

NEWS RELEASE

To: All Shareholders

The Board of Directors of United Overseas Insurance Limited wishes to make the following announcement:

Audited Financial Results for the year ended 31 December 2022

Details of the financial results are in the accompanying Condensed Financial Statements.

Dividend

The Directors recommend the payment of a final dividend of 8.5 cents per share (one-tier tax-exempt) and a special dividend of 4.0 cents per share (one-tier tax-exempt) (2021 final dividend: 8.5 cents per share one-tier tax-exempt; special dividend: 8.0 cents per share one-tier tax-exempt) in respect of the financial year ended 31 December 2022.

Together with the interim dividend of 8.5 cents per share paid on 18 August 2022, the total dividend for the financial year ended 31 December 2022 would be 21 cents per share (2021: 25 cents per share) amounting to a total net dividend payment of \$12.8 million (2021: \$15.3 million). If approved at the forthcoming Annual General Meeting, the proposed final dividend and special dividend amounting to \$7.6 million will be paid on 5 May 2023.

Borrowings, contingent liabilities and loan capital

The Company has maintained strong liquidity for its business operations and has no borrowings, contingent liabilities and loan capital as at 31 December 2022 (31 December 2021: nil).

Interested person transactions

The Company has not obtained a general mandate from shareholders for interested person transactions.

Confirmation by directors

The Board of Directors of the Company hereby confirm that, to the best of its knowledge, nothing has come to its attention which may render the audited financial results for the year ended 31 December 2022 to be false or misleading in any material aspect.

Report of persons occupying managerial position who are related to a director, chief executive or substantial shareholder

The Company does not have any managerial staff who is a relative of a director, chief executive officer or substantial shareholder of the Company.

Undertakings from all its directors and executive officers

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

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Closure of books

Notice is hereby given that, subject to shareholders' approval of the payment of the final and special dividends ("Dividends") at the Annual General Meeting scheduled for 14 April 2023, the Share Transfer Books and the Register of Members of the Company will be closed on 25 April 2023, for determining shareholders' entitlements to the Dividends. Registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, up to 5.00 pm on 24 April 2023 ("Record Date") will be registered for the Dividends. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), entitlements to the Dividends will be computed based on the shareholding position after settlement of all trades on Record Date. The Dividends will be paid by the Company to CDP which will, in turn, distribute the Dividends to holders of the securities accounts.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN
SECRETARY

Dated this 7 February 2023

UNITED OVERSEAS INSURANCE LIMITED

Condensed Financial Statements

For the Full Year Ended 31 December 2022

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1. Review of performance

Highlights and performance indicators

Selected Financial Items	FY 2022 \$'000	FY 2021 \$'000	Incr/ (Decr) %	2nd Half 2022 \$'000	2nd Half 2021 \$'000	Incr/ (Decr) %
Gross premium written	98,987	97,419	+1.6	40,846	40,183	+1.6
Net earned premium	44,395	40,942	+8.4	22,784	21,028	+8.4
Net claims incurred	(10,920)	(11,789)	-7.4	(3,487)	(5,375)	-35.1
Net commission	3,396	6,253	-45.7	1,377	4,509	-69.5
Management expenses	(15,702)	(14,643)	+7.2	(8,352)	(7,556)	+10.5
Underwriting profit	21,169	20,763	+2.0	12,322	12,606	-2.3
Non-underwriting income	618	12,002	-94.9	3,887	6,384	-39.1
Profit before tax	21,787	32,765	-33.5	16,209	18,990	-14.6
Profit after tax	16,741	26,588	-37.0	12,083	14,996	-19.4
Other comprehensive (loss)/income, net of tax	(30,079)	10,067	-398.8	(6,693)	(5,569)	-20.2
Total comprehensive income	(13,338)	36,655	-136.4	5,390	9,427	-42.8
Net asset value per share (\$)	6.86	7.33	-6.4	6.86	7.33	-6.4

Financial Ratios	FY 2022 %	FY 2021 %	Incr/ (Decr) % - point	2nd Half 2022 %	2nd Half 2021 %	Incr/ (Decr) % - point
Net incurred loss ratio ⁽¹⁾	24.6	28.8	-4.2	15.3	25.6	-10.3
Net commission ratio ⁽²⁾	(7.6)	(15.3)	+7.7	(6.0)	(21.4)	+15.4
Management expenses ratio ⁽³⁾	35.4	35.8	-0.4	36.7	35.9	+0.8
Underwriting profit ratio ⁽⁴⁾	47.7	50.7	-3.0	54.1	59.9	-5.8

Note :

- (1) Net incurred loss ratio is computed by dividing net claims incurred by net earned premium.
- (2) Net commission ratio is computed by dividing net commission by net earned premium. When this ratio is in negative, net commission is an income to the Company.
- (3) Management expenses ratio is computed by dividing management expenses for insurance operations by net earned premium.
- (4) Underwriting profit ratio is computed by dividing net underwriting profit by net earned premium.

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1. **Review of performance (cont'd)**

Highlights and performance indicators (cont'd)

2022 versus 2021

Gross premium increased by \$1.6 million or 1.6% to \$99.0 million. The increase came mainly from employers' liability, marine classes of insurance and inward reinsurance. Net earned premium increased by \$3.5 million or 8.4% to \$44.4 million and net claims incurred decreased by \$0.9 million or 7.4%. Net commission income decreased by \$2.9 million due to lower profit commission recoverable from reinsurers in the current year. Management expenses increased by 7.2% to \$15.7 million due to higher staff cost. Consequently, underwriting profit increased by 2.0% to \$21.2 million.

Non-underwriting income decreased by \$11.4 million or 94.9% to \$0.6 million as compared to \$12.0 million in the corresponding period last year due to realised and unrealised losses from investments and exchange losses.

Other comprehensive income, net of tax, which affects the balance sheet and not the profit before tax had recorded an unrealised loss of \$30.0 million instead of an unrealised gain of \$10.0 million in the corresponding period last year. This was due mainly to the weakening of global equity and fixed income markets attributable to negative sentiments and rising inflation.

Overall, total comprehensive income was a loss of \$13.3 million instead of a gain of \$36.7 million attained in the corresponding period last year due mainly to reasons as mentioned earlier.

2nd Half 2022 ("2H2022") versus 2nd Half 2021 ("2H2021")

The Company's gross premium increased by \$0.6 million or 1.6% to \$40.8 million. Net earned premium increased by \$1.8 million or 8.4% in 2H2022 as compared to 2H2021. Net claims incurred decreased by \$1.9 million or 35.1%. Net commission income decreased by \$3.1 million or 69.5%. Management expenses was higher by \$0.8 million or 10.5%. Consequently, underwriting profit decreased by \$0.3 million or 2.3% due to lower net commission income.

The Company recorded a lower non-underwriting income of \$3.9 million as compared to \$6.4 million in the corresponding second half last year due to reasons as mentioned above.

Consequently, overall profit before tax decreased by 14.6% to \$16.2 million.

Net claims incurred ratio for 2H2022 was 15.3%, which was lower than the ratio of 25.6% for the corresponding period. Commission ratio was higher by 15.4 percentage points. Management expenses ratio for 2H2022 was higher than 2H2021 by 0.8 percentage points. Hence, underwriting profit ratio decreased by 5.8 percentage points.

2. **Prospects for the next reporting period and the next 12 months**

Recessionary pressures will continue to build up and inflation will increase the risk of an economic slowdown. The Company will remain judicious in its underwriting. Continual investments in human capital, technology and digitalisation will drive productivity and growth both in Singapore and overseas. Leveraging the parent bank's growing presence in ASEAN, the Company expects its regional contributions to increase.

Investment markets continue to face many uncertainties stemming from geo-political tensions and potential recessionary concerns. The Company will calibrate its investment strategies so as to deliver stable investment results in this difficult investment environment.

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3. Condensed Income Statement for the year ended 31 December 2022

Note	Full Year	Full Year	2nd Half	2nd Half
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
	(Audited)	(Audited)		
(a) Gross premium written	98,987	97,419	40,846	40,183
Net earned premium	44,395	40,942	22,784	21,028
Net claims incurred	(10,920)	(11,789)	(3,487)	(5,375)
Net commission	3,396	6,253	1,377	4,509
Management expenses :				
Staff cost	(10,068)	(9,142)	(5,180)	(4,698)
Depreciation	(954)	(1,843)	(504)	(914)
Foreign exchange losses	(295)	(153)	(230)	(175)
Write-back of impairment losses on owner-occupied property	-	763	-	763
Other operating expenses	(4,385)	(4,268)	(2,438)	(2,532)
Underwriting profit	21,169	20,763	12,322	12,606
Dividend income from investments	3,565	3,907	1,714	1,937
Interest income from investments	8,094	7,988	4,227	3,913
Interest on fixed deposits and bank balances	450	41	420	12
Losses on disposal of fixed assets	-	(19)	-	(19)
Write-back/(provision) of expected credit loss on debt securities at fair value through other comprehensive income ("FVOCI")	42	(9)	(4)	(22)
Amortisation of premium on investments	(434)	(929)	(128)	(448)
Rental income from investment property	693	823	351	406
Miscellaneous income	12	171	2	94
Net fair value (losses)/gains on mandatorily measured at fair value through profit or loss ("FVTPL") investments - unrealised	(2,183)	522	1,301	173
Net fair value losses on mandatorily measured at fair value through profit or loss ("FVTPL") investments - realised	(2,189)	-	(2,189)	-
Net fair value gains on investment property - unrealised	3,221	2,026	3,221	2,026
Net losses on disposal of FVOCI investments	(3,808)	(904)	(335)	(252)
Net fair value (losses)/gains on financial derivatives - realised	(9,580)	206	(8,534)	(1,622)
Net fair value gains/(losses) on financial derivatives - unrealised	7,457	(4,960)	12,193	1,096
Exchange (losses)/gains	(1,815)	5,785	(7,059)	386
	(3,938)	1,031	(3,400)	(140)
Management expenses not charged to insurance revenue account:				
Management fees	(1,328)	(1,438)	(627)	(744)
Depreciation	(268)	(61)	(144)	(61)
Other operating expenses	(1,311)	(1,147)	(522)	(491)
Non-underwriting income	618	12,002	3,887	6,384
Profit before tax	21,787	32,765	16,209	18,990
Tax expense	(5,046)	(6,177)	(4,126)	(3,994)
Profit after tax	16,741	26,588	12,083	14,996
Profit attributable to equity holders of the Company	16,741	26,588	12,083	14,996

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3. **Condensed Income Statement for the year ended 31 December 2022 (cont'd)**

	Full Year 2022 \$'000 (Audited)	Full Year 2021 \$'000 (Audited)	2nd Half 2022 \$'000	2nd Half 2021 \$'000
(b) Gross premium income	<u>98,987</u>	<u>97,419</u>	<u>40,846</u>	<u>40,183</u>
(c) Net profit after tax	<u>16,741</u>	<u>26,588</u>	<u>12,083</u>	<u>14,996</u>
(d) Earnings per share : Basic and diluted (cents)	<u>27.37</u>	<u>43.48</u>	<u>39.52</u>	<u>49.04</u>

4. **Condensed Statement of Comprehensive Income
for the year ended 31 December 2022**

	Full Year 2022 \$'000 (Audited)	Full Year 2021 \$'000 (Audited)	2nd Half 2022 \$'000	2nd Half 2021 \$'000
Net profit	<u>16,741</u>	<u>26,588</u>	<u>12,083</u>	<u>14,996</u>
Other comprehensive income :				
Items that will not be reclassified to profit or loss :				
Net fair value (losses)/gains on equity securities at FVOCI	<u>(17,635)</u>	<u>18,207</u>	<u>(6,531)</u>	<u>(3,708)</u>
Tax related to the above	<u>2,962</u>	<u>(2,892)</u>	<u>1,109</u>	<u>575</u>
	<u>(14,673)</u>	<u>15,315</u>	<u>(5,422)</u>	<u>(3,133)</u>
Net fair value gains on property	<u>3,779</u>	<u>801</u>	<u>3,779</u>	<u>801</u>
Tax related to the above	<u>(643)</u>	<u>(136)</u>	<u>(643)</u>	<u>(136)</u>
	<u>3,136</u>	<u>665</u>	<u>3,136</u>	<u>665</u>
Items that may be reclassified subsequently to profit or loss :				
Debt securities at FVOCI				
Changes in fair value	<u>(26,097)</u>	<u>(8,041)</u>	<u>(5,650)</u>	<u>(4,016)</u>
Transfer to profit or loss on disposal	<u>3,808</u>	<u>904</u>	<u>335</u>	<u>252</u>
Changes in allowance for expected credit (losses)/gains	<u>(42)</u>	<u>9</u>	<u>4</u>	<u>22</u>
Tax related to the above	<u>3,789</u>	<u>1,215</u>	<u>904</u>	<u>641</u>
	<u>(18,542)</u>	<u>(5,913)</u>	<u>(4,407)</u>	<u>(3,101)</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(30,079)</u>	<u>10,067</u>	<u>(6,693)</u>	<u>(5,569)</u>
Total comprehensive (loss)/income for the period, net of tax	<u>(13,338)</u>	<u>36,655</u>	<u>5,390</u>	<u>9,427</u>
Total comprehensive (loss)/income attributable to equity holders of the Company	<u>(13,338)</u>	<u>36,655</u>	<u>5,390</u>	<u>9,427</u>

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5. **Audited Condensed Statement of Financial Position**

	31 December	31 December
	2022	2021
Note	\$'000	\$'000
(a) Share capital - Issued and fully paid	91,733	91,733
Reserves	327,852	356,479
	419,585	448,212
Liabilities		
Insurance creditors	16,569	12,089
Non-trade creditors and accrued liabilities	7,679	7,887
Lease liabilities	28	28
Amount owing to related companies	1,786	2,058
Derivative financial liabilities	526	158
Tax payable	4,837	8,686
Deferred tax liabilities	3,007	8,569
Deferred acquisition cost - reinsurers' share	8,411	8,710
Gross technical balances		
- Reserve for unexpired risks	50,583	50,876
- Reserve for outstanding claims	106,895	108,510
	200,321	207,571
	619,906	655,783
Assets		
Bank balances and fixed deposits	47,303	40,003
Insurance debtors	13,128	14,990
Non-trade debtors and accrued interest receivables	4,948	5,131
Amount owing from related companies	-	3
Derivative financial assets	8,572	747
Associated company	1	1
Investments	8(e) 379,772	435,593
Investment property	8(e), (g) 28,530	27,858
Fixed assets	40,608	33,515
Right-of-use assets	22	23
Deferred acquisition cost - gross	7,639	6,997
Reinsurers' share of technical balances		
- Reserve for unexpired risks	28,073	29,970
- Reserve for outstanding claims	61,310	60,952
	619,906	655,783
(b) Net asset value per share (S\$)	6.86	7.33
Number of shares issued ('000)	61,155	61,155

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6. **Audited Condensed Statement of Changes in Equity**

	Share capital \$'000	General reserve \$'000	Revaluation on investment reserve \$'000	Revaluation surplus \$'000	Retained profits \$'000	Total \$'000
Balance at 1 January 2022	91,733	22,880	41,601	665	291,333	448,212
Profit net of tax	-	-	-	-	16,741	16,741
Other comprehensive income for the year ended 31 December, net of tax	-	-	(33,215)	3,136	-	(30,079)
Total comprehensive income for the year ended 31 December	-	-	(33,215)	3,136	16,741	(13,338)
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	-	-	1,608	-	(1,608)	-
Dividend for Year 2021	-	-	-	-	(10,091)	(10,091)
Dividend for Year 2022	-	-	-	-	(5,198)	(5,198)
Balance at 31 December 2022	91,733	22,880	9,994	3,801	291,177	419,585
Balance at 1 January 2021	91,733	22,880	43,607	-	266,179	424,399
Profit net of tax	-	-	-	-	26,588	26,588
Other comprehensive income for the year ended 31 December, net of tax	-	-	9,402	665	-	10,067
Total comprehensive income for the year ended 31 December	-	-	9,402	665	26,588	36,655
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	-	-	(11,408)	-	11,408	-
Dividend for Year 2020	-	-	-	-	(7,644)	(7,644)
Dividend for Year 2021	-	-	-	-	(5,198)	(5,198)
Balance at 31 December 2021	91,733	22,880	41,601	665	291,333	448,212

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7. Audited Condensed Statement of Cashflow

	Note	12 months ended 31 December <u>2022</u> \$'000	12 months ended 31 December <u>2021</u> \$'000
Cash flows from operating activities			
Profit before tax		21,787	32,765
Adjustments for:			
Movement in net reserve for unexpired risks		1,604	1,345
Movement in net deferred acquisition costs		(941)	(49)
Movement in net outstanding claims		(1,973)	(721)
Net fair value (gains)/losses on financial derivatives-unrealised		(7,457)	4,960
Net fair value losses/(gains) on mandatorily measured at FVTPL investments - unrealised		2,183	(522)
Write-back of impairment losses on owner-occupied property		-	(763)
Net fair value gains on investment property - unrealised		(3,221)	(2,026)
Losses on disposal of fixed assets		-	19
Depreciation		1,222	1,904
Interest paid		-	13
Net fair value losses on mandatorily measured at FVTPL investments - realised		2,189	-
Net losses on disposal of FVOCI investments		3,808	904
Amortisation of premium on investments		434	929
(Write-back)/provision of expected credit loss on debts securities at FVOCI		(42)	9
Gross dividend from investments		(3,565)	(3,907)
Interest income from investments		(8,094)	(7,988)
Interest on fixed deposits and bank balances		(450)	(41)
Exchange losses/(gains)		1,518	(5,927)
Operating profit before working capital changes		<u>9,002</u>	<u>20,904</u>
Changes in working capital:			
Trade and other receivables		2,354	(5,490)
Amount owing from related companies		3	(3)
Trade and other payables		4,272	2,434
Amount owing to related companies		(272)	593
Cash generated from operations		<u>15,359</u>	<u>18,438</u>
Tax paid		(8,349)	(8,389)
Interest paid		-	(13)
Net cash flows from operating activities		<u>7,010</u>	<u>10,036</u>
Cash flows from investing activities			
Proceeds from disposal of investments	8(e)	346,411	316,203
Purchase of investments		(340,646)	(337,968)
Purchase of fixed assets	8(f)	(1,986)	(6,041)
(Placement in)/proceeds from long-term fixed deposits		(1,440)	927
Gross dividend from investments		3,704	3,864
Interest income from investments		7,745	8,098
Interest received from fixed deposits and bank balances		351	42
Net cash flows from/(used in) investing activities		<u>14,139</u>	<u>(14,875)</u>

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7. Audited Condensed Statement of Cashflow (cont'd)

	12 months ended 31 December <u>2022</u> \$'000	12 months ended 31 December <u>2021</u> \$'000
Cash flows from financing activity		
Leases paid	-	(1,131)
Dividend paid	(15,289)	(12,842)
Cash flows used in financing activity	(15,289)	(13,973)
Net increase/(decrease) in cash and cash equivalents	5,860	(18,812)
Cash and cash equivalents at beginning of period	38,476	57,288
Cash and cash equivalents at end of period	<u>44,336</u>	<u>38,476</u>

For the purpose of statement of cash flows, cash and cash equivalents comprise the following :

	12 months ended 31 December <u>2022</u> \$'000	12 months ended 31 December <u>2021</u> \$'000
Cash and bank balances	10,215	23,694
Fixed deposits placement with maturity less than 3 months	34,121	14,782
Cash and cash equivalents	44,336	38,476
Fixed deposits placement with maturity more than 3 months	2,967	1,527
	<u>47,303</u>	<u>40,003</u>

8. Notes to the Condensed Financial Statements

(a) Corporate information

United Overseas Insurance Limited (the Company) is a limited liability company domiciled and incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed financial statements for the year ended 31 December 2022 are for the Company. The principal activities of the Company is the underwriting of general insurance business.

(b) Basis of preparation

The condensed financial statements for the the year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance of the Company since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 8(b)(i).

The condensed financial statements are presented in Singapore dollar which is the Company's functional currency.

(i) **New and amended standards adopted by the Company**

A number of amendments to standards have become applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

(ii) **Use of judgements and estimates**

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

8. Notes to the Condensed Financial Statements (cont'd)

(b) Basis of preparation (cont'd)

(ii) Use of judgements and estimates (cont'd)

In applying Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the condensed financial statements.

Insurance risks

The claims reserve estimation process involves estimation of case reserves, additional reserves for claims incurred but not reported and expected future movements in the estimated ultimate liabilities associated with outstanding reported claims incurred but not enough reported. They are periodically reviewed together with certifying actuary's yearly assessment.

The best estimates for premium liabilities have been determined such that the total liability reserve would be adequate to pay for future claims and expenses in servicing the unexpired policies as of the valuation date.

The principal assumption underlying the actuarial estimate of the claim liabilities is that the past claims development experience of the Company is indicative of likely future claims development, both in terms of expected amounts and variability around those expected amounts. In estimating the required claims reserve, the actuary also considers business strategy, trends in claims frequency and severity, rate of settlement, and the impact of changes in the underwriting and claims handling policies of the Company.

Impairment losses on financial assets

The measurement of impairment losses under SFRS(I) 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant input used.

Revaluation of owner-occupied and investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures the owner-occupied property at fair value less accumulated depreciation and impairment allowance.

The Company engaged real estate valuation experts to assess fair value as at 31 December 2022. The fair value of the owner-occupied and investment property are determined by independent real estate valuation experts using the market comparable.

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8. Notes to the Condensed Financial Statements (cont'd)

(c) Segment information

	SIF	OIF	SHF	Total
	\$'000	\$'000	\$'000	\$'000
From 1 January 2022 to 31 December 2022				
Gross premium written	69,878	29,109	-	98,987
Net earned premium	28,728	15,667	-	44,395
Net claims incurred	(2,703)	(8,217)	-	(10,920)
Net commission	5,931	(2,535)	-	3,396
Management expenses	(11,687)	(4,015)	-	(15,702)
Underwriting profit	20,269	900	-	21,169
Gross dividends from investments	1,209	254	2,102	3,565
Interest income from investments	4,348	888	2,858	8,094
Interest on fixed deposits and bank balances	281	129	40	450
Rental income from property	-	-	693	693
Net fair value losses on financial derivatives	(1,112)	(300)	(711)	(2,123)
Net fair value losses on mandatorily measured at FVTPL investments - realised	(1,181)	(248)	(760)	(2,189)
Net fair value losses on mandatorily measured at FVTPL investments - unrealised	(1,202)	(454)	(527)	(2,183)
Net fair value gains on investment property - unrealised	-	-	3,221	3,221
Net losses on disposal of FVOCI investments	(1,822)	(437)	(1,549)	(3,808)
Exchange losses	(1,062)	(152)	(601)	(1,815)
Miscellaneous expenses	(162)	(23)	(195)	(380)
Management expenses not charged to insurance revenue account - net	(800)	(175)	(1,932)	(2,907)
Profit before tax	18,766	382	2,639	21,787
Tax expense	(4,808)	313	(551)	(5,046)
Profit after tax	13,958	695	2,088	16,741
Segment total assets as at 31 December 2022	310,926	75,518	233,462	619,906
Segment total liabilities as at 31 December 2022	147,229	44,922	8,170	200,321
From 1 January 2021 to 31 December 2021				
Gross premium written	68,540	28,879	-	97,419
Net earned premium	27,353	13,589	-	40,942
Net claims incurred	(4,611)	(7,178)	-	(11,789)
Net commission	7,036	(783)	-	6,253
Management expenses	(11,398)	(3,245)	-	(14,643)
Underwriting profit	18,380	2,383	-	20,763
Gross dividends from investments	1,385	289	2,233	3,907
Interest income from investments	4,289	933	2,766	7,988
Interest on fixed deposits and bank balances	24	14	3	41
Rental income from property	-	-	823	823
Net fair value losses on financial derivatives	(2,521)	(563)	(1,670)	(4,754)
Net fair value gains on mandatorily measured at FVTPL investments - unrealised	261	255	6	522
Net fair value gains on investment property - unrealised	-	-	2,026	2,026
Net losses on sale of fixed assets	(19)	-	-	(19)
Net losses on disposal of FVOCI investments	(431)	(149)	(324)	(904)
Exchange gains	3,014	701	2,070	5,785
Miscellaneous expenses	(278)	(113)	(376)	(767)
Management expenses not charged to insurance revenue account - net	(849)	(188)	(1,609)	(2,646)
Profit before tax	23,255	3,562	5,948	32,765
Tax expense	(5,363)	(208)	(606)	(6,177)
Profit after tax	17,892	3,354	5,342	26,588
Segment total assets as at 31 December 2021	329,638	78,801	247,344	655,783
Segment total liabilities as at 31 December 2021	152,991	43,339	11,241	207,571

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8. Notes to the Condensed Financial Statements (cont'd)

(c) Segment information (cont'd)

	SIF	OIF	SHF	Total
	\$'000	\$'000	\$'000	\$'000
<u>1 July 2022 to 31 December 2022</u>				
Gross premium written	30,606	10,240	-	40,846
Net earned premium	14,811	7,973	-	22,784
Net claims incurred	907	(4,394)	-	(3,487)
Net commission	2,555	(1,178)	-	1,377
Management expenses	(5,657)	(2,695)	-	(8,352)
Underwriting profit	12,616	(294)	-	12,322
Gross dividends from investments	555	118	1,041	1,714
Interest income from investments	2,283	445	1,499	4,227
Interest on fixed deposits and bank balances	261	120	39	420
Rental income from property	-	-	351	351
Net fair value gains on financial derivatives	1,979	380	1,300	3,659
Net fair value losses on mandatorily measured at FVTPL investments - realised	(1,181)	(248)	(760)	(2,189)
Net fair value gains on mandatorily measured at FVTPL investments - unrealised	656	73	572	1,301
Net fair value gains on investment property - unrealised	-	-	3,221	3,221
Net losses on disposal of FVOCI investments	(32)	(71)	(232)	(335)
Exchange losses	(3,861)	(761)	(2,437)	(7,059)
Miscellaneous expenses	(51)	-	(79)	(130)
Management expenses not charged to insurance revenue account - net	(357)	(76)	(860)	(1,293)
Profit before tax	12,868	(314)	3,655	16,209
Tax expense	(3,805)	383	(704)	(4,126)
Profit after tax	9,063	69	2,951	12,083
Segment total assets as at 31 December 2022	310,926	75,518	233,462	619,906
Segment total liabilities as at 31 December 2022	147,229	44,922	8,170	200,321
<u>1 July 2021 to 31 December 2021</u>				
Gross premium written	30,452	9,731	-	40,183
Net earned premium	14,123	6,905	-	21,028
Net claims incurred	(1,026)	(4,349)	-	(5,375)
Net commission	4,018	491	-	4,509
Management expenses	(5,281)	(2,275)	-	(7,556)
Underwriting profit	11,834	772	-	12,606
Gross dividends from investments	684	146	1,107	1,937
Interest income from investments	2,087	458	1,368	3,913
Interest on fixed deposits and bank balances	9	3	-	12
Rental income from property	-	-	406	406
Net fair value losses on financial derivatives	(269)	(68)	(189)	(526)
Net fair value gains on mandatorily measured at FVTPL investments - unrealised	86	81	6	173
Net fair value gains on investment property - unrealised	-	-	2,026	2,026
Net losses on sale of fixed assets	(19)	-	-	(19)
Net (losses)/gains on disposal of FVOCI investments	(98)	2	(156)	(252)
Exchange gains	157	55	174	386
Miscellaneous expenses	(124)	(55)	(197)	(376)
Management expenses not charged to insurance revenue account - net	(444)	(97)	(755)	(1,296)
Profit before tax	13,903	1,297	3,790	18,990
Tax expense	(3,773)	18	(239)	(3,994)
Profit after tax	10,130	1,315	3,551	14,996
Segment total assets as at 31 December 2021	329,638	78,801	247,344	655,783
Segment total liabilities as at 31 December 2021	152,991	43,339	11,241	207,571

8. Notes to the Condensed Financial Statements (cont'd)

(c) Segment information (cont'd)

The Company is principally engaged in the business of underwriting general insurance. As the company has different operating segments, its businesses are segregated into separate fund accounts in accordance with the requirements of the Singapore Insurance Act 1966.

As required under the Singapore Insurance Act, the Company has established and maintained a Singapore Insurance Fund (SIF) for insurance business relating to Singapore policies and an Offshore Insurance Fund (OIF) for insurance business relating to offshore policies. Shareholders' Fund (SHF) relates to the Company's investment activities of its non-insurance funds.

The segment information has been prepared in accordance with the Company's accounting policy and Singapore Financial Reporting Standards (International) (SFRS(I)).

Geographical information

Geographical information of the Company's revenue derived from external customers based on location of insurance risks and non-current assets are as follows:

	Gross premium written for				Non-current assets as at			
	FY	FY	2nd Half	2nd Half	FY	FY	2nd Half	2nd Half
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Singapore	74,428	72,637	33,074	32,421	40,630	33,538	40,630	33,538
Asean	16,862	17,124	4,126	4,378	-	-	-	-
Others	7,697	7,658	3,646	3,384	-	-	-	-
	98,987	97,419	40,846	40,183	40,630	33,538	40,630	33,538

The Company's non-current assets presented above consist of fixed assets (including property for its own occupancy) and right-of-use assets.

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8. **Notes to the Condensed Financial Statements (cont'd)**

(d) **Taxation**

The Company calculates the period income tax expense using the tax rate that would be applicable to the period concerned. The major components of income tax expense in the condensed income statement are:

	12 months ended 31 December 2022	12 months ended 31 December 2021	6 months ended 31 December 2022	6 months ended 31 December 2021
	\$'000	\$'000	\$'000	\$'000
Current income tax expense	4,829	6,133	3,909	3,950
Deferred income tax expense	217	44	217	44
	5,046	6,177	4,126	3,994

(e) **Investments**

Financial instruments as at 31 December 2022

	31 December 2022	31 December 2021
	\$'000	\$'000
Unit trusts	16,549	9,602
Debt securities	275,942	277,554
Equity securities	87,281	148,437
Investment property	28,530	27,858
	408,302	463,451

During the year, the Company disposed certain investments for cash and realised the capital appreciation due to the Company's investment strategy. These investments had a fair value \$346,411,000 (31 December 2021: \$316,203,000) at the date of disposal.

The net loss on disposal of the above investments was \$7,934,000 (31 December 2021: net gain of \$12,842,000).

(i) **Fair value measurement**

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- (b) Level 2 – Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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8. **Notes to the Condensed Interim Financial Statements (cont'd)**

(e) **Investments (cont'd)**

(i) **Fair value measurement (cont'd)**

The following table presented the investments measured at fair value:

	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
31 December 2022				
Mandatorily measured at FVTPL				
- Unit trusts	15,626	-	923	16,549
At FVOCI				
- Debt securities	275,942	-	-	275,942
- Equity securities	87,281	-	-	87,281
Investment property	-	-	28,530	28,530
	378,849	-	29,453	408,302
31 December 2021				
Mandatorily measured at FVTPL				
- Unit trusts	9,602	-	-	9,602
At FVOCI				
- Debt securities	277,554	-	-	277,554
- Equity securities	148,437	-	-	148,437
Investment property	-	-	27,858	27,858
	435,593	-	27,858	463,451

The fair value of investments traded in active markets is based on the quoted market bid prices at the balance sheet date. These investments are included in Level 1.

The fair value of investments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the balance sheet date. Over-the-counter quotes, dealer quotes as well as other techniques, such as estimated discounted cash flows are used to estimate fair value of these instruments. These investments are included in Level 2.

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8. **Notes to the Condensed Interim Financial Statements (cont'd)**

(e) **Investments (cont'd)**

(i) **Fair value measurement (cont'd)**

Movements in Level 3 fair value measurements

During the financial year, there were no transfers of financial assets between Level 1 and 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements. The valuations of the Level 3 financial instruments are performed by the fund house.

The following table presents the reconciliation for the Level 3 investments measured at fair value:

	2022
	\$'000
Financial assets at fair value through profit or loss:	
Opening balance	-
Purchases during the period	1,010
Net changes in unrealised loss on financial assets at fair value through profit or loss	(87)
Balance as at 31 December	923

Information about significant unobservable inputs used in Level 3 fair value measurements:

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December 2022	Valuation techniques	Unobservable inputs	Range (weighted average)
Investment in	923,000	Net asset value*	Not applicable	Not applicable

* This investment is valued using net asset value of the fund. Accordingly, this investment is classified as Level 3 investments within the fair value hierarchy.

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8. **Notes to the Condensed Interim Financial Statements (cont'd)**

(f) **Property, plant and equipment**

During the year ended 31 December 2022, the Company acquired assets amounting to \$4,535,000 (31 December 2021: \$7,800,000) and disposed of assets amounting to \$70,000 (31 December 2021: \$758,000).

(g) **Investment property**

	2022	2021
	(\$'000)	(\$'000)
Balance as at 1 January	27,858	27,591
Transfer to owner-occupied property	(2,549)	(1,759)
Additions	-	-
Net fair value gain recognised in profit or loss	3,221	2,026
	28,530	27,858

As at 31 December 2022, the investment property consists of leasehold office premises located at 146 Robinson Road, Singapore.

Investment property is stated at fair value, which has been determined based on valuations performed on 14 November 2022. The valuation was performed by an independent valuer with a recognised and relevant professional qualification. The valuer analysed and studied recent sales evidence of similar properties in comparable localities that had been transacted in the open market.

Valuation

The Company classified the fair value of its investment property as Level 3 as the valuation is determined based on direct comparison method, with the key unobservable inputs being market value based on existing use and the age of the building.

(h) **Subsequent events**

There are no known subsequent events which have led to adjustments to this set of condensed financial statements.