	**1,545**	1,235	1
At 31 December	**56,985**	35,639	19,122

Group	31.12.2023 RM'000	Restated 31.12.2022 RM'000	Restated 01.01.2022 RM'000
Equity securities – Unquoted in Malaysia			
At 1 January, as previously stated	**11,476**	2,516	2,516
Adoption of new accounting standards	**-**	8,960	8,960
At 1 January, as restated	**11,476**	11,476	11,476
Fair value gain recognised in profit or loss	**1,206**	-	-
At 31 December	**12,682**	11,476	11,476

Company	31.12.2023 RM'000	31.12.2022 RM'000
Equity securities – Unquoted in Malaysia		
At 1 January	**572**	572
Fair value gain recognised in profit or loss	**1,183**	-
At 31 December	**1,755**	572

Notes to the Financial Statements
31 December 2023

30. FINANCIAL INSTRUMENTS (CONTINUED)

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

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

Group	Fair Value RM'000	Valuation Methodology	Unobservable Input	Input Values
31 December 2023				
Private equity funds	**56,985**	**Net asset value ("NAV")**	**NAV**	**NAV**
Equity securities				
- Unquoted in Malaysia	**11,037**	**Market comparables**	**P/B ratio**	**RM 0.28 – RM 2.22**
- Unquoted in Malaysia	**1,645**	**Market comparables**	**EV/EBITDA multiple**	**3.53x – 16.38x**
31 December 2022				
Private equity funds	35,639	Net asset value ("NAV")	NAV	NAV
Equity securities				
- Unquoted in Malaysia	9,873	Market comparables	P/B ratio	RM 0.22 – RM 2.15
- Unquoted in Malaysia	1,603	Market comparables	EV/EBITDA multiple	3.73x – 20.70x
1 January 2022				
Private equity funds	19,122	Net asset value ("NAV")	NAV	NAV
Equity securities				
- Unquoted in Malaysia	9,873	Market comparables	P/B ratio	RM 0.22 – RM 2.15
- Unquoted in Malaysia	1,603	Market comparables	EV/EBITDA multiple	3.73x – 20.70x

Company	Fair Value RM'000	Valuation Methodology	Unobservable Input	Input Values
31 December 2023				
Equity securities				
- Unquoted in Malaysia	**110**	**Market comparables**	**P/B ratio**	**RM 0.28 – RM 2.22**
- Unquoted in Malaysia	**1,645**	**Market comparables**	**EV/EBITDA multiple**	**3.53x – 16.38x**

Notes to the Financial Statements
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31. 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; and
- 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.

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(c) Capital management (continued)

(i) The capital structure of Manulife Insurance Berhad as at 31 December 2023 and 31 December 2022, as prescribed under the Framework are as follows:

	2023 RM'000	2022 RM'000
Eligible Tier 1 Capital		
Share capital (paid-up)	**200,000**	200,000
Retained earnings of Manulife Insurance Berhad*	**364,242**	339,893
Eligible contract liabilities	**553,863**	551,138
	1,118,105	1,091,031
Eligible Tier 2 Capital		
Eligible reserves	**69,604**	50,818
Amounts deducted from capital	**(140,180)**	(40,346)
Total Capital Available	**1,047,529**	1,101,503

The total capital available are measured based on the requirements prescribed under the Framework prescribed by BNM and differs from the measurement basis reported in the financial statements.

* Only the distributable retained earnings of Manulife Insurance Berhad are included in the determination of Total Capital Available.

(ii) Manulife Insurance Labuan Limited is regulated by the Labuan Financial Services Authority (LFSA) for both Licensed Life Insurer and Licensed Insurance Broker.

<u>Licensed Life Insurer</u>

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:

	2023 USD'000	2022 USD'000
Required Margin of Solvency	**2,010**	1,728
Total assets	**78,606**	67,647
Total liabilities	**(69,446)**	(59,802)
Excess of assets over liabilities	**9,160**	7,845
Surplus over the required margin	**7,150**	6,117

<u>Licensed Insurance Broker</u>

Manulife Insurance Labuan Limited has met the minimum capital requirement of RM0.3 million, with a net working fund of RM0.7 million as at 31 December 2023 (2022: RM0.9 million).

(iii) 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 RM105,688,567 (2022: RM89,591,293).

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(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 2023, 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.

The table below sets out the concentration of the insurance contract liabilities (best estimate liability and risk adjustment) of the Group as at the date of the statement of financial position, gross and net of reinsurance, by class of business.

	Gross		
Group	**31.12.2023 RM'000**	**31.12.2022 RM'000**	**01.01.2022 RM'000**
Whole life	**898,416**	860,500	901,392
Endowment	**1,316,738**	1,160,819	1,095,689
Term	**147,203**	115,717	76,992
Annuity	**229,534**	238,569	253,148
Others	**175,078**	214,640	284,370
Total	**2,766,969**	2,590,245	2,611,591

	Net		
	31.12.2023 RM'000	**31.12.2022 RM'000**	**01.01.2022 RM'000**
Whole life	**957,317**	933,368	1,015,752
Endowment	**1,317,650**	1,160,725	1,095,393
Term	**142,988**	111,560	75,432
Annuity	**229,534**	238,569	253,148
Others	**175,736**	215,619	285,512
Total	**2,823,225**	2,659,841	2,725,236

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(d) Insurance risk (continued)

Sensitivities

The analysis below is performed on plausible movements in key assumptions (with all other assumptions held constant) with resulting impact on 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.

Group	Change in assumptions %	Impact on profit before tax gross of reinsurance RM'000	Impact on profit before tax net of reinsurance RM'000	Impact on equity gross of reinsurance* RM'000	Impact on equity net of reinsurance* RM'000
		Increase/(decrease)			
31 December 2023					
Mortality/morbidity	**+2**	**(403)**	**(857)**	**(28)**	**(813)**
Discount rate	**-0.5**	**1,227**	**1,716**	**(30,680)**	**(28,843)**
Expenses	**+5**	**(2,996)**	**(2,836)**	**(2,332)**	**(2,210)**
Lapse and surrender rates	**+10**	**(5,440)**	**(4,753)**	**(5,444)**	**(4,731)**
31 December 2022					
Mortality/morbidity	+2	24	(473)	207	(579)
Discount rate	-0.5	957	(4,307)	(25,884)	(23,962)
Expenses	+5	(1,816)	(1,807)	(1,467)	(1,471)
Lapse and surrender rates	+10	(3,374)	(3,103)	(3,580)	(3,209)
1 January 2022					
Mortality/morbidity	+2	51	(473)	240	(583)
Discount rate	-0.5	966	(4,348)	(26,615)	(24,572)
Expenses	+5	(1,833)	(1,824)	(1,479)	(1,483)
Lapse and surrender rates	+10	(3,425)	(3,138)	(3,671)	(3,276)

* 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 2023

31. 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.

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.

The financial assets of the segregated funds are not presented in the table below 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.

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31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(i) Credit quality

Group	Rating (BBB to AAA) RM'000	Not rated RM'000	Not subject to credit risk RM'000	Total RM'000
31 December 2023				
Financial assets at FVOCI				
Malaysia Government Securities	-	473,348	-	473,348
Government Investment Issues	-	476,257	-	476,257
Corporate debt securities	2,127,693	356,159	-	2,483,852
Private debt securities	9,453	4,733	-	14,186
Accrued interest	25,456	13,657	-	39,113
Financial assets at FVTPL				
Equity securities	-	-	706,273	706,273
Private equity funds	-	-	56,985	56,985
Real estate investment trusts	-	-	13,513	13,513
Unit trust funds	-	-	1,641	1,641
Malaysia Government Securities	-	24,018	-	24,018
Government Investment Issues	-	31,848	-	31,848
Corporate debt securities	253,476	52,174	-	305,650
Structured product	-	66,146	-	66,146
Forward foreign exchange contract	-	1,153	-	1,153
Accrued interest	3,102	2,412	-	5,514
Financial assets at amortised cost				
Loans receivables	-	27,784	-	27,784
Fixed and call deposits with licensed banks in Malaysia	322,984	-	-	322,984
Other receivables	-	42,598	-	42,598
Reinsurance contract assets	1,592	2,620	(3,909)	303
Cash and cash equivalents	207,862	15	-	207,877
Total financial and insurance assets	2,951,618	1,574,922	774,503	5,301,043

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31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(i) Credit quality (continued)

Group	Rating (BBB to AAA) RM'000	Not rated RM'000	Not subject to credit risk RM'000	Total RM'000
31 December 2022 (restated)				
Financial assets at FVOCI				
Malaysia Government Securities	-	463,414	-	463,414
Government Investment Issues	-	367,626	-	367,626
Corporate debt securities	1,872,066	338,221	-	2,210,287
Accrued interest	20,246	11,678	-	31,924
Financial assets at FVTPL				
Equity securities	-	-	737,694	737,694
Private equity funds	-	-	35,639	35,639
Real estate investment trusts	-	-	11,859	11,859
Unit trust funds	-	-	1,198	1,198
Malaysia Government Securities	-	53,358	-	53,358
Government Investment Issues	-	47,443	-	47,443
Corporate debt securities	259,621	73,538	-	333,159
Forward foreign exchange contract	-	1,865	-	1,865
Accrued interest	2,722	1,758	-	4,480
Financial assets at amortised cost				
Loans receivables	-	27,668	-	27,668
Fixed and call deposits with licensed banks in Malaysia	342,199	-	-	342,199
Other receivables	-	31,919	-	31,919
Reinsurance contract assets	801	1,252	(1,738)	315
Cash and cash equivalents	244,862	14	-	244,876
Total financial and insurance assets	2,742,517	1,419,754	784,652	4,946,923

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(i) Credit quality (continued)

Group	Rating (BBB to AAA) RM'000	Not rated RM'000	Not subject to credit risk RM'000	Total RM'000
1 January 2022 (restated)				
Financial assets at FVOCI				
Malaysia Government Securities	-	351,137	-	351,137
Government Investment Issues	-	344,788	-	344,788
Corporate debt securities	1,949,787	192,694	-	2,142,481
Accrued interest	20,105	10,423	-	30,528
Financial assets at FVTPL				
Equity securities	-	-	824,930	824,930
Private equity funds	-	-	19,122	19,122
Real estate investment trusts	-	-	18,773	18,773
Unit trust funds	-	-	1,206	1,206
Malaysia Government Securities	-	39,511	-	39,511
Government Investment Issues	-	35,640	-	35,640
Corporate debt securities	92,682	257,449	-	350,131
Accrued interest	3,091	1,466	-	4,557
Financial assets at amortised cost				
Loans receivables	-	23,460	-	23,460
Fixed and call deposits with licensed banks in Malaysia	335,018	-	-	335,018
Other receivables	-	42,380	-	42,380
Insurance contract assets	-	2,936	-	2,936
Reinsurance contract assets	997	2,029	1,460	4,486
Cash and cash equivalents	219,321	-	-	219,321
Total financial and insurance assets	2,621,001	1,303,913	865,491	4,790,405

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(i) Credit quality (continued)

Company

The following table sets out the credit quality of financial assets measured at amortised cost and FVTPL:

	Rating (BBB to AAA) RM'000	Not rated RM'000	Not subject to credit risk RM'000	Total RM'000
31 December 2023				
Financial assets at FVTPL				
Equity securities – Unquoted in Malaysia	**-**	**-**	**1,755**	**1,755**
Unit trust funds	**-**	**-**	**51,771**	**51,771**
Financial assets at amortised cost				
Loans receivable	**-**	**1**	**-**	**1**
Other receivables	**-**	**5,662**	**-**	**5,662**
Cash and cash equivalents	**5,696**	**-**	**-**	**5,696**
	5,696	**5,663**	**53,526**	**64,885**
31 December 2022				
Financial assets at FVTPL				
Equity securities – Unquoted in Malaysia	-	-	572	572
Unit trust funds	-	-	52,076	52,076
Financial assets at amortised cost				
Loans receivable	-	1	-	1
Other receivables	-	10,310	-	10,310
Cash and cash equivalents	6,742	-	-	6,742
	6,742	10,311	52,648	69,701

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(ii) Expected credit losses

The Group 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(g)(iii).

The following table sets out the credit quality of financial assets measured at FVOCI:

	2023			
Group	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Financial assets at FVOCI				
Corporate debt securities				
- Non-rated	356,159	-	-	356,159
- AA	474,705	52,657	-	527,362
- AAA	1,318,209	-	-	1,318,209
- A (international)	98,472	-	-	98,472
- AA (international)	51,848	-	-	51,848
- AAA (international)	52,758	-	-	52,758
- BBB (international)	76,969	2,075	-	79,044
Government bonds				
- Non-rated	949,605	-	-	949,605
Private debt securities				
- Non-rated	4,733	-	-	4,733
- A (international)	4,721	-	-	4,721
- BBB (international)	4,732	-	-	4,732
Accrued interest	38,838	275	-	39,113
	3,431,749	55,007	-	3,486,756
Allowance for expected credit losses	(3,597)	(302)	-	(3,899)

The details of the "three-staging model" are described in note 2(g)(iii). No comparative numbers are presented as MFRS 9 is adopted on 1 January 2023.

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(ii) Expected credit losses (continued)

The following table shows the reconciliations from opening to the closing balance of the loss allowance by class of financial instrument. No comparative numbers are presented as MFRS 9 was adopted on 1 January 2023.

	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Financial assets at FVOCI				
At 1 January	**5,272**	**40**	**-**	**5,312**
Net remeasurement due to transfers	**-**	**187**	**-**	**187**
Net originations, purchases and disposals	**583**	**(2)**	**-**	**581**
Changes to risk, parameters, and models	**(2,136)**	**86**	**-**	**(2,050)**
Foreign exchanges	**(122)**	**(9)**	**-**	**(131)**
At 31 December	**3,597**	**302**	**-**	**3,899**

As at the reporting date, all financial assets at amortised cost held by the Group and Company are classified as Stage 1. The credit rating of these financial assets at amortised cost are as disclosed in Note 31(e)(i). The following table shows the carrying value of the Group and Company's financial assets measured at amortised cost and the expected credit loss amount recognised:

	Group 2023 RM'000	Company 2023 RM'000
Financial assets at amortised cost		
Total carrying amount	**393,366**	5,663
Allowance for expected credit losses	**1,165**	1,075

(iii) Significant judgements and estimates

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has performed historical analyses and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group.

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(e) Credit risk (continued)

(iv) Past due but not impaired financial assets

The following table presents past due but not impaired and impaired financial assets as at 31 December 2022 and 1 January 2022 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
1 January 2022						
Loans receivable	-	-	-	-	150	150

(v) 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 as at 31 December 2022 and 1 January 2022 under MFRS 139 are 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

* Allowance for impairment loss arose from individual impairment assessments during the previous financial year. There was no allowance for impairment loss arising from collective assessments.

(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.

The financial assets and liabilities of the segregated funds are not presented in the table below as the Group does not have any direct exposure to market risk in those assets as the market risk is borne by the investment-linked policyholders.

Notes to the Financial Statements

31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(f) Market risk (continued)

(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, CAD and AUD. The Group has direct exposure to foreign currency risk in certain foreign currency denominated investments.

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:

Group	31.12.2023 Denominated USD RM'000	CAD RM'000	AUD RM'000	31.12.2022 Denominated USD RM'000	CAD RM'000	AUD RM'000	01.01.2022 Denominated USD RM'000	CAD RM'000	AUD RM'000
Other receivables	**6,904**	**600**	**-**	1,918	560	-	5,805	563	(1,819)
Equity securities									
- outside Malaysia	**113,851**	**-**	**-**	149,455	-	-	150,896	-	-
Amount due to related parties	**(27,107)**	**(4,918)**	**-**	(11,749)	(3,730)	-	(9,935)	-	-
Cash and cash equivalents	**5,143**	**-**	**282**	27,950	-	121	47,676	-	16
	98,791	**(4,318)**	**282**	167,574	(3,170)	121	194,442	563	(1,803)

Company	31.12.2023 Denominated USD RM'000	CAD RM'000	AUD RM'000	31.12.2022 Denominated USD RM'000	CAD RM'000	AUD RM'000
Amount due to related parties	**(5,314)**	**-**	**-**	(3,088)	-	-

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(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:

Group		Impact on profit before tax Increase/(decrease) 31.12.2023 RM'000	31.12.2022 RM'000	01.01.2022 RM'000
Changes in foreign currency rates				
USD	+ 5%	**4,884**	8,379	9,722
CAD	+ 5%	**(216)**	(158)	(170)
AUD	+ 5%	**14**	6	(91)
USD	- 5%	**(4,884)**	(8,379)	(9,722)
CAD	- 5%	**216**	158	170
AUD	- 5%	**(14)**	(6)	91

Group		Impact on equity Increase/(decrease) 31.12.2023 RM'000	31.12.2022 RM'000	01.01.2022 RM'000
Changes in foreign currency rates				
USD	+ 5%	**3,598**	6,206	7,184
CAD	+ 5%	**(151)**	(158)	(170)
AUD	+ 5%	**10**	6	(91)
USD	- 5%	**(3,598)**	(6,206)	(7,184)
CAD	- 5%	**151**	158	170
AUD	- 5%	**(10)**	(6)	91

Company		Impact on profit before tax/equity (Decrease)/increase 31.12.2023 RM'000	31.12.2022 RM'000
Changes in foreign currency rates			
USD	+ 5%	**(266)**	(154)
USD	- 5%	**266**	154

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(f) Market risk (continued)

(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.

The Group's exposure to interest rate risk sensitive insurance and reinsurance contracts and debt instruments are, as follows:

Group	31.12.2023 RM'000	31.12.2022 RM'000	01.01.2022 RM'000
Insurance contract assets			
Life insurance issued	**-**	-	(3,173)
Insurance contract liabilities			
Life insurance issued	**3,231,984**	2,920,753	2,852,995
Reinsurance held	**93,342**	99,778	131,006
	3,325,326	3,020,531	2,984,001
Debt instruments at FVOCI	**3,486,756**	3,073,251	2,868,934

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 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.

	Impact on profit before tax		
	(Decrease)/increase		
Group	**31.12.2023 RM'000**	**31.12.2022 RM'000**	**01.01.2022 RM'000**
Change in variable			
Interest rate			
+50 basis points	**(11,109)**	(12,377)	(12,695)
-50 basis points	**11,147**	12,526	12,851

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(f) Market risk (continued)

(ii) Interest rate risk (continued)

Group	Impact on equity* Increase/(decrease) 31.12.2023 RM'000	31.12.2022 RM'000	01.01.2022 RM'000
Change in variable			
Interest rate			
+50 basis points	**(26,729)**	(26,842)	(27,445)
-50 basis points	**29,870**	29,779	30,436

* 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 FVOCI financial assets and the insurance and reinsurance 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 2023, 31 December 2022 and 1 January 2022.

(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.

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(f) Market risk (continued)

(iii) Price risk (continued)

Group	Impact on profit before tax Increase/(decrease) 31.12.2023 RM'000	31.12.2022 RM'000	01.01.2022 RM'000
Change in variable			
Market price			
+15%	**45,184**	38,716	32,976
- 15%	**(45,184)**	(38,716)	(32,976)

Company	31.12.2023 RM'000	31.12.2022 RM'000
Change in variable		
Market price		
+15%	**8,029**	8,069
- 15%	**(8,029)**	(8,069)

Group	Impact on equity* Increase/(decrease) 31.12.2023 RM'000	31.12.2022 RM'000	01.01.2022 RM'000
Change in variable			
Market price			
+15%	**33,809**	28,860	25,691
- 15%	**(33,809)**	(28,860)	(25,691)

Company	31.12.2023 RM'000	31.12.2022 RM'000
Change in variable		
Market price		
+15%	**8,029**	8,069
- 15%	**(8,029)**	(8,069)

* 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, structured product and real estate investment trusts which are classified as FVTPL financial assets.

Notes to the Financial Statements

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31. RISK MANAGEMENT (CONTINUED)

(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 assets and financial 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 amount payable under distribution agreement which are presented with their expected cash flows.

The financial assets and liabilities of the segregated funds are not presented in the table below as the Group does not have any direct exposure to liquidity risk in those assets as the liquidity risk is borne by the investment-linked policyholders.

Notes to the Financial Statements
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31. RISK MANAGEMENT (CONTINUED)

(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	Total RM'000
31 December 2023							
Malaysian Government Securities	497,366	21,315	43,413	42,561	773,680	-	880,969
Government Investment Issues	508,105	21,740	43,481	43,650	787,329	-	896,200
Corporate debt securities	2,789,502	414,215	746,571	695,327	2,100,623	-	3,956,736
Private debt securities	14,186	774	1,549	1,549	33,788	-	37,660
Equity securities	706,273	-	-	-	-	706,273	706,273
Private equity funds	56,985	-	-	-	-	56,985	56,985
Real estate investment trusts	13,513	-	-	-	-	13,513	13,513
Unit trust funds	1,641	-	-	-	-	1,641	1,641
Structured product	66,146	66,146	-	-	-	-	66,146
Forward foreign exchange contract	1,153	1,153	-	-	-	-	1,153
Accrued interest							
- Financial assets at FVOCI	39,113	39,113	-	-	-	-	39,113
- Financial assets at FVTPL	5,514	5,514	-	-	-	-	5,514
Loans receivable	27,784	1,637	2,778	4,154	19,215	-	27,784
Fixed and call deposits with licensed banks in Malaysia	322,984	322,984	-	-	-	-	322,984
Other receivables	42,598	42,598	-	-	-	-	42,598
Cash and cash equivalents	207,877	207,877	-	-	-	-	207,877
Total financial assets	5,300,740	1,145,066	837,792	787,241	3,714,635	778,412	7,263,146
Lease liabilities	2,717	2,717	-	-	-	-	2,717
Other liabilities	392,400	392,400	-	-	-	-	392,400
Total financial liabilities	395,117	395,117	-	-	-	-	395,117

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(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	Total RM'000
31 December 2022 (restated)							
Malaysian Government Securities	516,772	24,608	49,216	73,532	789,762	-	937,118
Government Investment Issues	415,069	18,407	36,814	56,352	615,512	-	727,085
Corporate debt securities	2,543,446	260,577	793,530	597,688	1,523,901	-	3,175,696
Equity securities	737,694	-	-	-	-	737,694	737,694
Private equity funds	35,639	-	-	-	-	35,639	35,639
Real estate investment trusts	11,859	-	-	-	-	11,859	11,859
Unit trust funds	1,198	-	-	-	-	1,198	1,198
Forward foreign exchange contract	1,865	1,865	-	-	-	-	1,865
Accrued interest							
- Financial assets at FVOCI	31,924	31,924	-	-	-	-	31,924
- Financial assets at FVTPL	4,480	4,480	-	-	-	-	4,480
Loans receivable	27,668	1,419	1,818	2,367	22,064	-	27,668
Fixed and call deposits with licensed banks in Malaysia	342,199	342,199	-	-	-	-	342,199
Other receivables	31,919	31,919	-	-	-	-	31,919
Cash and cash equivalents	244,876	244,876	-	-	-	-	244,876
Total financial assets	4,946,608	962,274	881,378	729,939	2,951,239	786,390	6,311,220
Lease liabilities	3,506	3,506	-	-	-	-	3,506
Other liabilities	350,818	350,818	-	-	-	-	350,818
Total financial liabilities	354,324	354,324	-	-	-	-	354,324

Notes to the Financial Statements
31 December 2023

31. RISK MANAGEMENT (CONTINUED)

(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	Total RM'000
1 January 2022 (restated)							
Malaysian Government Securities	390,648	16,393	32,785	53,568	537,838	-	640,584
Government Investment Issues	380,428	15,829	46,902	60,090	504,653	-	627,474
Corporate debt securities	2,492,612	322,346	636,395	574,208	1,629,063	-	3,162,012
Equity securities	824,930	-	-	-	-	824,930	824,930
Private equity funds	19,122	-	-	-	-	19,122	19,122
Real estate investment trusts	18,773	-	-	-	-	18,773	18,773
Unit trust funds	1,206	-	-	-	-	1,206	1,206
Accrued interest							
- Financial assets at FVOCI	30,528	30,528	-	-	-	-	30,528
- Financial assets at FVTPL	4,557	4,557	-	-	-	-	4,557
Loans receivable	23,460	1,339	2,047	2,511	17,563	-	23,460
Fixed and call deposits with licensed banks in Malaysia	335,018	335,018	-	-	-	-	335,018
Other receivables	42,380	42,380	-	-	-	-	42,380
Cash and cash equivalents	219,321	219,321	-	-	-	-	219,321
Total financial assets	4,782,983	987,711	718,129	690,377	2,689,117	864,031	5,949,365
Lease liabilities	1,913	1,913	-	-	-	-	1,913
Other liabilities	326,409	326,409	-	-	-	-	326,409
Total financial liabilities	328,322	328,322	-	-	-	-	328,322

Notes to the Financial Statements
31 December 2023

31. 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 date RM'000	Total RM'000
31 December 2023							
Equity securities	**1,755**	**-**	**-**	**-**	**-**	**1,755**	**1,755**
Unit trust funds	**51,771**	**-**	**-**	**-**	**-**	**51,771**	**51,771**
Loans receivable	**1**	**1**	**-**	**-**	**-**	**-**	**1**
Other receivables	**5,662**	**5,662**	**-**	**-**	**-**	**-**	**5,662**
Cash and cash equivalents	**5,696**	**5,696**	**-**	**-**	**-**	**-**	**5,696**
Total financial assets	**64,885**	**11,359**	**-**	**-**	**-**	**53,526**	**64,885**
Other liabilities	**27,045**	**27,045**	**-**	**-**	**-**	**-**	**27,045**
Total financial liabilities	**27,045**	**27,045**	**-**	**-**	**-**	**-**	**27,045**
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 liabilities	17,825	17,825	-	-	-	-	17,825
Total financial liabilities	17,825	17,825	-	-	-	-	17,825

(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.

Notes to the Financial Statements
31 December 2023

32. CAPITAL AND OTHER COMMITMENTS

		Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other commitments					
Exclusive bancassurance agreement					
- Authorised but not provided for	(i)	**62,000**	1,500	**-**	-
Distribution agreement					
- Authorised but not provided for	(ii)	**-**	2,764	**-**	-
Investment in Private Equity Funds					
At 1 January		**30,349**	38,796	**-**	-
Capital committed		**41,355**	-	**-**	-
Capital called		**(12,084)**	(11,211)	**-**	-
Capital return		**21**	15	**-**	-
Expenses incurred		**(344)**	(122)	**-**	-
Currency movement		**1,254**	2,871	**-**	-
At 31 December	(iii)	**60,551**	30,349	**-**	-

(i) The Group is committed to pay annual fees and development funds under the terms of the exclusive bancassurance agreement. The annual fees will be expensed off to the profit of 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.

33. COMPARATIVES

Certain comparative amounts have been reclassified to conform to the current year's presentation.

As disclosed in Note 2(a)(i) Adoption of new pronouncements in the current year, comparative amounts have been prepared and presented in accordance with the transition provisions of MFRS 9 and MFRS 17. Refer to Note 2(a)(i) for adoption impacts of MFRS 9 and MFRS 17.

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 Resource Officer
SOH YOON YEE

MANULIFE INSURANCE BERHAD

Group Chief Executive Officer/ Executive Director
VIBHA HAMSI COBURN

Chief Financial Officer
NG CHUN NAM

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

Chief Commercial Officer
JONATHAN YEN

Chief Compliance Officer
SENTHIL WOON WAI KEONG

Chief Risk Management
SITI NUR RASYIDA ROSELY

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

Chief Executive Officer/Executive Director
JASON CHONG SOON MIN

Head of Retail Wealth Distribution
NG CHZE HOW

Head of Operations
REUBEN NAIR

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
LINDA YK WONG

Head of Equity
GAN KONG YIK

Head of Fixed Income & Client Portfolio Manager
LAI CHING THAM, ELSIE

Head of Institutional & Pension Sales
WAN SHUHAIDA WAN ZAINAL SHUKRI

Head of Information Technology
CHUAH POH THYE (*Interim*)

MANULIFE INSURANCE LABUAN LIMITED

Principal Officer
JASBENDER KAUR

Appointed Actuary
WILSON TIN WEI LOON

List of Properties

Property as at 31 December 2023

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	169,284	Freehold	20	103,000	Dec-23

The above property is for office and commercial use.

Analysis of Shareholdings
as at 3 April 2024

Issued Share Capital	:	219,467,425 Ordinary Shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per Ordinary Share on poll
No. of shareholders	:	2,275

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
1-99	272	11.96	5,990	0.00
100 to 1,000	547	24.04	375,120	0.17
1,001 to 10,000	1,074	47.21	4,232,894	1.93
10,001 to 100,000	319	14.02	9,074,022	4.13
100,001 to less than 5% of issued shares	62	2.73	69,738,041	31.78
5% of issued shares and above	1	0.04	136,041,358	61.99
Total	2,275	100.00	219,467,425	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDING ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct	%	Indirect	%
Manulife Century Holdings (Netherlands) B.V.	136,041,358	61.99	-	-
Manulife Financial Corporation	-	-	*136,041,358	61.99
The Manufacturers Life Insurance Company	-	-	*136,041,358	61.99
Manulife Holdings (Bermuda) Limited	-	-	*136,041,358	61.99
Manulife Financial Asia Limited	-	-	*136,041,358	61.99

Note:
* Deemed interested by virtue of Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

None of the Directors have any direct and deemed interests in the Company.

Analysis of Shareholdings
as at 3 April 2024

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.	136,041,358	61.99
2	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	9,167,500	4.18
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND	9,078,333	4.14
4	AMANAHRAYA TRUSTEES BERHAD PUBLIC SAVINGS FUND	5,018,000	2.29
5	AMANAHRAYA TRUSTEES BERHAD PUBLIC SECTOR SELECT FUND	4,338,700	1.98
6	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR PUBLIC AGGRESSIVE GROWTH FUND	3,465,266	1.58
7	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	2,942,200	1.34
8	AMANAHRAYA TRUSTEES BERHAD PUBLIC DIVIDEND SELECT FUND	2,856,200	1.30
9	AMANAHRAYA TRUSTEES BERHAD PUBLIC GROWTH FUND	2,839,200	1.29
10	HSBC NOMINEES (ASING) SDN. BHD. BNPP LDN/2S FOR ABERDEEN STANDARD ASIA FOCUS PLC	2,629,400	1.20
11	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR PUBLIC BALANCED FUND	2,555,000	1.16
12	AMANAHRAYA TRUSTEES BERHAD PUBLIC ENHANCED BOND FUND	2,226,500	1.01
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC EQUITY FUND	1,959,500	0.89
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC SOUTH-EAST ASIA SELECT FUND	1,852,400	0.84
15	OLIVE LIM SWEE LIAN	1,829,650	0.83
16	CHAI BENG HWA	1,639,169	0.75
17	CHENG, CHIEN-MING	1,063,600	0.48
18	FU, CHEN SHU-CHEN	1,002,000	0.46

Analysis of Shareholdings
as at 3 April 2024

	Name	No. of Shareholding	% of Issued Capital
19	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. CHUA ENG HO WA'A @ CHUA ENG WAH	965,368	0.44
20	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR MALAYSIAN TIMBER COUNCIL (OF-EQ)	934,500	0.43
21	KHOR MEOW SIANG	789,658	0.36
22	AFFIN HWANG NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HSU, CHUN-TSANG	728,654	0.33
23	NG POH CHENG	603,135	0.27
24	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	600,000	0.27
25	AZLIN BINTI ARSHAD	569,400	0.26
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE LAK CHYE @ LI CHOY HIN (E-IMO)	563,500	0.26
27	WONG YU @ WONG WING YU	514,400	0.23
28	YEOH PHEK LENG	503,000	0.23
29	YEO KHEE HUAT	398,297	0.18
30	CHAN SHIEK CHIN @ CHAN SHICK CHIN	387,986	0.18

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PROXY FORM

MANULIFE HOLDINGS BERHAD
[Registration No. 197501003360 (24851-H)]
(Incorporated in Malaysia)

I/We (full name in block letters), ______________________________

bearing NRIC/Passport/Registration No. ______________________ email: ______________________

contact no. ______________________________

of (full address) ______________________________

being a member/members of the abovenamed Company, hereby appoint:-

First Proxy "A"

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email		
	Contact No.		

*and/or

***Second Proxy "B"**

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address	Email		
	Contact No.		

or failing *him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to attend and vote for *me/us and on *my/our behalf, at the Forty-Eighth Annual General Meeting of the Company to be held on a virtual basis at the Broadcast venue located 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 Wednesday , 12 June 2024 at 2:30 p.m. and at any and every adjournment thereof.

*My/Our proxy is to vote on the business before the Meeting as indicated below (if no indication is given *my/our proxy will vote or abstain from voting at his/her discretion):

Resolution No.	Resolutions	For	Against
1.	Declaration of a First and Final Single-Tier Dividend		
2.	Re-election of Dato' Dr. Zaha Rina Binti Zahari		
3.	Re-election of Mrs. Vijayam A/P Nadarajah		
4.	Director's fee from 13 June 2024 until the next Annual General Meeting for Dato' Dr. Zaha Rina Binti Zahari		
5.	Director's fee from 13 June 2024 until the next Annual General Meeting for Mrs. Vijayam A/P Nadarajah		
6.	Director's fee from 13 June 2024 until the next Annual General Meeting for Mr. Renzo Christopher Viegas		
7.	Director's fee from 13 June 2024 until the next Annual General Meeting for Mr. Matthew Edward Lawrence		
8.	Director's fee from 13 June 2024 until the next Annual General Meeting for such person(s) to be appointed as Non-Executive Director(s) of the Company		
9.	Directors' benefits from 13 June 2024 until the next Annual General Meeting		
10.	Re-appointment of Auditors		
11.	Special Business – Ordinary Resolution 1		
12.	Special Business – Ordinary Resolution 2		
13.	Special Business – Ordinary Resolution 3		
14.	Special Business – Ordinary Resolution 4		
15.	Special Business – Ordinary Resolution 5		

*strike out whichever not applicable

Dated this ______________ day of ____________ 2024

Number of Shares Held	CDS Account No.

____
Signature(s)/Seal of the Shareholder(s)

Fold this flap for sealing

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 5 June 2024 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-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 forty-eight (48) 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, which is available for download at www.manulife.com.my, for further details.
6. All resolutions set out in this notice of meeting are to be voted by poll.

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AFFIX
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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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www.manulife.com.my

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