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## NEWS RELEASE

To: All Shareholders

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

### **Unaudited financial results for the first half year ended 30 June 2022**

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

### **Dividend**

The Directors are pleased to declare an interim dividend of 8.5 cents (2021: 8.5 cents) per share (one-tier tax-exempt) in respect of the current financial year. The total interim dividend would amount to \$5.2 million. The dividend will be paid on 18 August 2022.

### **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 30 June 2022 (30 June 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 confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for first half year ended 30 June 2022 to be false or misleading in any material aspect.

### **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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## NEWS RELEASE

### **Closure of books**

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 8 August 2022, for determining shareholders' entitlements to the interim dividend. 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 5 August 2022 ("Record Date") will be registered for the interim dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), entitlements to the interim dividend will be computed based on the shareholding position after settlement of all trades on Record Date. The interim dividend will be paid by the Company to CDP which will, in turn, distribute the dividend to holders of the securities accounts.

### **BY ORDER OF THE BOARD**

MRS VIVIEN CHAN  
SECRETARY

Dated this 27 July 2022

# **UNITED OVERSEAS INSURANCE LIMITED**

## **Condensed Interim Financial Statements**

For the first half year ended 30 June 2022

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## NEWS RELEASE

### 1. Review of performance

#### Highlights and performance indicators

Selected Financial Items	1st Half 2022 \$'000	1st Half 2021 \$'000	Incr/ (Decr) %
Gross premium written	<b>58,141</b>	57,236	+1.6
Net earned premium	<b>21,611</b>	19,914	+8.5
Net claims incurred	<b>(7,433)</b>	(6,414)	+15.9
Net commission	<b>2,019</b>	1,744	+15.8
Management expenses	<b>(7,350)</b>	(7,087)	+3.7
Underwriting profit	<b>8,847</b>	8,157	+8.5
Non-underwriting (loss)/income	<b>(3,269)</b>	5,618	-158.2
Profit before tax	<b>5,578</b>	13,775	-59.5
Profit after tax	<b>4,658</b>	11,592	-59.8
Other comprehensive (loss)/income, net of tax	<b>(23,386)</b>	15,636	-249.6
Total comprehensive (loss)/income	<b>(18,728)</b>	27,228	-168.8
Net asset value per share (\$)	<b>6.86</b>	7.26	-5.5

Financial Ratios	1st Half 2022 %	1st Half 2021 %	Incr/ (Decr) % - point
Net incurred loss ratio <sup>(1)</sup>	<b>34.4</b>	32.2	+2.2
Net commission ratio <sup>(2)</sup>	<b>(9.3)</b>	(8.8)	-0.5
Management expenses ratio <sup>(3)</sup>	<b>34.0</b>	35.6	-1.6
Underwriting profit ratio <sup>(4)</sup>	<b>40.9</b>	41.0	-0.1

**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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## NEWS RELEASE

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

#### Highlights and performance indicators (cont'd)

#### 1st Half 2022 ("1H2022") versus 1st Half 2021 ("1H2021")

Gross premium increased by \$0.9 million or 1.6% to \$58.1 million. The increase came mainly from Property and Reinsurance classes of insurance. Net earned premium increased by 8.5% to \$21.6 million and net claims incurred increased by \$1.0 million or 15.9%. Net commission income increased by \$0.3 million due to higher profit commission recoverable from reinsurers in the current year. Management expenses increased by 3.7% to \$7.4 million due to higher staff cost. Consequently, underwriting profit increased by 8.5% to \$8.8 million.

Non-underwriting income recorded a loss of \$3.3 million as compared to a gain of \$5.6 million in the corresponding period last year due to realised and unrealised losses from investments.

Other comprehensive income, net of tax recorded an unrealised loss of \$23.4 million as compared against an unrealised profit of \$15.6 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, rising inflation and geo-political tensions like the Ukraine War.

Overall, total comprehensive income was a loss of \$18.7 million instead of a gain of \$27.2 million attained in the corresponding period last year due mainly to the reasons mentioned earlier.

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

Global economies are experiencing rapid slowdown resulting from inflation, geo-political conflicts and worsening impact of climate change. Insurance markets worldwide will consequently face adverse headwinds. Considering these imminent challenges, the Company will maintain its judicious underwriting prudence to bring about sustainable and profitable growth. The Company will continue to focus on developing its digitalisation capabilities and insurance intermediary business, and to drive the cross selling initiatives with the parent bank in Singapore and elsewhere in the region.

Global equity and fixed income markets remained volatile amidst the many uncertainties arising particularly from the pandemic, supply chain disruptions and geo-political tensions. The Company will calibrate its investment strategies to take into account the current challenging investment climate and position the investment portfolio for long term sustainable growth.

## NEWS RELEASE

### 3. Unaudited condensed interim income statement for first half year ended 30 June 2022

	Note	1st Half 2022 \$'000	1st Half 2021 \$'000	Incr/ (Decr) %
(a) Gross premium written		<b>58,141</b>	57,236	1.6
Net earned premium		<b>21,611</b>	19,914	8.5
Net claims incurred		<b>(7,433)</b>	(6,414)	15.9
Net commission		<b>2,019</b>	1,744	15.8
Management expenses :				
Staff cost		<b>(4,888)</b>	(4,444)	10.0
Depreciation		<b>(450)</b>	(929)	(51.6)
Foreign exchange (losses)/gains		<b>(65)</b>	22	(395.5)
Other operating expenses		<b>(1,947)</b>	(1,736)	12.2
Underwriting profit		<b>8,847</b>	8,157	8.5
Gross dividends from investments		<b>1,851</b>	1,970	(6.0)
Interest income from investments		<b>3,867</b>	4,075	(5.1)
Interest on fixed deposits and bank balances		<b>30</b>	29	3.4
Net write-back of expected credit loss on investments		<b>46</b>	13	253.8
Amortisation of premium on investments		<b>(306)</b>	(481)	(36.4)
Rental income from investment property		<b>342</b>	417	(18.0)
Miscellaneous income		<b>10</b>	77	(87.0)
Net fair value (losses)/gains on mandatorily measured at fair value through profit or loss ("FVTPL") investments - unrealised		<b>(3,484)</b>	349	NM
Net losses on disposal of fair value through other comprehensive income ("FVOCI") investments	8(f)	<b>(3,473)</b>	(652)	432.7
Net fair value (losses)/gains on financial derivatives - realised		<b>(1,046)</b>	1,828	(157.2)
Net fair value losses on financial derivatives - unrealised		<b>(4,736)</b>	(6,056)	(21.8)
Exchange gains		<b>5,244</b>	5,399	(2.9)
		<b>(538)</b>	1,171	
Management expenses not charged to insurance revenue account:				
Depreciation on property		<b>(124)</b>	-	100.0
Management fees		<b>(701)</b>	(694)	1.0
Other operating expenses		<b>(789)</b>	(656)	20.3
Non-underwriting (loss)/income		<b>(3,269)</b>	5,618	(158.2)
Profit before tax		<b>5,578</b>	13,775	(59.5)
Tax expense	8(e)	<b>(920)</b>	(2,183)	(57.9)
Profit after tax		<b>4,658</b>	11,592	(59.8)
Profit attributable to equity holders of the Company		<b>4,658</b>	11,592	(59.8)

Note : NM = Not Meaningful

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### 3. Unaudited condensed interim income statement for first half year ended 30 June 2022 (cont'd)

	1st Half 2022 \$'000	1st Half 2021 \$'000	Incr/ (Decr) %
(b) Gross premium income	<u>58,141</u>	<u>57,236</u>	1.6
(c) Net profit after tax	<u>4,658</u>	<u>11,592</u>	(59.8)
(b) Earnings per share : Basic and diluted (cents)	<u>15.23</u>	<u>37.91</u>	(59.8)

### 4. Unaudited condensed interim statement of comprehensive income for first half year ended 30 June 2022

Net profit	4,658	11,592	(59.8)
<b>Other comprehensive income :</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
Net fair value (losses)/gains on equity securities at FVOCI	(11,104)	21,915	(150.7)
Tax related to the above	1,853	(3,467)	(153.5)
	<u>(9,251)</u>	<u>18,448</u>	(150.2)
<b>Items that may be reclassified subsequently to profit or loss :</b>			
Debt securities at FVOCI			
Changes in fair value	(20,447)	(4,025)	408.0
Transfer to profit or loss on disposal	3,473	652	432.7
Changes in allowance for expected credit losses	(46)	(13)	253.9
Tax related to the above	2,885	574	402.6
	<u>(14,135)</u>	<u>(2,812)</u>	402.7
<b>Other comprehensive (loss)/income for the period, net of tax</b>	<u>(23,386)</u>	<u>15,636</u>	(249.6)
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<u>(18,728)</u>	<u>27,228</u>	(168.8)
<b>Total comprehensive (loss)/income attributable to equity holders of the Company</b>	<u>(18,728)</u>	<u>27,228</u>	(168.8)



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### 5. Unaudited condensed interim statement of financial position

	<u>30 June</u>	<u>31 December</u>
	<u>2022</u>	<u>2021</u>
Note	\$'000	\$'000
(a) Share capital - Issued and fully paid	91,733	91,733
Reserves	327,660	356,479
	<u>419,393</u>	<u>448,212</u>
<b>Liabilities</b>		
Insurance creditors	16,274	12,089
Non-trade creditors and accrued liabilities	8,250	7,887
Lease liabilities	30	28
Amount owing to related companies	2,715	2,058
Derivative financial liabilities	4,882	158
Tax payable	5,244	8,686
Deferred tax liabilities	4,160	8,569
Deferred acquisition cost - reinsurers' share	9,814	8,710
Gross technical balances		
- Reserve for unexpired risks	59,436	50,876
- Reserve for outstanding claims	102,643	108,510
	<u>213,448</u>	<u>207,571</u>
	<u>632,841</u>	<u>655,783</u>
<b>Assets</b>		
Bank balances and fixed deposits	28,882	40,003
Insurance debtors	21,358	14,990
Non-trade debtors and accrued interest receivables	5,229	5,131
Amount owing from related companies	-	3
Associated company	1	1
Derivative financial assets	736	747
Investments	8(f) 416,613	435,593
Investment property	8(f), (h) 27,858	27,858
Fixed assets	33,789	33,515
Right-of-use assets	24	23
Deferred acquisition cost - gross	8,168	6,997
Reinsurers' share of technical balances		
- Reserve for unexpired risks	35,997	29,970
- Reserve for outstanding claims	54,186	60,952
	<u>632,841</u>	<u>655,783</u>
(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. Unaudited condensed interim statements 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	-	-	-	-	4,658	4,658
Other comprehensive income for first half year ended 30 June, net of tax	-	-	(23,386)	-	-	(23,386)
Total comprehensive income for first half year ended 30 June	-	-	(23,386)	-	4,658	(18,728)
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)
<b>Balance at 30 June 2022</b>	<b>91,733</b>	<b>22,880</b>	<b>19,823</b>	<b>665</b>	<b>284,292</b>	<b>419,393</b>
Balance at 1 January 2021	91,733	22,880	43,607	-	266,179	424,399
Profit net of tax	-	-	-	-	11,592	11,592
Other comprehensive income for first half year ended 30 June, net of tax	-	-	15,636	-	-	15,636
Total comprehensive income for first half year ended 30 June	-	-	15,636	-	11,592	27,228
Transfer of fair value reserves of equity securities at FVOCI upon disposal, net of tax	-	-	(9,320)	-	9,320	-
Dividend for Year 2020	-	-	-	-	(7,644)	(7,644)
<b>Balance at 30 June 2021</b>	<b>91,733</b>	<b>22,880</b>	<b>49,923</b>	<b>-</b>	<b>279,447</b>	<b>443,983</b>

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### 7. Unaudited condensed interim statement of cash flows

	Note	1st Half <u>2022</u> \$'000	1st Half <u>2021</u> \$'000
<b>Cash flows from operating activities</b>			
Profit before tax		5,578	13,775
Adjustments for:			
Movement in net reserve for unexpired risks		2,533	3,611
Movement in net deferred acquisition costs		(67)	333
Movement in net outstanding claims		899	182
Depreciation		574	929
Interest paid		-	9
Net fair value losses on forward contracts-unrealised		4,736	6,056
Net fair value losses/(gains) on mandatorily measured at FVTPL investments - unrealised		3,484	(349)
Net losses on disposal of FVOCI investments	8(f)	3,473	652
Amortisation of premium on investments		306	481
Net write-back of expected credit loss on debts securities at FVOCI		(46)	(13)
Gross dividend from investments		(1,851)	(1,970)
Interest income from investments		(3,867)	(4,075)
Interest on fixed deposits and bank balances		(30)	(29)
Exchange gains		(6,997)	(5,456)
Operating profit before working capital changes		8,725	14,136
Changes in working capital:			
Trade and other receivables		(6,180)	(8,084)
Amount owing by related companies		3	-
Trade and other payables		4,548	5,187
Amount owing to related companies		657	(155)
Cash generated from operations		7,753	11,084
Tax paid		(4,033)	(5,367)
Interest paid		-	(9)
<b>Net cash flows from operating activities</b>		<b>3,720</b>	<b>5,708</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of investments	8(f)	282,357	176,362
Purchase of investments		(293,249)	(191,618)
Purchase of fixed assets	8(g)	(850)	(1,464)
(Placement in)/proceeds from long-term fixed deposits		(51)	937
Gross dividend from investments		1,990	1,983
Interest income from investments		3,444	4,050
Interest on fixed deposits and bank balances		28	31
<b>Net cash flows used in investing activities</b>		<b>(6,331)</b>	<b>(9,719)</b>

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### 7. Unaudited condensed interim statement of cash flows (cont'd)

	<b>1st Half 2022 \$'000</b>	<b>1st Half 2021 \$'000</b>
<b>Cash flows from financing activity</b>		
Leases paid	3	(623)
Dividend paid	<u>(10,091)</u>	<u>(7,644)</u>
<b>Cash flows used in financing activity</b>	<b>(10,088)</b>	<b>(8,267)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,699)</b>	<b>(12,278)</b>
Cash and cash equivalents at beginning of period	<b>40,003</b>	<b>57,288</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>27,304</u></b>	<b><u>45,010</u></b>

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

	<b>1st Half 2022 \$'000</b>	<b>1st Half 2021 \$'000</b>
Cash and bank balances	<b>13,643</b>	25,964
Fixed deposits placement with maturity less than 3 months	<b>13,661</b>	19,046
Cash and cash equivalents	<u><b>27,304</b></u>	<u>45,010</u>
Fixed deposits placement with maturity more than 3 months	<b>1,578</b>	1,517
	<b><u>28,882</u></b>	<b><u>46,527</u></b>

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## NEWS RELEASE

### 8. Notes to the condensed interim financial statements

#### (a) Review

The unaudited statement of financial position of United Overseas Insurance Limited as at 30 June 2022 and the related unaudited income statement, unaudited statement of comprehensive income, unaudited statement of changes in equity and unaudited statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

#### (b) 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 interim financial statements for the first half year ended 30 June 2022 are for the Company. The principal activities of the Company are the underwriting of general insurance business.

#### (c) Basis of preparation

The condensed interim financial statements for the first half year ended 30 June 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(c)(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.

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## NEWS RELEASE

### 8. Notes to the condensed interim financial statements (cont'd)

#### (c) 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 on 3 December 2021. 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 interim financial statements (cont'd)

#### (d) Segment information

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:

	<u>Gross premium written for</u>		<u>Non-current assets as at</u>	
	<u>1st Half</u>	<u>1st Half</u>	<u>1st Half</u>	<u>1st Half</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Singapore	<b>41,354</b>	40,216	<b>33,813</b>	26,632
Asean	<b>12,736</b>	12,746	-	-
Others	<b>4,051</b>	4,274	-	-
	<b>58,141</b>	57,236	<b>33,813</b>	26,632

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 interim financial statements (cont'd)

#### (d) Segment information (cont'd)

	SIF \$'000	OIF \$'000	SHF \$'000	Total \$'000
<b>For first half year ended 30 June 2022</b>				
Gross premium written	39,272	18,869	-	58,141
Net earned premium	13,917	7,694	-	21,611
Net claims incurred	(3,610)	(3,823)	-	(7,433)
Net commission	3,376	(1,357)	-	2,019
Management expenses	(6,030)	(1,320)	-	(7,350)
Underwriting profit	7,653	1,194	-	8,847
Gross dividends from investments	654	136	1,061	1,851
Interest income from investments	2,065	443	1,359	3,867
Interest on fixed deposits and bank balances	20	9	1	30
Rental income from property	-	-	342	342
Net fair value losses on financial derivatives	(3,091)	(680)	(2,011)	(5,782)
Net fair value losses on mandatorily measured at FVTPL investments - unrealised	(1,858)	(527)	(1,099)	(3,484)
Net losses on disposal of FVOCI investments	(1,790)	(366)	(1,317)	(3,473)
Exchange gains	2,799	609	1,836	5,244
Miscellaneous expenses	(111)	(23)	(116)	(250)
Management expenses not charged to insurance revenue account - net	(443)	(99)	(1,072)	(1,614)
Profit before tax	5,898	696	(1,016)	5,578
Tax expense	(1,003)	(70)	153	(920)
Profit after tax	4,895	626	(863)	4,658
Segment total assets as at 30 June 2022	314,810	82,010	236,021	632,841
Segment total liabilities as at 30 June 2022	153,572	49,966	9,910	213,448
<b>For first half year ended 30 June 2021</b>				
Gross premium written	38,088	19,148	-	57,236
Net earned premium	13,230	6,684	-	19,914
Net claims incurred	(3,585)	(2,829)	-	(6,414)
Net commission	3,018	(1,274)	-	1,744
Management expenses	(6,117)	(970)	-	(7,087)
Underwriting profit	6,546	1,611	-	8,157
Gross dividends from investments	701	143	1,126	1,970
Interest income from investments	2,202	475	1,398	4,075
Interest on fixed deposits and bank balances	15	11	3	29
Net fair value losses on financial derivatives	(2,252)	(495)	(1,481)	(4,228)
Net fair value gains on mandatorily measured at FVTPL investments - unrealised	175	174	-	349
Net losses on disposal of FVOCI investments	(333)	(151)	(168)	(652)
Exchange gains	2,857	646	1,896	5,399
Miscellaneous (expenses)/income	(154)	(58)	238	26
Management expenses not charged to insurance revenue account - net	(405)	(91)	(854)	(1,350)
Profit before tax	9,352	2,265	2,158	13,775
Tax expense	(1,590)	(226)	(367)	(2,183)
Profit after tax	7,762	2,039	1,791	11,592
Segment total assets as at 30 June 2021	331,790	82,974	249,397	664,161
Segment total liabilities as at 30 June 2021	160,452	47,900	11,826	220,178



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**8. Notes to the condensed interim financial statements (cont'd)**

**(e) 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:

	<u>1st Half 2022</u>	<u>1st Half 2021</u>
	\$'000	\$'000
Current income tax expense	920	2,183
Deferred income tax expense	-	-
	<u>920</u>	<u>2,183</u>

**(f) Investments**

Financial instruments as at 30 June 2022

	<u>1st Half 2022</u>	<u>31 December 2021</u>
	\$'000	\$'000
Unit trusts	29,457	9,602
Debt securities	292,275	277,554
Equity securities	94,881	148,437
Investment property	27,858	27,858
	<u>444,471</u>	<u>463,451</u>

During the interim period, 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 \$282,357,000 (30 June 2021: \$176,362,000) at the date of disposal.

The net loss on disposal of the above investments was \$5,410,000 (30 June 2021: gain on disposal of \$10,577,000).

**(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)

#### (f) 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
<b><u>30 June 2022</u></b>				
Mandatorily measured at FVTPL				
- Unit trusts	29,457	-	-	29,457
At FVOCI				
- Debt securities	292,275	-	-	292,275
- Equity securities	93,841	-	1,040	94,881
Investment property	-	-	27,858	27,858
	<b>415,573</b>	<b>-</b>	<b>28,898</b>	<b>444,471</b>
<b><u>31 December 2021</u></b>				
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
	<b>435,593</b>	<b>-</b>	<b>27,858</b>	<b>463,451</b>

#### (g) Property, plant and equipment

During the first half year ended 30 June 2022, the Company acquired assets amounting to \$850,000 (31 December 2021: \$7,800,000) and disposed of assets amounting to \$NIL (31 December 2021: \$758,000).

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**8. Notes to the condensed interim financial statements (cont'd)**

**(h) Investment property**

	<b>1st Half 2022 \$'000</b>	<b>31 December 2021 \$'000</b>
	<hr/>	<hr/>
Balance as at 1 January	27,858	27,591
Transfer to owner-occupied property	-	(1,759)
Net fair value gain recognised in profit or loss	-	2,026
	<hr/> <b>27,858</b> <hr/>	<hr/> <b>27,858</b> <hr/>

As at 30 June 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 3 December 2021. 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.

**(i) Subsequent events**

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