FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal activities

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities and other information of the subsidiaries are set out in Note 5 to the financial statements.

Results

	Group 2022 RM'000	Company 2022 RM'000
Net (loss)/profit for the year	**(34,161)**	**6,987**
(Loss)/Profit attributable to:		
Equity holders of the Company	**(34,393)**	**6,987**
Non-controlling interests	**232**	**-**
	(34,161)	**6,987**

There were no material transfers to or from reserves, allowances or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in Note 40 to the financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend payment in respect of the current financial year.

Directors

The names of the directors of the Company and its subsidiaries in office since the beginning of the financial year to the date of this report are:

	Directors of the entities					
	Holding Company	**Subsidiaries**				
Name of Director	**TPG***	**TIMB***	**TPR***	**TDL***	**WL***	**TPV***
Dato' Mohamed Khadar Bin Merican (Chairman of TPG)	✓	-	Appointed on 7 October 2022	-	-	-
Ng Soon Lai @ Ng Siek Chuan	Retired on 4 October 2022	-	Resigned on 4 October 2022	-	-	-
Tan Ming-Li	✓	✓	-	-	-	-
Mohamed Rashdi Bin Mohamed Ghazalli	✓	✓	-	-	-	-
Aireen Omar	✓	-	-	-	-	-
Kelvin Desmond Malayapillay	✓	-	-	-	-	-
Dr Grace Lee Hwee Ling	Appointed on 25 March 2022	-	-	-	-	-
Jayakumar A/L Somasundram	-	Appointed on 21 September 2022	-	-	-	-
Lim Chong Beng	-	✓	-	-	-	-
Rohit Chandrasekharan Nambiar	-	✓	-	-	-	-
Mohd Yusof Hafiz Bin Mohamad	-	-	-	✓	-	-
Dixon Wong Kit Seng	-	-	-	-	✓	-
How Kim Lian	-	-	✓	✓	✓	✓
Koot Chiew Ling	-	-	-	-	-	✓

* *TPG - Tune Protect Group Berhad*
TIMB - Tune Insurance Malaysia Berhad
TPR - Tune Protect Re Ltd.
TDL - Tune Direct Ltd.
WL - White Label Sdn. Bhd.
TPV - Tune Protect Ventures Sdn. Bhd.

Directors' benefits

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company or its subsidiaries were a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors from the Company and related corporations, or the fixed salary of a full-time employee of the Company as shown in Notes 25 and 31(b) to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and the officers of the Group were RM30,000,000 and RM113,740, respectively.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year were as follows:

	Number of ordinary shares			
	As at 1.1.2022 '000	Acquired '000	Disposed '000	As at 31.12.2022 '000
Direct interests:				
Director of the Company:				
Aireen Omar	-	500	-	500
Director of the subsidiaries:				
Rohit Chandrasekharan Nambiar	348	653	-	1,001

	Number of options over ordinary shares			
	As at 1.1.2022 '000	Acquired '000	Terminated '000	As at 31.12.2022 '000
Director of the subsidiaries:				
Rohit Chandrasekharan Nambiar	1,879	-	(1,879)	-
Koot Chiew Ling	150	-	(150)	-

Other than as disclosed above, none of the directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

Employees' share option scheme ("ESOS")

The Company had an ESOS in place which is effective for 10 years from the date of listing of TPG ordinary shares.

The members of the committee administering the ESOS were as follows:

Yap Hsu Yi
Aireen Omar
Rohit Chandrasekharan Nambiar

The salient features and other terms of the ESOS are disclosed in Note 26 to the financial statements.

On 30 September 2022, the Company terminated the ESOS given that the Company did not intend to grant any further options under the existing ESOS. There were no ESOS options exercised as at 30 September 2022, and all unexercised ESOS options were lapsed on the same date.

During the year, the Company announced to establish and implement a long term incentive plan ("LTIP") of up to 10% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the 10 years period, with effect from 30 September 2022. The LTIP will consist of a share grant plan ("SGP") and an employees' share option scheme ("ESOS") offered to the eligible employees of the Company and its subsidiaries which are not dormant. As at 31 December 2022, there was no SGP or ESOS being offered to employees.

Other statutory information

(a) Before the statements of financial position and statements of comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper 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 all known bad debts had been written off and that adequate allowances had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount written off for bad debts or the amount of the allowances for doubtful debts of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

Other statutory information (cont'd.)

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

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and the Company.

(f) In the opinion of the directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

For the purpose of paragraphs (e)(ii) and (f)(i) above, contingent or other liabilities do not include liabilities arising from insurance and reinsurance contracts underwritten in the ordinary course of business of the Group.

(g) Before the statements of financial position and the statements of comprehensive income were made out, the directors took reasonable steps to ascertain that there was adequate provision for insurance contract liabilities in accordance with the valuation methods prescribed under Part D of the Risk-Based Capital ("RBC") Framework for Insurers issued by Bank Negara Malaysia ("BNM") and the valuation requirements stipulated in the Labuan Financial Services Authority's ("Labuan FSA") Guidelines on Valuation Basis for Liabilities of Labuan General Insurance Business.

Significant and subsequent events

The significant and subsequent events during the financial year end are disclosed in Note 40 to the financial statements.

Auditors and auditors' remuneration

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

Auditors' remuneration is disclosed in Note 25 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 March 2023.

Dato' Mohamed Khadar Bin Merican

Mohamed Rashdi Bin Mohamed Ghazalli

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Mohamed Khadar Bin Merican and Mohamed Rashdi Bin Mohamed Ghazalli, being two of the directors of Tune Protect Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 144 to 280 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 March 2023.

Dato' Mohamed Khadar Bin Merican

Mohamed Rashdi Bin Mohamed Ghazalli

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, How Kim Lian (MIA Membership No. CA 16335), being the officer primarily responsible for the financial management of Tune Protect Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 144 to 280 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.

Subscribed and solemnly declared by)
the abovenamed How Kim Lian at)
Kuala Lumpur in the Federal Territory)
on 28 March 2023.)

How Kim Lian

Before me,

PESURUHJAYA SUMPAH
No. W 661
TAN KIM CHOOI
1.1.2022-18.4.2023
MALAYSIA

LEVEL 25, MENARA HONG LEONG,
NO 6, JALAN DAMANLELA, BUKIT DAMANSARA
50490 KUALA LUMPUR

INDEPENDENT AUDITORS' REPORT

to the members of Tune Protect Group Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tune Protect Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 144 to 280.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed this 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 this matter. 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 matter below, provide the basis of our audit opinion on the accompanying financial statements.

Insurance contract liabilities of the Group

The Group's insurance contract liabilities as at 31 December 2022 amounted to RM868.0 million or approximately 82.6% of its total liabilities. The insurance contract liabilities include the claims and premium liabilities of the insurance and reinsurance subsidiaries, Tune Insurance Malaysia Berhad ("TIMB") and Tune Protect Re Ltd. ("TPR").

These liabilities have been estimated based on standard actuarial valuation methodologies and other estimation models as allowed under the Risk-Based Capital Framework issued by Bank Negara Malaysia and the guidelines issued by the Labuan Financial Services Authority, as well as the accounting policies described in Note 2.3(p)(ii), (iii) and (iv) for premium liabilities, claims liabilities and liability adequacy test respectively.

INDEPENDENT AUDITORS' REPORT

to the members of Tune Protect Group Berhad

(Incorporated in Malaysia)

Key audit matters (cont'd.)

Insurance contract liabilities of the Group (cont'd.)

The complexity of the actuarial valuation methodologies and other estimation models applied to derive the claims and premium liabilities may give rise to estimation errors as a result of inadequate or incomplete data, the design and application of the relevant valuation models by the management's experts (i.e., the Appointed Actuaries for TIMB and TPR) and the use of inappropriate or outdated assumptions. Significant professional judgement is applied by the Group in deriving the assumptions (as described in Note 2.6 to the financial statements) and any significant changes thereon may have a material effect on the insurance contract liabilities.

Estimates of claim liabilities have to be made for both the expected ultimate costs of claims already reported at the reporting date, and for the expected ultimate costs of claims incurred but not yet reported ("IBNR") as of the financial year end. The estimates of premium liabilities is based on the higher of the Unearned Premium Reserves ("UPR"), as estimated by management and the Unexpired Risk Reserve ("URR"), as estimated by the Appointed Actuaries. The estimation of insurance contract liabilities are sensitive to various factors and uncertainties as discussed in Note 34(b). Significant management judgement is applied in setting these assumptions.

Our audit procedures were focused on the following key areas:

- Understanding and documenting the qualifications, objectivity and independence of the management's experts tasked with estimating the insurance contract liabilities of the Group;
- Reviewing the reports prepared by the management's experts in respect of the insurance contract liabilities of the Group;
- Assessing the design and testing the operating effectiveness of internal controls over the actuarial valuation process with respect to financial reporting;
- Testing the completeness and sufficiency of data used in the valuation of insurance contract liabilities. These tests also included control tests performed on a selected sample of claims reserves, claims paid and insurance policies issued by the Group to ascertain effectiveness of operating controls over quality and accuracy of the underlying data;
- Assessing the experience analyses of the insurance and reinsurance subsidiaries used during the setting of the key assumptions to derive the insurance contract liabilities and challenging the rationale applied by the management's experts and management in deriving those assumptions. In addition and where appropriate, comparisons have also been made against other industry constituents and the experience of the respective subsidiaries;
- Performing independent analyses and re-computation of the insurance contract liabilities for selected classes of business, focusing on the most significant business portfolio and those which may potentially result in significant deviations in estimates. We have also considered the impacts of the COVID-19 pandemic to the assumptions and methodologies applied by the Group in deriving the valuation of the insurance contract liabilities. We compared our independent analyses and re-computations to those performed by management to ascertain if the reserves were sufficient and within range of our independent analyses;
- Performing tests on the UPR calculations produced by management and thereafter, comparing the UPR against the URR valuations performed by the management's experts to ascertain if adequate reserves have been established;
- Reviewing management's estimation of the calculated reinsurance assets and thereon, their assessment of the credit quality and security of the underlying reinsurance counterparties; and
- Assessing the adequacy of disclosures made in respect of the insurance contract liabilities of the Group as disclosed in Note 14.

INDEPENDENT AUDITORS' REPORT

to the members of Tune Protect Group Berhad
(Incorporated in Malaysia)

Key audit matters (cont'd.)

Insurance contract liabilities of the Group (cont'd.)

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

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 information included in the Directors' Report and the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

to the members of Tune Protect Group Berhad
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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 Tune Protect Group Berhad
(Incorporated in Malaysia)

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 5 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. 03490/03/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 March 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Assets					
Property and equipment	3	**3,928**	3,977	**970**	800
Intangible assets	4	**29,047**	19,639	**392**	2,427
Right-of-use assets	18	**3,273**	3,972	**716**	2,044
Investments in subsidiaries	5	**-**	-	**199,129**	179,129
Investment in an associate	6	**35,848**	49,763	**40,955**	40,955
Investment in a joint venture company	7	**2,045**	5,878	**433**	433
Goodwill	8	**24,165**	24,165	**-**	-
Investments	9	**682,614**	757,975	**47,647**	63,612
Deferred tax assets	15	**2,099**	1,993	**-**	-
Reinsurance assets	10	**528,785**	648,007	**-**	-
Insurance receivables	11	**197,640**	116,594	**-**	-
Other receivables	12	**46,388**	53,268	**13,098**	12,888
Tax recoverable		**28,150**	28,342	**-**	97
Cash and bank balances		**41,371**	12,400	**3,002**	232
Total assets		**1,625,353**	1,725,973	**306,342**	302,617
Equity					
Share capital	13	**248,519**	248,519	**248,519**	248,519
Employee share option reserves		**-**	2,887	**-**	2,887
Foreign currency translation reserve		**9,603**	10,097	**-**	-
Other comprehensive income ("OCI") reserve		**199**	(47)	**-**	-
Other reserve		**343**	220	**-**	-
Retained earnings		**264,246**	298,639	**52,987**	46,000
Equity attributable to owners of the parent		**522,910**	560,315	**301,506**	297,406
Non-controlling interests		**51,279**	106,046	**-**	-
Total equity		**574,189**	666,361	**301,506**	297,406
Liabilities					
Insurance contract liabilities	14	**868,003**	911,215	**-**	-
Lease liabilities	18	**3,420**	4,195	**740**	2,146
Deferred tax liabilities	15	**-**	161		
Insurance payables	16	**100,491**	70,597	**-**	-
Other payables	17	**79,250**	73,444	**4,096**	3,065
Total liabilities		**1,051,164**	1,059,612	**4,836**	5,211
Total equity and liabilities		**1,625,353**	1,725,973	**306,342**	302,617

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating revenue	19	**529,509**	434,716	**28,179**	25,982
Gross earned premiums	20(a)	**510,376**	412,271	**-**	-
Premiums ceded to reinsurers	20(b)	**(213,069)**	(215,466)	**-**	-
Net earned premiums	20	**297,307**	196,805	**-**	-
Investment income	21	**19,133**	22,445	**28,179**	25,982
Realised gains and losses	22	**(20,648)**	(684)	**(545)**	1,024
Fair value gains/(losses)		**2,028**	(29,051)	**123**	(2,237)
Fees and commission income		**25,261**	21,833	**-**	-
Other operating income	23	**3,898**	1,418	**13,595**	7,579
Other revenue		**29,672**	15,961	**41,352**	32,348
Gross claims paid	24	**(163,485)**	(171,645)	**-**	-
Claims ceded to reinsurers	24	**91,417**	116,495	**-**	-
Gross change to contract liabilities	24	**89,124**	(12,462)	**-**	-
Change in contract liabilities ceded to reinsurers	24	**(117,845)**	29,715	**-**	-
Net claims	24	**(100,789)**	(37,897)	**-**	-
Fees and commission expense		**(95,772)**	(54,788)	**-**	-
Management expenses	25	**(148,510)**	(124,792)	**(33,982)**	(26,863)
Other operating expenses	23	**(791)**	(233)	**(19)**	-
Finance costs	18	**(205)**	(298)	**(80)**	(174)
Other expenses		**(245,278)**	(180,111)	**(34,081)**	(27,037)
Share of results of an associate	6	**(14,806)**	(9,733)	**-**	-
Share of results of a joint venture company	7	**153**	192	**-**	-
(Loss)/Profit before taxation		**(33,741)**	(14,783)	**7,271**	5,311
Taxation	27	**(420)**	(3,439)	**(284)**	(64)
Net (loss)/profit for the year		**(34,161)**	(18,222)	**6,987**	5,247

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net (loss)/profit for the year		**(34,161)**	(18,222)	**6,987**	5,247
Other comprehensive income/(loss):					
Items that will not be subsequently reclassified to profit or loss:					
Share of other comprehensive income of an associate	6	**369**	65	**-**	-
Effect of post-acquisition foreign exchange translation reserve on investment in associate and joint venture company		**(494)**	183	**-**	-
Other comprehensive (loss)/income for the year		**(125)**	248	**-**	-
Total comprehensive (loss)/income for the year		**(34,286)**	(17,974)	**6,987**	5,247
(Loss)/Profit attributable to:					
Owners of the parent		**(34,393)**	(14,990)	**6,987**	5,247
Non-controlling interests		**232**	(3,232)	**-**	-
		(34,161)	(18,222)	**6,987**	5,247
Other comprehensive (loss)/income attributable to:					
Owners of the parent		**(125)**	248	**-**	-
Non-controlling interests		**-**	-	**-**	-
		(125)	248	**-**	-
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(34,518)**	(14,742)	**6,987**	5,247
Non-controlling interests		**232**	(3,232)	**-**	-
		(34,286)	(17,974)	**6,987**	5,247
Loss per share attributable to owners of the parent (sen per share)					
Basic and diluted	28	**(4.57)**	(1.99)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Attributable to the owners of the parent								
		Non distributable							
Group	Share capital RM'000 (Note 13)	OCI reserve RM'000	Other reserve RM'000	Employee share option reserves RM'000	Foreign currency translation reserves RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021	248,519	(87)	195	2,859	9,914	313,629	575,029	146,004	721,033
Net loss for the year	-	-	-	-	-	(14,990)	(14,990)	(3,232)	(18,222)
Other comprehensive income for the year	-	40	25	-	183	-	248	-	248
Total comprehensive income/(loss) for the year	-	40	25	-	183	(14,990)	(14,742)	(3,232)	(17,974)
Grant of equity-settled share options to employees (Note 26)	-	-	-	28	-	-	28	-	28
Decrease in non-controlling interest arising from reduction in interest in a subsidiary	-	-	-	-	-	-	-	(35,002)	(35,002)
Dividends paid to non-controlling interests (Note 5)	-	-	-	-	-	-	-	(1,724)	(1,724)
At 31 December 2021	248,519	(47)	220	2,887	10,097	298,639	560,315	106,046	666,361
At 1 January 2022	**248,519**	**(47)**	**220**	**2,887**	**10,097**	**298,639**	**560,315**	**106,046**	**666,361**
Net (loss)/profit for the year	**-**	**-**	**-**	**-**	**-**	**(34,393)**	**(34,393)**	**232**	**(34,161)**
Other comprehensive income/(loss) for the year	**-**	**246**	**123**	**-**	**(494)**	**-**	**(125)**	**-**	**(125)**
Total comprehensive income/(loss) for the year	**-**	**246**	**123**	**-**	**(494)**	**(34,393)**	**(34,518)**	**232**	**(34,286)**
Termination of equity-settled share options to employees (Note 26)	**-**	**-**	**-**	**(2,887)**	**-**	**-**	**(2,887)**	**-**	**(2,887)**
Decrease in non-controlling interest arising from reduction in interest in a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(54,999)**	**(54,999)**
At 31 December 2022	**248,519**	**199**	**343**	**-**	**9,603**	**264,246**	**522,910**	**51,279**	**574,189**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

Company	Share capital RM'000 (Note 13)	Non-distributable Employee share option reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 January 2021	248,519	2,859	40,753	292,131
Total comprehensive income for the year	-	-	5,247	5,247
Grant of equity-settled share options to employees (Note 26)	-	28	-	28
At 31 December 2021	248,519	2,887	46,000	297,406
At 1 January 2022	**248,519**	**2,887**	**46,000**	**297,406**
Total comprehensive income for the year	**-**	**-**	**6,987**	**6,987**
Termination of equity-settled share options to employees (Note 26)	**-**	**(2,887)**	**-**	**(2,887)**
At 31 December 2022	**248,519**	**-**	**52,987**	**301,506**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating activities					
(Loss)/Profit before taxation		**(33,741)**	(14,783)	**7,271**	5,311
Adjustments for:					
Investment income	21	**(19,133)**	(22,445)	**(28,179)**	(25,982)
Net unrealised losses/(gains) on foreign exchange	23	**561**	118	**(100)**	(5)
Realised losses/(gains) on disposal of fair value through profit or loss ("FVTPL") investments	22	**20,843**	722	**720**	(1,028)
Fair value (gains)/losses of investments		**(2,028)**	29,051	**(123)**	2,237
(Gains)/losses on disposal of property and equipment	22	**(195)**	(38)	**(175)**	4
Depreciation of property and equipment	25	**1,691**	1,655	**348**	321
Depreciation of right-of-use assets	25	**2,373**	2,401	**1,646**	1,645
Amortisation of intangible assets	25	**4,839**	2,736	**168**	114
Bad debts written off	25	**1**	47	**-**	-
Write-off of property and equipment	23	**-**	88	**-**	-
Write-back of impairment losses of reinsurance assets	25	**(2,389)**	(512)	**-**	-
Allowance for impairment losses of insurance receivables		**2,438**	385	**-**	-
(Write-back of)/Allowance for equity-settled share options to employees	25(a)	**(2,887)**	28	**(445)**	135
Income from subleasing right-of-use assets	23	**-**	-	**(1,340)**	(1,215)
Finance cost	18	**205**	298	**80**	174
COVID-19 related rent concessions	23	**-**	(175)	**-**	(175)
Share of results of an associate	6	**14,806**	9,733	**-**	-
Share of results of a joint venture company	7	**(153)**	(192)	**-**	-

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating activities (cont'd.)					
Operating (loss)/profit before working capital changes		**(12,769)**	9,117	**(20,129)**	(18,464)
Reinsurance assets		**121,611**	(22,074)	**-**	-
Insurance receivables		**(85,241)**	(12,993)	**-**	-
Other receivables		**6,585**	2,492	**1,955**	492
Insurance contract liabilities		**(43,212)**	9,150	**-**	-
Insurance payables		**29,894**	(3,227)	**-**	-
Other payables		**5,753**	24,758	**935**	1,441
Cash generated from/(used in) operating activities		**22,621**	7,223	**(17,239)**	(16,531)
Net interest received		**6,587**	10,148	**24**	7
Net dividend received		**17,394**	16,832	**28,155**	23,934
Net income from subleasing right-of-use assets	23	**-**	-	**1,340**	1,215
Income tax paid		**(589)**	(5,716)	**(98)**	(90)
Net cash generated from operating activities		**46,013**	28,487	**12,182**	8,535
Investing activities					
Purchases of FVTPL financial assets		**(460,006)**	(819,868)	**(51,196)**	(74,749)
Proceeds from disposal of FVTPL financial assets		**470,139**	878,537	**66,563**	76,149
Movement in amortised cost financial assets		**178**	972	**-**	-
Proceeds from disposal of property and equipment		**270**	55	**232**	10
Purchase of property and equipment	3	**(1,717)**	(1,834)	**(575)**	(244)
Purchase of intangible assets	4	**(14,247)**	(16,454)	**(1,768)**	(2,284)
Net cash (used in)/generated from investing activities		**(5,383)**	41,408	**13,256**	(1,118)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financing activities					
Payment of principal portion of lease liabilities	18	**(2,645)**	(2,455)	**(1,796)**	(1,619)
Cash paid to non-controlling interest of units cancelled in a subsidiary		**(54,999)**	(35,002)	**-**	-
Advances to subsidiaries		**-**	-	**(20,972)**	(5,924)
Dividends paid to non-controlling interests		**-**	(1,724)	**-**	-
Net cash used in financing activities		**(57,644)**	(39,181)	**(22,768)**	(7,543)
Net (decrease)/increase in cash and cash equivalents		**(17,014)**	30,714	**2,670**	(126)
Effect of exchange rate changes on cash and cash equivalents		**545**	117	**100**	5
Cash and cash equivalents at beginning of year		**65,001**	34,170	**232**	353
Cash and cash equivalents at end of year		**48,532**	65,001	**3,002**	232
Cash and cash equivalents comprise:					
Fixed and call deposits (with original maturities of less than three months) with licensed financial institutions	9(a)	**7,161**	52,601	**-**	-
Cash and bank balances		**41,371**	12,400	**3,002**	232
		48,532	65,001	**3,002**	232

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1. Corporate information

Tune Protect Group Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year other than as disclosed in Note 5.

The address of the principal place of business and registered office of the Company is as follows:

Level 9, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 March 2023.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 2016 in Malaysia.

At the beginning of the current financial year, the Group and the Company had fully adopted the amended MFRSs as described fully in Note 2.4.

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise stated in the accounting policies.

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, only when there is 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. Income and expense will not be offset in the statements of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and of the Company.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2. Significant accounting policies (cont'd.)

2.2 Basis of consolidation

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- Exposure, or rights, to variable returns from its involvement with the investee; and

- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company 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 Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. Significant accounting policies (cont'd.)

2.2 Basis of consolidation (cont'd.)

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value at the acquisition date ("acquisition date fair value"), and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in management expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives from host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument, and within the scope of MFRS 9 Financial Instruments ("MFRS 9"), is measured at fair value with changes in fair value recognised either in profit or loss or OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts 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 gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units ("CGU") 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 CGU and part of the operation within that unit is disposed, 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 CGU retained.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies

(a) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the Company and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(b) Property and equipment

Property and equipment includes renovation, furniture, fittings, office equipment, computers and motor vehicles. Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Residual values, useful lives and depreciation method are reviewed and adjusted prospectively, if appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.3(f).

The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is charged to profit or loss in the period in which it is incurred. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation of property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Renovation	10%
Motor vehicles	20%
Furniture, fittings and office equipment	12% - 17%
Computers	25%

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Upon the disposal of an item of property and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in profit or loss.

(c) Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and the Company as lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(c) Leases (cont'd.)

The Group and the Company as lessee (cont'd.)

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets which is between 2 to 5 years for office premises.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment, as disclosed in Note 2.3(f).

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group and the Company use the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of computer and office equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group and the Company also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(c) Leases (cont'd.)

<u>The Group and the Company as lessee (cont'd.)</u>

(iv) COVID-19 related rent concessions

The Group and the Company have applied the Amendments to MFRS 16 Leases whereby rent concessions received as a direct consequence of the COVID-19 pandemic are not assessed as lease modification if all of the following conditions are met:

1) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

2) Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

3) There is no substantive change to other terms and conditions of the lease.

The Group and the Company account for such COVID-19 related rent concessions as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs. Impact of rent concessions are presented within "other operating income" in profit or loss.

For changes that do not meet the above conditions, the requirements under MFRS 16 stipulate that a change in lease payments (including rent concession), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease.

If a rent concession results from a lease modification, the Group and the Company account for the rent concession as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

If a rent concession does not result from a lease modification, the Group and the Company account for the rent concession as a variable lease payment in the period(s) in which the event or condition that triggers the reduced payment occurs.

<u>The Group as lessor</u>

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statements of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(d) Intangible assets

Intangible assets of the Group and the Company consist of computer software, agency relationship, customer relationship, digital direct marketing platform, license acquisition costs and other intangible assets development-in-progress. These intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The costs of generating other internally generated intangible assets are classified into whether they arise in a research phase or development phase. Research expenditure is charged to profit or loss in which the expense is incurred whilst development expenditure that meets specified criteria is capitalised at cost.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once annually at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight line method over their estimated useful lives.

Costs that are directly associated with the software or assets development in progress are recognised as intangible assets if it meets the specified criteria. The software which is being developed is expected to generate economic benefits beyond one year. Direct attributable costs include the employee costs involved in the development of the software and in acquisition of licences and an appropriate portion of relevant overheads to prepare the asset for its intended use.

These assets development-in-progress are not amortised until such time that they are ready for their intended use. Upon completion of the software developed, the software will be amortised using the straight-line method over the estimated useful lives of 10 years.

The acquired intangible assets are amortised using the straight-line method over the following estimated useful lives:

Computer software	4 to 10 years
Agency relationship	8 years
Customer relationship	5 years
Digital direct marketing platform	4 years
License acquisition costs	4 years

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(d) Intangible assets (cont'd.)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss.

(e) Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is included in profit or loss.

(f) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of loss.

For goodwill, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that is expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(f) Impairment of non-financial assets (cont'd.)

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(g) Investments and financial assets

Initial recognition and measurement

Financial instruments are classified, at initial recognition, as financial assets at fair value through profit or loss ("FVTPL") and at amortised cost. Financial instruments are initially recognised at their fair value. Except for financial assets recorded at FVTPL, transaction costs are added to this amount.

The classification depends on the instrument's contractual cash flow terms and the entity's business model for managing the instruments.

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group commits to purchase or sell the asset.

Debt instruments measured at amortised cost

Debt instruments are held at amortised cost if both of the following conditions are met:

(i) The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows; and

(ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

(i) Business model assessment

The Group and the Company determine its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group and the Company hold financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Group and the Company consider the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximise return for shareholders and future business development.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(g) Investments and financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

Debt instruments measured at amortised cost (cont'd.)

(i) Business model assessment (cont'd.)

The Group and the Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

(a) How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group and the Company's key management personnel;

(b) The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and

(c) How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of asset sales are also important aspects of the Group's and the Company's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Company's original expectations, the Group and the Company do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated or newly purchased financial assets going forward.

(ii) SPPI test

As a second step of its classification process, the Group and the Company assess the contractual terms to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group and the Company apply judgement and consider relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(g) Investments and financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

Financial assets measured at FVTPL

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under MFRS 9. This category includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Subsequent measurement

Debt instruments measured at amortised cost

After initial measurement, debt instruments are measured at amortised cost, using the effective interest rate ("EIR") method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Expected Credit Losses ("ECLs") are recognised in profit or loss when the investments are impaired.

Financial assets measured at FVTPL

Financial assets at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss when the right to the payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Group and the Company have transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Group and the Company have transferred substantially all the risks and rewards of the asset; or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group and the Company consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group and the Company have neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group and the Company's continuing involvement, in which case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(h) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive.

At each financial year end, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occuring over the expected life between the reporting date and the date of initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit ratings and other supporting information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For impairment assessment, financial assets are grouped on the basis of similar risk characteristics.

These are the main components to measure ECL which are Probability of Default ("PD"), Exposure at Default ("EAD") and the Loss Given Default ("LGD").

(i) PD

The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.

(ii) EAD

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

(iii) LGD

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

For insurance and other receivables, the Group and the Company apply the simplified approach in accordance with MFRS 9 Financial Instruments. MFRS 9 includes the requirement or policy choice to apply the simplified approach that does not require the Group and the Company to track changes in credit risk and a practical expedient to calculate ECLs using a provision matrix with the usage of forward looking information.

The carrying amount of a financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(h) Impairment of financial assets (cont'd.)

Write-off

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group and the Company make an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group and the Company expect no significant recovery from the amount written off.

(i) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

All financial libilities are recognised initially at fair value plus any directly attributable transaction costs. All financial libilities of the Group and the Company, comprising insurance payables and other payables except for those covered under MFRS 4 Insurance Contracts ("MFRS 4"), are classified as other financial liabilities.

Subsequent measurement

Insurance payables and other payables are subsequently measured at amortised cost using the effective interest rate method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(j) Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method.

The Group recognises an allowance for ECL for insurance receivables and recognises that impairment loss in profit or loss. These processes are described in Note 2.3(h).

Insurance receivables are derecognised when the derecognition criteria for financial assets, as described in Note 2.3(g), have been met.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(k) Insurance payables

Insurance payables are recognised when due and measured on initial recognition at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Insurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.

(l) Equity instruments

Ordinary share capital

The Company has issued ordinary shares that are classified as equity. Incremental external costs that are directly attributable to the issuance of these shares are recognised in equity, net of tax.

Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders.

Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

(m) Fair value measurement

The Group and the Company measure certain financial instruments at fair value at each reporting date.

Fair value is the 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 for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

The fair value measurement of a non-financial asset 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 Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(m) Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 Valuation techniques for which all inputs that are significant to the fair value measurement are directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For investments in unit trust funds and collective investment schemes, fair value is determined by reference to published net asset values.

The fair values of floating rate over-night deposits with financial institutions is their carrying value. The carrying value is the cost of the deposit/placements.

The fair values of Malaysian Government Securities, Cagamas Papers and unquoted corporate bonds are determined by reference to Bond Pricing Agency Malaysia.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

-	Disclosures for valuation methods, significant estimates and assumptions	Note 37
-	Quantitative disclosures of fair value measurement hierarchy	Note 37
-	Financial instruments (including those carried at amortised cost)	Notes 9 & 37

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(n) Product classification

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the Group (the insurer/reinsurer) has accepted significant insurance risk from another party (the policyholders/cedants) by agreeing to compensate the policyholders/cedants if a specified uncertain future event (the insured event) adversely affects the policyholders/cedants. As a general guideline, the Group determines whether it has accepted significant insurance risk, by comparing claims paid with claims payable if the insured event did not occur.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during the period, unless all rights and obligations are extinguished or expired.

When insurance contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same bases as insurance contracts and the remaining element is accounted for as a deposit through the statements of financial position similar to investment contracts.

Investment contracts are those contracts that do not transfer significant insurance risk.

(o) Reinsurance

The Group assumes reinsurance risk in the normal course of business for non-life insurance contracts when applicable.

Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

The Group also cedes insurance risk in the normal course of business for all of its business. Reinsurance assets represent balances due from reinsurance companies in relation to unsettled insurance contract liabilities as at the reporting date. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision associated with the reinsurer's policies and are in accordance with the related reinsurance contracts.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statements of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured. Investment income on these contracts is accounted for using the effective interest rate method when accrued.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders. Premiums and claims are presented on gross basis for both ceded and assumed reinsurance.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(o) Reinsurance (cont'd.)

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment is recognised when there is objective evidence as a result of an event that occurs after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in profit or loss.

(p) General insurance/reinsurance underwriting results

The general insurance/reinsurance underwriting results are determined after taking into account premiums, movements in premium liabilities and claim liabilities and commissions.

(i) Gross premiums

Gross premiums are recognised as income in a financial period in respect of risks assumed during that particular financial period.

Inward facultative reinsurance premiums are recognised in the financial period in respect of the facultative risks assumed during that particular financial period, as in the case of direct policies, following the individual risks' inception dates.

In respect of inward treaty reinsurance premiums relating to proportional treaties, it is recognised on the basis of periodic advices received from the cedants, given that the periodic advices reflect the individual underlying risks being incepted and reinsured at various inception dates of these risks and are contractually accounted for, as such, to reinsurers under the terms of the proportional treaties.

(ii) Premium liabilities

Premium liabilities represent the insurance/reinsurance subsidiaries' future obligations on insurance contracts as represented by premiums received for risks that have not yet expired. The movement in premium liabilities is released over the term of the insurance contracts and is recognised as premium income.

Premium liabilities are reported at the higher of the aggregate of the unearned premium reserves ("UPR") for all lines of business or the best estimate value of the insurance/reinsurance subsidiaries' unexpired risk reserves ("URR") at the end of the financial period and a Provision of Risk Margin for Adverse Deviation ("PRAD") calculated at a 75% confidence level.

(a) Unexpired risk reserves

The URR is a prospective estimate of the expected future payments arising from future events insured under policies in force as at the end of the financial year and also includes allowance for expenses, including overheads and cost of reinsurance, expected to be incurred during the unexpired period in administering these policies and settling the relevant claims, and expected future premium refunds.

URR is estimated via an actuarial valuation performed by a qualified actuary, using a mathematical method of estimation similar to Incurred But Not Reported ("IBNR") claims.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(p) General insurance/reinsurance underwriting results (cont'd.)

(ii) Premium liabilities (cont'd.)

(b) Unearned premium reserves

UPR represent the portion of the net premiums of insurance policies written that relate to the unexpired periods of the policies at the end of the financial period.

In determining UPR at the reporting date, the method that most accurately reflects the actual unearned premium used is as follows:

- 25% method for marine, aviation cargo and transit business

- 1/24th method for all other classes of Malaysian policies reduced by the corresponding percentage of accounted gross direct business commissions and agency-related expenses not exceeding the limits specified by BNM (unless approved by BNM) as follows:

Motor	10%
Fire, engineering, aviation and marine hull	15%
Medical and health	
- Standalone individuals	15%
- Group of 3 or more	10%
Workmen's compensation and employers' liability	
- Foreign workers	10%
- Other workers	25%
- Employers' liability	25%
Other classes	25% / 30%*

* The insurance subsidiary accounted 30% commissions for selected agents in relation to Perlindungan Tenang Personal Accident products. This higher limit was approved by BNM.

- 1/8th method for all other classes of overseas inward treaty business with a deduction of 20% for commission

- Non-annual policies are time apportioned over the period of the risks

The UPR for the travel insurance risk assumed by the insurance and reinsurance subsidiaries are computed using the 1/365th method that best reflects the actual liability at reporting date.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(p) General insurance/reinsurance underwriting results (cont'd.)

(iii) Claim liabilities

Claim liabilities are recognised as the obligation to make future payments in relation to all claims that have been incurred as at the end of the financial year. The value is the best estimate value of claim liabilities which includes provision for claims reported, claims incurred but not enough reserved ("IBNER"), IBNR claims and direct and indirect claim-related expenses as well as a PRAD at a 75% confidence level. These are based on an actuarial valuation by a qualified actuary, using a mathematical method of estimation based on, among others, actual claims development patterns.

(iv) Liability adequacy test

At each reporting date, the insurance/reinsurance subsidiaries review all insurance contract liabilities to ensure that the carrying amount of the liabilities is sufficient or adequate to cover the obligations of the Group, contractual or otherwise, with respect to insurance contracts issued. In performing this review, the Group compares all contractual cash flows against the carrying value of insurance contract liabilities. Any deficiency is recognised in profit or loss.

The estimation of claim and premium liabilities performed at reporting date is part of the liability adequacy tests performed by the insurance/reinsurance subsidiaries.

(v) Acquisition cost

The gross costs of acquiring and renewing insurance/reinsurance policies and income derived from ceding reinsurance premiums are recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

(q) Other revenue recognition

Other revenue is recognised when control of the goods or the services or performance obligations are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Rental income

Rental income is recognised on a straight line basis over the lease term in accordance with the substance of the relevant agreements.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Dividend income

Dividend income is recognised on a declared basis when the shareholders' right to receive payment is established.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(q) Other revenue recognition (cont'd.)

Realised gains and losses on investments

Realised gains and losses recorded in profit or loss include gains and losses on financial assets. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original, revalued or amortised cost and are recorded on occurrence of the sale transaction.

Fees and commission income

Fees and commission income derived from reinsurers in the course of cession of premiums to reinsurers are charged to profit or loss in the period in which they are earned.

Management fees income

Management fees income from subsidiaries are recognised when services are rendered, based on retainer fees and time cost on an accrual basis.

Revenue from contracts with customers

Revenue from contracts with customers consists of contracted software maintenance services and other non-insurance contracts. Revenue is recognised over time in the period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. Unearned income is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Unearned income is recognised as revenue when the Group delivers the services obligations.

Revenue from software customisation and professional services

Revenue from software customisation and professional services are recognised at point in time upon completion of services rendered and upon its acceptance.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(r) Income tax (cont'd.)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised as income or an expense and included in profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

Labuan income tax represents the amount payable in respect of the chargeable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

(s) Provisions

Provisions are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made of the obligation. When the Group and the Company expect some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(t) Employee benefits

Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(t) Employee benefits (cont'd.)

Staff retirement benefits

Provision for retirement benefits is made for all eligible staff in the Group from the date of employment under an unfunded defined contribution plan. For eligible executive staff, gratuity is calculated based on the last drawn monthly salary of an employee multiplied by years of service up to a maximum of 15 years. For eligible clerical staff, an additional 3% over and above the Group's and the Company's monthly statutory EPF contribution is provided. The staff will be entitled to this gratuity upon completion of 5 years of service in the Group.

Other staff are entitled to additional EPF contribution between 1% to 5% over the Group's and the Company's monthly statutory EPF contribution rate after completion of 1 year of service. This benefit is charged to profit or loss as incurred.

Share-based compensation - Employee Share Option Scheme ("ESOS")

The ESOS is an equity-settled share-based compensation plan that allows the Group's employees to acquire shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost or amounts due from subsidiaries, with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. The share option reserve is transferred to retained earnings upon expiry of the share options.

(u) Foreign currencies

(i) Functional and presentation currency

The financial statements of the Group and the Company are recorded using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies (cont'd.)

(u) Foreign currencies (cont'd.)

(ii) Foreign currency transactions

In preparing the financial statements of the Group and the Company, transactions in currencies other than the Group's and the Company's functional currencies are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(v) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and deposits held at call with financial institutions with original maturities of three months or less.

(w) Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the Company.

Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except with respect to the following Amendments to Standards which are mandatory for annual financial periods beginning on or after 1 January 2022 and which were adopted by the Group and the Company on 1 January 2022.

Annual Improvements to MFRS Standards 2018 - 2020
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)*
Amendments to MFRS 3 *Business Combinations Reference to the Conceptual Framework*

2. Significant accounting policies (cont'd.)

2.4 Changes in accounting policies (cont'd.)

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group or the Company.

The Group and the Company early adopted the Amendments to MFRS 16 Leases (COVID-19 related rent concessions beyond 30 June 2021) since the previous financial year ended 31 December 2021. The amendments provide relief to lessees from applying MFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under MFRS 16, if the change were not a lease modification.

The accounting policies on lessee accounting for rent concessions are disclosed in Note 2.3(c). The effects of the changes are disclosed in Note 18.

2.5 Standards issued but not yet effective

The following are Standards and Amendments to Standards issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of the Group's and the Company's financial statements. The Group and the Company intend to adopt these Standards and Amendments to Standards, if applicable, when they become effective:

Description	**Effective for annual periods beginning on or after**
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendment to MFRS 17 *Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)*	1 January 2023
Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Income taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 10 *Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures*	To be announced by MASB

2. Significant accounting policies (cont'd.)

2.5 Standards issued but not yet effective (cont'd.)

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements of the Group and the Company in the period of initial application except for that discussed below:

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17

On 15 August 2017, MASB issued MFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, MFRS 17 will replace MFRS 4 *Insurance Contracts* that was issued in 2011. MFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re(insurance)), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

The standard includes a number of significant changes regarding the measurement and disclosure of insurance contracts both in terms of liability measurement and profit recognition.

The MFRS 17 general measurement model requires insurance contract assets or liabilities to be measured using:

- probability-weighted estimates of future cash flows;
- discounting;
- a risk adjustment for non-financial risk; and
- a contractual service margin representing the unearned profit that will be recognised over the coverage period.

MFRS 17 is a principles-based accounting standard and the valuation of insurance contract assets or liabilities will continue to be the largest area of estimation uncertainty. This will, however, include additional elements such as the consideration of the cashflows within the contract boundary, discounting and the risk adjustment calculation. There are a number of accounting policy choices that are allowed under the standard and this will require the application of judgement and an increased use of estimation techniques. Management have applied judgement in interpreting the standard in areas such as determining the applicable measurement model, the approach to discounting and the level of aggregation.

Under MFRS 17, insurance contracts that are subject to similar risks and that are managed together are classified into a portfolio of insurance contracts. Each portfolio of insurance contracts is then divided into a minimum of three groups:

- a group of contracts that are onerous at initial recognition;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous; and
- a group of the remaining contracts in the portfolio.

A group of contracts that are considered onerous at initial recognition will result in a loss being recognised immediately in the statement of comprehensive income. In the statement of financial position, the Group would be required to recognise a loss component in the liability for remaining coverage ("LRC"). A loss recovery component will be recognised if there is appropriate reinsurance coverage in place.

2. Significant accounting policies (cont'd.)

2.5 Standards issued but not yet effective (cont'd.)

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 (cont'd.)

MFRS 17 introduces different measurement models in calculating re(insurance) contract liabilities where the core is General Measurement Model ("GMM") based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM"), supplemented by:

(i) A specific adaptation for contracts with direct participation features (the variable fee approach) which is not applicable to the Group's insurance contracts; and

(ii) A simplified approach, Premium Allocation Approach ("PAA") mainly for re(insurance) contracts with a coverage period of 12 months or less, or for which such simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced applying the GMM. However, the liability for incurred claims ("LIC") will need to be measured based on GMM.

The PAA principally simplifies the measurement of LRC, replacing the fulfilment cashflow plus contractual service margin ("CSM") approach of the GMM with a measurement based on net of acquisition cost premiums received less those recognised through revenue. For gross insurance contracts measured under the PAA, acquisition cash flows can be recognised as an expense when incurred or included in the cash flows in the measurement of the LRC. The Group will include the cash flows in the measurement of the LRC and amortise over the coverage period. For re(insurance) contracts held, the measurement of the carrying amount of the asset for remaining coverage is simplified instead of adjusting the contractual service margin.

The Group has completed the assessment for both gross insurance contracts and re(insurance) contracts held, to determine whether it will be eligible to apply PAA to its portfolios and groups of contracts.

As not all cash flows are expected to be paid or received in one year or less from the date claims are incurred, the Group is required to discount the estimate of future cash flows included in the liability for incurred claims. The Group will apply the bottom-up discount rates approach when deriving its discount rates for discounting the LIC. This approach requires the use of an appropriate (liquid) risk-free yield curve plus a specific illiquidity premium if any above the risk-free yield curve. The Group has elected to recognise changes in the effect of discounting as part of insurance finance income or expense in the statements of comprehensive income. Yield curve information will be sourced from a third-party service provider.

A risk adjustment for non-financial risk will be determined to reflect the compensation that the Group would require for bearing the uncertainty about the amount and timing of the cash flows that arise as the Group fulfills the contracts. The risk adjustment for non-financial risk for both the expired LIC and LRC under MFRS 17 will be computed with approach adopted similar to Provision of Risk Margin for Adverse Deviation ("PRAD") under MFRS 4 as the fundamentals of the reserving will remain consistent. Similarly, the same approach would also be adopted in setting the confidence level.

The Group will allocate the CSM at the end of the reporting period based on the underlying coverage units. The coverage units represent the quantity of re(insurance) contract services provided by the contracts in the Group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period. The CSM would be amortised over the coverage period on a systematic basis that reflects the remaining transfer of services that are provided under the contract.

2. Significant accounting policies (cont'd.)

2.5 Standards issued but not yet effective (cont'd.)

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17 (cont'd.)

MFRS 17 will result in a number of presentation differences compared to the existing MFRS 4 financial statements, included but not limited to:

- The insurance service result will comprise insurance revenue, insurance service expense, net expenses from re(insurance) contracts held and insurance finance income or expense;
- Re(insurance) contracts held are required to be presented separately from insurance contracts issued;
- A portion of operating expenses will be included in insurance service expense;
- Detailed reconciliations of insurance liabilities/assets and re(insurance) assets/liabilities; and
- On the face of the statements of financial position, all re(insurance) related balances will be presented in either insurance liabilities/assets or re(insurance) assets/liabilities.

As MFRS 17 is applied retrospectively, the Group determined the transition approach depending on availability of reasonable and supportable historic information. The selected transition approach affected the measurement of the CSM under GMM or loss component under PAA. The Group anticipates applying the fully retrospective transition approach when adopting MFRS 17, having considered the availability of data and effort required. When a fully retrospective transition approach was considered impracticable due to lack of historical data or application of hindsight, the Group chose modified retrospective approach for the measurement of CSM.

The adoption of MFRS 17 is expected to increase the Group's total equity by not more than 1% on 1 January 2022.

MFRS 17 will create timing differences (as discussed above on onerous losses and discounting) in how insurance contracts are recognised over their lifetime. This may impact the financial reporting period in which profits are recognised but will not amend the overall profitability of the insurance contract. There is no change in the Group's underwriting strategy, fundamentals or risk appetite as a result of adopting MFRS 17.

MFRS 17 is principles-based accounting standard. The assumptions, accounting policies choices, judgements and estimation techniques used to interpret this standard continue to be refined as the Group embeds the related new accounting systems, processes and internal controls.

2.6 Significant accounting judgements, estimates and assumptions

(a) Critical judgements made in applying accounting policies

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. These are areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Group and the Company have not applied any significant judgements in preparing the financial statements.

2. Significant accounting policies (cont'd.)

2.6 Significant accounting judgements, estimates and assumptions (cont'd.)

(b) Key sources of estimation uncertainty and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Uncertainty in accounting estimates for general insurance/reinsurance business (Note 14)

The principal uncertainty in the insurance/reinsurance subsidiaries' general insurance/reinsurance business arises from the technical provisions which include the premium liabilities and claim liabilities. The premium liabilities comprise unearned premium reserves, unexpired risk reserves and provision for risk margin for adverse deviation while claim liabilities comprise provision for outstanding claims, IBNR and direct and indirect claim-related expenses as well as a PRAD at 75% confidence level.

Generally, premium and claim liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual future premium and claim liabilities will not exactly develop as projected and may vary from the Group's projections.

The estimates of premium and claim liabilities are therefore sensitive to various factors and uncertainties. The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual settlement of premiums and claims liabilities may vary from the initial estimates.

There may be significant reporting lags between the occurrence of an insured event and the time it is actually reported to the insurance/reinsurance subsidiaries. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim.

There are many factors that will determine the level of uncertainty such as inflation, inconsistent judicial interpretations, legislative changes and claims handling procedures.

At each reporting date, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the liability.

Note 34(b) provides a sensitivity analysis on the effects of changes in key assumptions on the carrying value of insurance contract liabilities as well as the consequential impacts to profit or loss and equity.

3. Property and equipment

Group	Renovation RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and computers RM'000	Total RM'000
Cost				
At 31 December 2020	2,451	679	10,564	13,694
Additions	744	8	1,082	1,834
Disposals	(3)	(78)	(1,195)	(1,276)
Written off	(382)	-	(1,048)	(1,430)
At 31 December 2021	**2,810**	**609**	**9,403**	**12,822**
Additions	**18**	**323**	**1,376**	**1,717**
Disposals	**-**	**(305)**	**(835)**	**(1,140)**
At 31 December 2022	**2,828**	**627**	**9,944**	**13,399**
Accumulated depreciation				
At 31 December 2020	1,421	330	8,040	9,791
Charge for the year (Note 25)	284	172	1,199	1,655
Disposals	(1)	(78)	(1,180)	(1,259)
Written off	(332)	-	(1,010)	(1,342)
At 31 December 2021	**1,372**	**424**	**7,049**	**8,845**
Charge for the year (Note 25)	**258**	**167**	**1,266**	**1,691**
Disposals	**-**	**(305)**	**(760)**	**(1,065)**
At 31 December 2022	**1,630**	**286**	**7,555**	**9,471**
Net carrying amount				
At 31 December 2021	1,438	185	2,354	3,977
At 31 December 2022	**1,198**	**341**	**2,389**	**3,928**

3. Property and equipment (cont'd.)

Company	Renovation RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and computers RM'000	Total RM'000
Cost				
At 31 December 2020	465	305	2,316	3,086
Additions	13	-	231	244
Disposals	-	-	(219)	(219)
At 31 December 2021	**478**	**305**	**2,328**	**3,111**
Additions	**-**	**323**	**252**	**575**
Transfer to a subsidiary	**-**	**-**	**(69)**	**(69)**
Disposals	**-**	**(305)**	**(8)**	**(313)**
At 31 December 2022	**478**	**323**	**2,503**	**3,304**
Accumulated depreciation				
At 31 December 2020	198	161	1,836	2,195
Charge for the year (Note 25)	45	102	174	321
Disposals	-	-	(205)	(205)
At 31 December 2021	**243**	**263**	**1,805**	**2,311**
Charge for the year (Note 25)	**45**	**96**	**207**	**348**
Transfer to a subsidiary	**-**	**-**	**(20)**	**(20)**
Disposals	**-**	**(305)**	**-**	**(305)**
At 31 December 2022	**288**	**54**	**1,992**	**2,334**
Net carrying amount				
At 31 December 2021	235	42	523	800
At 31 December 2022	**190**	**269**	**511**	**970**

4. Intangible assets

Group	Other intangible assets development--in-progress RM'000	Computer software RM'000	Agency relationship RM'000	Customer relationship RM'000	Digital direct marketing platform RM'000	License acquisition costs RM'000	Total RM'000
Cost							
At 31 December 2020	-	13,240	3,100	2,500	564	-	19,404
Additions	12,378	4,076	-	-	-	-	16,454
At 31 December 2021	**12,378**	**17,316**	**3,100**	**2,500**	**564**	**-**	**35,858**
Reclassification	**(17,465)**	**15,040**	**-**	**-**	**-**	**2,425**	**-**
Additions	**10,735**	**3,512**	**-**	**-**	**-**	**-**	**14,247**
At 31 December 2022	**5,648**	**35,868**	**3,100**	**2,500**	**564**	**2,425**	**50,105**
Accumulated amortisation							
At 31 December 2020	-	7,319	3,100	2,500	564	-	13,483
Amortisation for the year (Note 25)	-	2,736	-	-	-	-	2,736
At 31 December 2021	**-**	**10,055**	**3,100**	**2,500**	**564**	**-**	**16,219**
Amortisation for the year (Note 25)	**-**	**4,839**	**-**	**-**	**-**	**-**	**4,839**
At 31 December 2022	**-**	**14,894**	**3,100**	**2,500**	**564**	**-**	**21,058**
Net carrying amount							
At 31 December 2021	12,378	7,261	-	-	-	-	19,639
At 31 December 2022	**5,648**	**20,974**	**-**	**-**	**-**	**2,425**	**29,047**

4. Intangible assets (cont'd.)

Company	Other intangible assets development--in-progress RM'000	Computer software RM'000	Digital direct marketing platform RM'000	Total RM'000
Cost				
At 31 December 2020	-	961	564	1,525
Additions	1,904	380	-	2,284
At 31 December 2021	**1,904**	**1,341**	**564**	**3,809**
Additions	**1,731**	**37**	**-**	**1,768**
Transfer to a subsidiary:				
- Disposal	**(59)**	**-**	**-**	**(59)**
- Subscription of shares	**(3,576)**	**-**	**-**	**(3,576)**
At 31 December 2022	**-**	**1,378**	**564**	**1,942**
Accumulated amortisation				
At 31 December 2020	-	704	564	1,268
Amortisation for the year (Note 25)	-	114	-	114
At 31 December 2021	**-**	**818**	**564**	**1,382**
Amortisation for the year (Note 25)	**-**	**168**	**-**	**168**
At 31 December 2022	**-**	**986**	**564**	**1,550**
Net carrying amount				
At 31 December 2021	1,904	523	-	2,427
At 31 December 2022	**-**	**392**	**-**	**392**

5. Investments in subsidiaries

	Company	
	2022 RM'000	**2021 RM'000**
Unquoted shares, at cost:		
At 1 January	**179,129**	179,128
Subscription of shares in Tune Protect Ventures Sdn. Bhd. * (Note 31(a))	**20,000**	1
At 31 December	**199,129**	179,129

* The subscription of additional shares in 2022 is satisfied by cash outflow of RM16,424,000 and transfer of other intangible assets development-in-progress of RM3,576,000.

All subsidiaries are incorporated/established in Malaysia or Federal Territory of Labuan. Details of the subsidiaries are as follows:

		% of ownership interest held by the Group		% of ownership held by non- controlling interest	
Name of Company/ Fund	**Principal activities**	**2022 %**	**2021 %**	**2022 %**	**2021 %**
Held by the Company:					
Tune Protect Re Ltd. ("TPR")	Underwriting of general reinsurance and retakaful window	**100.00**	100.00	**-**	-
Tune Insurance Malaysia Berhad ("TIMB")	Underwriting of general insurance business	**83.26**	83.26	**16.74**	16.74
Tune Direct Ltd. ("TDL")	Consultant, facilitator and provider of digital and technology services and investment holding company	**100.00**	100.00	**-**	-
Tune Protect Ventures Sdn. Bhd. ("TPV")	Provision of services including, but not limited to, ecommerce, providing digital and technology solutions services **	**100.00**	100.00	**-**	-

** On 10 January 2023, Bank Negara Malaysia granted its approval to TPV to commence testing of SME EZY, which is an employee benefits life insurance comprising Group Term Life, Group Hospitalisation and Surgical and Group Outpatient Clinical Benefit for Small Medium Enterprise, in the BNM financial technology regulatory sandbox.

5. Investments in subsidiaries (cont'd.)

All subsidiaries are incorporated/established in Malaysia or Federal Territory of Labuan. Details of the subsidiaries are as follows: (cont'd.)

Name of Company/ Fund	Principal activities	% of ownership interest held by the Group 2022 %	% of ownership interest held by the Group 2021 %	% of ownership held by non- controlling interest 2022 %	% of ownership held by non- controlling interest 2021 %
Held through subsidiaries:					
TDL:					
White Label Sdn. Bhd. ("WL")	Business of trading and providing services including, but not limited to, providing digital and technology solutions, consultancy and/or facilitation services	**100.00**	100.00	**-**	-
TIMB:					
Affin Hwang Income Fund I ("Affin") ***	Investment in fixed income securities and money market placements	**53.54**	51.94	**46.46**	48.06

*** Audited by a firm of Chartered Accountants other than Ernst & Young PLT.

Material partly-owned subsidiaries

Financial information of the subsidiaries that have material non-controlling interests are provided below:

Name of subsidiaries	Country of incorporation and operation	Proportion of equity interest held by non-controlling interests 2022 %	Proportion of equity interest held by non-controlling interests 2021 %
Tune Insurance Malaysia Berhad	Malaysia	**16.74**	16.74
Affin Hwang Income Fund 1	Malaysia	**46.46**	48.06

5. Investments in subsidiaries (cont'd.)

Material partly-owned subsidiaries (cont'd.)

	2022 RM'000	2021 RM'000
Accumulated balances of material non-controlling interests:		
Tune Insurance Malaysia Berhad	**50,652**	50,635
Affin Hwang Income Fund 1	**627**	55,411
Profit/(loss) allocated to material non-controlling interests:		
Tune Insurance Malaysia Berhad	**17**	(348)
Affin Hwang Income Fund 1	**215**	(2,884)

During the year, TIMB has fully redeemed its holdings in the Affin Hwang Income Fund I with the remaining exposure being limited to cash for liquidity purpose until the fund is terminated. The redemption has not significant affected the percentage of ownership held by TIMB.

The summarised financial information of the subsidiaries that have material non-controlling interests are provided below. These information are based on amounts before any eliminations between entities.

	Affin Hwang Income Fund 1		Tune Insurance Malaysia Berhad	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Summarised statements of comprehensive income:				
Operating revenue	**3,992**	7,556	**432,739**	329,372
Gross earned premiums	**-**	-	**421,059**	318,062
Premiums ceded to reinsurers	**-**	-	**(216,232)**	(210,114)
Net earned premiums	**-**	-	**204,827**	107,948
Investment income	**3,992**	7,556	**11,680**	11,310
Realised gains and losses	**(3,136)**	(57)	**(15,182)**	(575)
Fair value gains and losses	**-**	(12,720)	**2,883**	(15,750)
Fees and commission income	**-**	-	**26,736**	22,032
Other operating income	**-**	-	**3,358**	2,366
Other revenue	**856**	(5,221)	**29,475**	19,383

5. Investments in subsidiaries (cont'd.)

Material partly-owned subsidiaries (cont'd.)

The summarised financial information of the subsidiaries that have material non-controlling interests are provided below. These information are based on amounts before any eliminations between entities. (cont'd.)

	Affin Hwang Income Fund 1		Tune Insurance Malaysia Berhad	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Summarised statements of comprehensive income: (cont'd.)				
Gross claims paid	-	-	(157,067)	(166,896)
Claims ceded to reinsurers	-	-	91,678	116,544
Gross change to contract liabilities	-	-	95,174	(13,221)
Change in contract liabilities ceded to reinsurers	-	-	(117,909)	29,289
Net claims	-	-	(88,124)	(34,284)
Fee and commission expense	-	-	(60,079)	(28,703)
Management expenses	(262)	(465)	(85,903)	(63,209)
Other operating expenses	-	-	(111)	(101)
Finance cost	-	-	(167)	(226)
Other expenses	(262)	(465)	(146,260)	(92,239)
Profit/(loss) before taxation	594	(5,686)	(82)	808
Taxation	-	-	185	(2,885)
Net profit/(loss) for the year	594	(5,686)	103	(2,077)
Total comprehensive income/(loss)	594	(5,686)	103	(2,077)
Attributable to non-controlling interests	215	(2,884)	17	(348)
Dividends paid to non-controlling interests	-	-	-	1,724

5. Investments in subsidiaries (cont'd.)

Material partly-owned subsidiaries (cont'd.)

The summarised financial information of the subsidiaries that have material non-controlling interests are provided below. These information are based on amounts before any eliminations between entities. (cont'd.)

	Affin Hwang Income Fund 1		Tune Insurance Malaysia Berhad	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Summarised statements of financial position as at 31 December:				
Property and equipment	**-**	-	**2,535**	2,881
Intangible assets	**-**	-	**20,299**	12,528
Rights-of-use assets	**-**	-	**2,711**	3,070
Investments	**790**	115,204	**496,396**	493,341
Reinsurance assets	**-**	-	**530,035**	649,330
Insurance receivables	**-**	-	**158,330**	75,636
Other receivables	**-**	-	**45,684**	49,367
Tax recoverable	**-**	-	**28,142**	28,223
Cash and bank balances	**582**	161	**17,486**	3,660
Deferred tax assets	**-**	-	**2,099**	1,832
Insurance contract liabilities	**-**	-	**(850,864)**	(905,350)
Insurance payables	**-**	-	**(99,392)**	(67,228)
Lease liabilities	**-**	-	**(2,845)**	(3,253)
Other payables	**(22)**	(65)	**(48,022)**	(41,546)
Net assets	**1,350**	115,300	**302,594**	302,491
Attributable to:	**723**	59,889	**251,942**	251,856
Equity holders of the parent	**627**	55,411	**50,652**	50,635
Non-controlling interests	**1,350**	115,300	**302,594**	302,491
Summarised cash flow information for the year ended 31 December:				
Operating activities	**104,755**	89,188	**43,036**	13,776
Investing activities	**-**	-	**(62,510)**	14,551
Financing activities	**(114,544)**	(81,001)	**(1,930)**	(12,089)
Net (decrease)/increase in cash and cash equivalents	**(9,789)**	8,187	**(21,404)**	16,238

6. Investment in an associate

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Unquoted shares, at cost	**40,955**	40,955	**40,955**	40,955
Share of post-acquisition reserves	**(13,476)**	961	**-**	-
	27,479	41,916	**40,955**	40,955
Exchange differences	**8,369**	7,847	**-**	-
	35,848	49,763	**40,955**	40,955

The associate is incorporated in Thailand. Other details are as follows:

Name of associate	**Principal activities**	**% of ownership interest held by the Group 2022 %**	**2021 %**
Tune Insurance Public Company Limited ("TIPCL")	Underwriting of general insurance	**49.00**	49.00

The financial statements of the associate as at financial year end are coterminous with those of the Group, and were audited by a firm of chartered accountants affiliated to Ernst & Young PLT, Malaysia.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2022 RM'000	**2021 RM'000**
Summarised statement of comprehensive income:		
Net earned premiums	**37,686**	27,633
Commissions and brokerages income	**11,947**	12,857
Total underwriting income	**49,633**	40,490
Underwriting expenses	**(55,041)**	(42,171)
Operating expenses	**(25,099)**	(26,761)
Total underwriting expenses	**(80,140)**	(68,932)
Investment (loss)/income	**(815)**	4,194
Other income	**680**	541
Total other revenue	**(135)**	4,735

6. Investment in an associate (cont'd.)

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows: (cont'd.)

	2022 RM'000	2021 RM'000
Summarised statement of comprehensive income: (cont'd.)		
Loss before taxation	**(30,642)**	(23,707)
Taxation	**426**	3,844
Net loss for the year	**(30,216)**	(19,863)
Group's share of loss for the financial year	**(14,806)**	(9,733)
Group's share of other comprehensive income	**123**	25
Group's share of gain on fair value changes of FVOCI investments	**246**	40
	369	65
Group's share of total comprehensive loss for the financial year	**(14,437)**	(9,668)
Summarised statement of financial position as at 31 December:		
Assets		
Property and equipment	**1,086**	1,968
Intangible assets	**1,023**	28
Right-of-use assets	**1,025**	432
Investments	**42,096**	91,999
Deferred tax assets	**5,553**	5,205
Reinsurance assets	**40,931**	36,003
Insurance receivables	**10,536**	38,397
Other receivables	**4,820**	6,206
Cash and bank balances	**8,540**	9,468
	115,610	189,706
Liabilities		
Insurance contract liabilities	**23,946**	64,263
Insurance payables	**31,661**	37,544
Lease liabilities	**977**	414
Other payables	**15,795**	16,011
Retirement benefits	**1,549**	1,395
	73,928	119,627
Net assets of an associate	**41,682**	70,079
Proportion of the Group's ownership interest in an associate	**49%**	49%
Share of net assets of the associate	**20,424**	34,339
Add: Goodwill	**15,424**	15,424
Carrying amount of interest in an associate as at 31 December	**35,848**	49,763

7. Investment in a joint venture company

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	**433**	433	**433**	433
Share of post-acquisition reserves	**378**	3,195	**-**	-
	811	3,628	**433**	433
Exchange differences	**1,234**	2,250	**-**	-
	2,045	5,878	**433**	433

The joint venture company is incorporated in Dubai, the UAE. Other details are as follows:

Name of joint venture company	Principal activities	% of ownership interest held by the Group 2022	2021
Tune Protect Commercial Brokerage LLC ("TPCBLLC")	Facilitator of online insurance	**49.00**	49.00

The financial statements of the above joint venture company are coterminous with those of the Group, and were audited by a firm of chartered accountants other than Ernst & Young PLT.

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2022 RM'000	2021 RM'000
Summarised statement of comprehensive income:		
Facilitator fees	**15,744**	23,561
Other income	**312**	392
Management expenses	**(5,437)**	(4,266)
Net profit for the year	**10,619**	19,687
Group's share of profits for the financial year *	**153**	192

* The amounts represent 49% share of other income only. On 22 October 2021, the Group has signed a letter of undertaking to forego its entitlement to dividend declarations and consequently, the share of profits of TPCBLLC for profits generated from business ceded to TPR for the financial year ended 31 December 2021 onwards. With regards to any other revenues generated by TPCBLLC that are not ceded to TPR, the dividend declarations and recognition of share of profits will remain in accordance with the joint venture agreement.

7. Investment in a joint venture company (cont'd.)

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Group, is as follows: (cont'd.)

	2022 RM'000	2021 RM'000
Summarised statement of financial position as at 31 December:		
Assets		
Property and equipment	**56**	31
Trade and other receivables	**22,208**	28,618
Cash and bank balances	**527**	1,601
	22,791	30,250
Liabilities		
Trade and other payables	**2,308**	2,913
Net assets of the joint venture	**20,483**	27,337
Proportion of the Group's ownership interest in joint venture	**49%**	49%
Carrying amount of interest in joint venture as at 31 December **	**2,045**	5,878

** Arising from the letter of undertaking to forego its entitlement to dividend declarations and consequently, the share of profits of TPCBLLC for certain profits as discussed previously, the carrying amount of interest in the joint venture represents the Group's share in net assets of the joint venture that are attributable only to the Group's entitlement, which is excluding the portion that has been forgone.

8. Goodwill

	Group	
	2022 RM'000	2021 RM'000
At 1 January/31 December	**24,165**	24,165

The goodwill arose from the acquisition of TIMB on 23 May 2012.

Goodwill is allocated to the Group's CGU which is expected to benefit from the synergies of the acquisition. The recoverable amount of the CGU is assessed based on its value-in-use and compared to the carrying value of the CGU to determine whether any impairment exists. Impairment is recognised in profit or loss if the carrying amount of the CGU exceeds its recoverable amount.

8. Goodwill (cont'd.)

The value-in-use calculations are derived from discounted cash flow projections prepared and approved by management, covering a five-year period.

The key assumptions for the computation of value-in-use are as follows:

(i) The growth in gross written premium is expected to be at an average of 6% per annum;

(ii) The retention ratio and net claims incurred ratio are estimated to be approximately 65 - 67% and 51% - 52% per annum respectively;

(iii) The discount rate applied is the internal weighted average cost of capital of TIMB at the time of the assessment, which is estimated to be 9.19% per annum (pre-tax discount rate of 12.10% per annum); and

(iv) Terminal value cash flow growth rate is 4.5%, which is consistent with the Gross Domestic Product rate.

Management believes that reasonably possible changes in any of the above key assumptions would not cause the carrying value of the CGU to exceed its recoverable amount. Accordingly, there is no evidence of impairment of goodwill as at the financial year end.

9. Investments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Debt securities	**5,016**	114,447	**-**	-
Unit trust funds	**662,270**	582,581	**47,647**	63,612
Loans receivable	**61**	146	**-**	-
Fixed and call deposits with licensed financial institutions	**15,267**	60,801	**-**	-
	682,614	757,975	**47,647**	63,612

The Group's and the Company's financial investments are summarised by categories as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortised cost (Note 9(a))	**15,328**	60,947	**-**	-
Financial assets at FVTPL (Note 9(b))	**667,286**	697,028	**47,647**	63,612
	682,614	757,975	**47,647**	63,612

9. Investments (cont'd.)

(a) Amortised cost

	Group	
	2022 RM'000	**2021 RM'000**
Fixed and call deposits with licensed financial institutions	**15,267**	60,801
Loans receivable:		
Staff mortgage loans	**59**	144
Other unsecured staff loans	**2**	2
	61	146
	15,328	60,947

Included in fixed and call deposits with licensed financial institutions of the Group are short term deposits with original maturity periods of less than 3 months amounting to RM7,161,000 (2021: RM52,601,000) which have been classified as cash and cash equivalents for the purpose of the statements of cash flows.

Included in deposits and placements of the Group is an amount of RM12,780,000 (2021: RM10,736,000) representing placements of deposits received from insureds as collateral for bond guarantees granted by the insurance subsidiary company to third parties.

The carrying value of the fixed and call deposits approximates fair value due to the relatively short term maturities.

The carrying value of the staff mortgage loans and other staff loans are reasonable approximations of fair value due to the insignificant impact of discounting.

(b) Financial assets at FVTPL

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At fair value:				
Mandatorily measured				
Unquoted debt securities in Malaysia	**5,016**	114,447	**-**	-
Quoted unit trust funds in Malaysia	**662,270**	582,581	**47,647**	63,612
	667,286	697,028	**47,647**	63,612

9. Investments (cont'd.)

(c) Average effective interest rates

The average effective interest rates for each class of interest-bearing investment and placements with licensed financial institutions, at net carrying amounts are as below:

	Group	
	2022	2021
	%	%
Debt securities	**4.30**	4.54
Loans receivable	**5.00**	5.00
Deposits with financial institutions	**2.46**	1.85

10. Reinsurance assets

	Group	
	2022	2021
	RM'000	RM'000
Claim liabilities (Note 14)	**467,107**	584,715
Premium liabilities (Note 14)	**62,027**	66,030
	529,134	650,745
Less: Allowance for impairment losses	**(349)**	(2,738)
	528,785	648,007

11. Insurance receivables

	Group	
	2022	2021
	RM'000	RM'000
Due premiums including agents, brokers and co-insurers balances	**139,789**	52,205
Due from reinsurers and cedants	**90,785**	98,621
Deposits paid to reinsurers	**4,385**	930
	234,959	151,756
Allowance for impairment losses	**(37,319)**	(35,162)
	197,640	116,594

11. Insurance receivables (cont'd.)

	Group	
	2022 RM'000	**2021 RM'000**
Offsetting of insurance receivables and insurance payables:		
Gross amounts of recognised insurance receivables	**280,458**	193,961
Less: Gross amounts of recognised insurance payables offset in the statements of financial position	**(45,499)**	(42,205)
Net amounts of recognised insurance receivables, before allowance for impairment losses	**234,959**	151,756

Included in the amount due from reinsurers and cedants is an amount of RM57,000 (2021: RM547,000), RM119,000 (2021: RM264,000) and RM12,628,000 (2021: RM5,839,000) due from a joint venture company, Tune Protect Commercial Brokerage LLC, an associate company, Tune Insurance Public Company Limited and other related parties, respectively. The amounts receivable are subject to settlement terms stipulated in the insurance and reinsurance contracts.

The carrying amount of insurance receivables above approximates fair values due to the relatively short-term maturity of this balance.

The movements in the allowance for impairment losses of insurance receivables are as follows:

	Group		
	Individually impaired RM'000	**Collectively impaired RM'000**	**Total RM'000**
At 1 January 2021	13,111	22,466	35,577
Written off	-	(800)	(800)
Increase/(decrease) during the year (Note 25)	1,121	(736)	385
At 31 December 2021	**14,232**	**20,930**	**35,162**
Written off	**-**	**(281)**	**(281)**
(Decrease)/increase during the year (Note 25)	**(408)**	**2,846**	**2,438**
At 31 December 2022	**13,824**	**23,495**	**37,319**

12. Other receivables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets:				
Amounts due from subsidiaries	**-**	-	**12,075**	9,910
Amount due from a joint venture company	**197**	2,995	**72**	2,053
Amount due from an associate company	**584**	53	**201**	53
Income due and accrued	**211**	311	**-**	-
Other receivables	**3,395**	4,288	**576**	676
	4,387	7,647	**12,924**	12,692
Non-financial assets:				
Assets held under the Malaysian Motor Insurance Pool ("MMIP") *	**40,213**	44,524	**-**	-
Prepayments	**1,788**	1,097	**174**	196
	42,001	45,621	**174**	196
Total	**46,388**	53,268	**13,098**	12,888

* As a participating member of MMIP, the Group shares a proportion of the Pool's net assets/liabilities. At each reporting date, the Group accounts for its proportionate share of the assets, liabilities and performance of the Pool. The net assets held under MMIP represents the Group's share of the Pool's net assets, before insurance contract liabilities. The Group's proportionate share of the Pool's insurance contract liabilities arising from its participation in the Pool is disclosed in Note 14.

The carrying amounts of financial assets included under other receivables approximate their respective fair values due to the relatively short-term maturity of these balances.

The amounts due from subsidiaries, a joint venture company and an associate are unsecured, interest free and are repayable in the short-term.

There were no individually or collectively impaired other receivables for the years ended 31 December 2022 and 2021.

13. Share capital

	Group and Company Share capital (Issued and fully paid)	
	Number of ordinary shares '000	Amount RM'000
At 31 December 2021/At 31 December 2022	751,760	248,519

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

14. Insurance contract liabilities

	2022			2021		
	Gross RM'000	**Reinsurance RM'000**	**Net RM'000**	**Gross RM'000**	**Reinsurance RM'000**	**Net RM'000**
Group						
General insurance (Note 14(a))	**850,864**	**(529,115)**	**321,749**	905,350	(650,711)	254,639
General reinsurance (Note 14(b))	**17,139**	**(19)**	**17,120**	5,865	(34)	5,831
	868,003	**(529,134)**	**338,869**	911,215	(650,745)	260,470
General insurance and reinsurance liabilities comprise the following:						
Provision for claims reported by policyholders/cedants	**438,632**	**(304,025)**	**134,607**	504,631	(373,811)	130,820
Provision for IBNR claims and PRAD	**263,989**	**(163,082)**	**100,907**	286,877	(210,904)	75,973
Claim liabilities	**702,621**	**(467,107)**	**235,514**	791,508	(584,715)	206,793
Premium liabilities	**165,382**	**(62,027)**	**103,355**	119,707	(66,030)	53,677
	868,003	**(529,134)**	**338,869**	911,215	(650,745)	260,470
(a) General insurance						
Provision for claims reported by policyholders/cedants	**437,627**	**(304,025)**	**133,602**	503,064	(373,810)	129,254
Provision for IBNR claims and PRAD	**253,682**	**(163,082)**	**90,600**	283,419	(210,879)	72,540
Claim liabilities (i)	**691,309**	**(467,107)**	**224,202**	786,483	(584,689)	201,794
Premium liabilities (ii)	**159,555**	**(62,008)**	**97,547**	118,867	(66,022)	52,845
	850,864	**(529,115)**	**321,749**	905,350	(650,711)	254,639

14. Insurance contract liabilities (cont'd.)

	2022			2021		
	Gross RM'000	**Reinsurance RM'000**	**Net RM'000**	**Gross RM'000**	**Reinsurance RM'000**	**Net RM'000**
Group						
(a) General insurance (cont'd.)						
(i) Claim liabilities						
At 1 January	**786,483**	**(584,689)**	**201,794**	773,262	(555,000)	218,262
Claims incurred in the current accident year	**267,022**	**(127,705)**	**139,317**	220,646	(136,793)	83,853
Adjustment to claims incurred in prior accident years due to changes in assumptions	**(205,129)**	**153,956**	**(51,173)**	(40,529)	(9,334)	(49,863)
Claims paid during the year	**(157,067)**	**91,331**	**(65,736)**	(166,896)	116,438	(50,458)
At 31 December	**691,309**	**(467,107)**	**224,202**	786,483	(584,689)	201,794
(ii) Premium liabilities						
At 1 January	**118,867**	**(66,022)**	**52,845**	121,939	(73,661)	48,278
Premiums written during the year	**461,747**	**(207,277)**	**254,470**	314,990	(200,461)	114,529
Premiums earned during the year	**(421,059)**	**211,291**	**(209,768)**	(318,062)	208,100	(109,962)
At 31 December	**159,555**	**(62,008)**	**97,547**	118,867	(66,022)	52,845
(b) General reinsurance						
Provision for claims reported by policyholders/cedants	**1,005**	**-**	**1,005**	1,567	(1)	1,566
Provision for IBNR claims and PRAD	**10,307**	**-**	**10,307**	3,458	(25)	3,433
Claim liabilities (i)	**11,312**	**-**	**11,312**	5,025	(26)	4,999
Premium liabilities (ii)	**5,827**	**(19)**	**5,808**	840	(8)	832
	17,139	**(19)**	**17,120**	5,865	(34)	5,831

14. Insurance contract liabilities (cont'd.)

	2022			2021		
	Gross RM'000	Reinsurance RM'000	Net RM'000	Gross RM'000	Reinsurance RM'000	Net RM'000
Group						
(b) General reinsurance (cont'd.)						
(i) Claim liabilities						
At 1 January	**5,025**	**(26)**	**4,999**	5,784	-	5,784
Claims incurred in the current accident year	**15,429**	**(7)**	**15,422**	8,007	(82)	7,925
Movements in claims incurred in prior years	**(2,724)**	**(53)**	**(2,777)**	(4,017)	(1)	(4,018)
Claims paid during the year	**(6,418)**	**86**	**(6,332)**	(4,749)	57	(4,692)
At 31 December	**11,312**	**-**	**11,312**	5,025	(26)	4,999
(ii) Premium liabilities						
At 1 January	**840**	**(8)**	**832**	1,080	(9)	1,071
Premiums written during the year	**94,306**	**(1,791)**	**92,515**	93,969	(7,365)	86,604
Premiums earned during the year	**(89,319)**	**1,780**	**(87,539)**	(94,209)	7,366	(86,843)
At 31 December	**5,827**	**(19)**	**5,808**	840	(8)	832

As at 31 December 2022, the insurance contract liabilities above includes the Group's proportionate share of MMIP's claim and premium liabilities amounting to RM15,612,000 (2021: RM22,209,000) and RM748,000 (2021: RM704,000) respectively.

15. Deferred tax (assets)/liabilities

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**(1,832)**	(1,337)
Recognised in profit or loss (Note 27)	**(267)**	(495)
At 31 December	**(2,099)**	(1,832)

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 tax authority.

	Group	
	2022 RM'000	2021 RM'000
Presented as follows:		
Deferred tax liabilities	**1,456**	161
Deferred tax assets	**(3,555)**	(1,993)
	(2,099)	(1,832)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Fair value of financial assets RM'000	Accelerated capital allowance on property and equipment RM'000	Total RM'000
Group			
Deferred tax liabilities			
At 31 December 2020	135	-	135
Recognised in profit or loss	(77)	103	26
At 31 December 2021	**58**	**103**	**161**
Recognised in profit or loss	**(55)**	**1,350**	**1,295**
At 31 December 2022	**3**	**1,453**	**1,456**

15. Deferred tax (assets)/liabilities (cont'd.)

	Accelerated capital allowance on property and equipment RM'000	Premium liabilities RM'000	Others RM'000	Total RM'000
Group				
Deferred tax assets				
At 31 December 2020	(151)	(8)	(1,313)	(1,472)
Recognised in profit or loss	151	(522)	(150)	(521)
At 31 December 2021	**-**	**(530)**	**(1,463)**	**(1,993)**
Recognised in profit or loss	**-**	**(578)**	**(984)**	**(1,562)**
At 31 December 2022	**-**	**(1,108)**	**(2,447)**	**(3,555)**

As at 31 December 2022, net deferred tax assets have not been recognised in respect of the following temporary differences of the Group:

	Group	
	2022 RM'000	**2021 RM'000**
Unutilised tax losses	**2,899**	518
Provisions	**686**	701
Unabsorbed capital allowances	**2,265**	1,183
Other deductible temporary differences	**(968)**	(870)
	4,882	1,532

The unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

The Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 7 consecutive years of assessment (i.e., from year of assessment 2019 to 2025) and any balance of the unutilised losses thereafter shall be disregarded.

Based on the Act, for any unutilised tax losses that originated from the year of assessment 2019 onwards, these were allowed to be carried forward for a maximum period of 7 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

However, following the Budget 2022 announcement and the gazetting of the Finance Act 2021 on 31 December 2021, any accumulated unutilised tax losses from the year of assessment 2019 onwards can now be carried forward to a maximum of 10 consecutive years of assessment and any balance of the unutilised tax losses thereafter shall be disregarded. This will be effective retrospectively from year of assessment 2019.

16. Insurance payables

	Group	
	2022 RM'000	2021 RM'000
Due to agents, brokers, co-insurers and insureds	**40,135**	24,956
Due to reinsurers and cedants	**60,356**	45,641
	100,491	70,597
Offsetting of insurance receivables and insurance payables:		
Gross amounts of recognised insurance payables	**145,990**	112,802
Less: Gross amounts of recognised insurance receivables offset in the statements of financial position	**(45,499)**	(42,205)
Net amounts of recognised insurance payables	**100,491**	70,597

Included in insurance payables are amounts due to other related parties amounting to RM1,000 (2021: RM90,000). The amounts due to other related parties are unsecured, interest free and are repayable in the short-term.

The carrying amount of insurance payables approximates fair value due to its relatively short-term maturity.

17. Other payables

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial liabilities:				
Amount due to a joint venture	**20,398**	27,285	**-**	-
Amount due to an associate company	**83**	70	**-**	-
Retirement benefits	**255**	240	**-**	-
Reinsurance deposits	**2,529**	2,811	**-**	-
Collateral deposits	**13,251**	11,074	**-**	-
Accrued expenses	**9,666**	8,285	**1,192**	2,482
Other payables	**23,078**	13,024	**2,815**	583
	69,260	62,789	**4,007**	3,065
Non-financial liabilities:				
Unearned revenue	**198**	199	**-**	-
Provision for taxation	**400**	494	**89**	-
Others	**9,392**	9,962	**-**	-
	9,990	10,655	**89**	-
Total	**79,250**	73,444	**4,096**	3,065

The carrying amounts of the financial liabilities approximate fair value due to their relatively short-term maturities.

18. Leases

(a) The Group and the Company as lessee

The Group and the Company have entered into lease agreements for rental of office premises. Leases of office premises generally have lease terms between 2 to 5 years and include extension and termination options.

The Group and the Company also have certain leases of office equipment with lease terms of 12 months or less and of low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Office premises and buildings				
As at 1 January	**3,972**	5,951	**2,044**	3,689
Additions	**1,812**	466	**456**	-
Depreciation expense (Note 25)	**(2,373)**	(2,401)	**(1,646)**	(1,645)
Modification to lease term	**(138)**	(44)	**(138)**	-
As at 31 December	**3,273**	3,972	**716**	2,044

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Office premises and buildings				
As at 1 January	**4,195**	6,105	**2,146**	3,766
Additions	**1,812**	466	**456**	-
Accretion of interest	**205**	298	**80**	174
Payments	**(2,645)**	(2,455)	**(1,796)**	(1,619)
COVID-19 related rent concessions (Note 23)	**-**	(175)	**-**	(175)
Modification to lease term	**(147)**	(44)	**(146)**	-
As at 31 December	**3,420**	4,195	**740**	2,146

Maturity profile of lease liabilities is disclosed in Note 36(b).

COVID-19 related rent concession

As a practical expedient, the Group and the Company have adopted the treatment under Paragraph 46A of the Amendments to MFRS 16, whereby they have not accounted for rent concessions which are direct consequences of the COVID-19 pandemic as lease modifications. Instead, the Group and the Company recognised these concessions in the statements of comprehensive income.

18. Leases (cont'd.)

(a) The Group and the Company as lessee (cont'd.)

COVID-19 related rent concession (cont'd.)

The practical expedient may be applied where the following conditions apply:

- The changed lease payments were substantially the same or less than the payments prior to the rent concession;
- The reductions only affect payments which fall due on or before 30 June 2022; and
- There has been no substantive change in the terms and conditions of the lease.

Extension options

The Group and the Company have several lease contracts of buildings which contain extension options exercisable by the Group and the Company. At the commencement of the lease, the Group and the Company assess whether it is reasonably certain to exercise such options. All of the extension options for buildings have been included in the lease liabilities because the Group and the Company are reasonably certain that the lease will be extended based on past practice and the existing economic incentive.

The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Income/(expense):				
Income from subleasing right-of-use assets (Note 23)	**-**	-	**1,340**	1,215
COVID-19 related rent concessions (Note 23)	**-**	175	**-**	175
Depreciation expense of right-of-use assets (Note 25)	**(2,373)**	(2,401)	**(1,646)**	(1,645)
Interest expense on lease liabilities	**(205)**	(298)	**(80)**	(174)
Expenses relating to leases of low-value assets (Note 25)	**(105)**	(229)	**-**	-
Expenses relating to short term leases (Note 25)	**(1,555)**	(498)	**(342)**	(19)

The Group and the Company had total cash outflows for payment of lease liabilities of RM4,305,000 (2021: RM3,182,000) and RM2,138,000 (2021: RM1,638,000) respectively. The Group and the Company also had non-cash additions to right-of-use assets of RM1,812,000 (2021: RM466,000) and RM456,000 (2021: Nil) respectively.

18. Leases (cont'd.)

(b) The Company as lessor

The Company has entered into a cancellable operating sublease arrangement on its right-of-use asset. The sublease has a remaining cancellable lease term of less than three years.

The future minimum lease payments receivable under a cancellable operating sublease contracted for as at the reporting date but not recognised as receivables, are as follows:

	Company	
	2022 RM'000	2021 RM'000
Receivable within one year	**222**	1,334
Receivable after one year but not more than five years	**-**	222
	222	1,556

19. Operating revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gross earned premiums (Note 20(a))	**510,376**	412,271	**-**	-
Investment income (Note 21)	**19,133**	22,445	**28,179**	25,982
	529,509	434,716	**28,179**	25,982

20. Net earned premiums

	Group	
	2022 RM'000	2021 RM'000
(a) Gross earned premiums		
Gross written premiums	**556,053**	408,959
Change in premium liabilities	**(45,677)**	3,312
	510,376	412,271
(b) Premiums ceded to reinsurers		
Gross premiums ceded to reinsurers	**209,068**	207,826
Change in premium liabilities	**4,001**	7,640
	213,069	215,466
Net earned premiums	**297,307**	196,805

21. Investment income

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income:				
- AC financial assets	**962**	911	**-**	-
- FVTPL financial assets	**4,201**	8,005	**-**	-
- Bank balances	**71**	21	**24**	7
Share of investment loss from MMIP	**(339)**	(973)	**-**	-
Dividend income:				
- FVTPL financial assets	**14,430**	14,767	**1,185**	1,604
- Subsidiaries	**-**	-	**24,000**	20,262
- A joint venture company	**-**	-	**2,970**	4,109
	19,325	22,731	**28,179**	25,982
Net amortisation of premium on investments	**(192)**	(286)	**-**	-
	19,133	22,445	**28,179**	25,982

22. Realised gains and losses

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property and equipment:				
Realised gains/(losses) on disposal of property and equipment	**195**	38	**175**	(4)
FVTPL financial assets:				
Realised (losses)/gains:				
Quoted unit trust funds in Malaysia	**(17,889)**	(665)	**(720)**	1,028
Unquoted debt securities in Malaysia	**(3,136)**	(57)	**-**	-
Quoted debt securities in Malaysia	**182**	-	**-**	-
Net realised (losses)/gains for FVTPL financial assets	**(20,843)**	(722)	**(720)**	1,028
Total net realised (losses)/gains	**(20,648)**	(684)	**(545)**	1,024

23. Other operating income/(expenses)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other operating income:				
Foreign exchange gains:				
- realised	**1,533**	105	**-**	-
- unrealised	**100**	5	**100**	5
Tele-marketing commission income	**15**	21	**14**	19
Management fees income	**-**	-	**11,868**	5,974
Income from subleasing right-of-use assets (Note 18)	**-**	-	**1,340**	1,215
COVID-19 related rent concessions (Note 18)	**-**	175	**-**	175
Provision of software maintenance services	**714**	596	**-**	-
Provision of software customisation and professional services	**200**	-	**-**	-
Sundry income	**1,336**	516	**273**	191
	3,898	1,418	**13,595**	7,579
Other operating expenses:				
Foreign exchange losses:				
- realised	**(130)**	(13)	**(19)**	-
- unrealised	**(661)**	(123)	**-**	-
Write-off of property and equipment	**-**	(88)	**-**	-
Sundry expense	**-**	(9)	**-**	-
	(791)	(233)	**(19)**	-

24. Net claims

	Group	
	2022 RM'000	2021 RM'000
Gross claims paid	**(163,485)**	(171,645)
Claims ceded to reinsurers	**91,417**	116,495
Net claims paid (a)	**(72,068)**	(55,150)
Gross change in contract liabilities	**89,124**	(12,462)
Change in contract liabilities ceded to reinsurers	**(117,845)**	29,715
Net change in contract liabilities (b)	**(28,721)**	17,253
Net claims (a) + (b)	**(100,789)**	(37,897)

25. Management expenses

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Employee benefits expense (Note 25(a))	**72,485**	62,344	**18,331**	16,897
Directors' remuneration (Note 25(b))	**2,137**	1,994	**1,316**	1,064
Auditors' remuneration:				
- statutory audits	**1,215**	791	**109**	104
- regulatory related services	**121**	119	**54**	53
- other services	**118**	81	**16**	34
Audit fees to other audit firms	**13**	13	**-**	-
Depreciation of property and equipment (Note 3)	**1,691**	1,655	**348**	321
Amortisation of intangible assets (Note 4)	**4,839**	2,736	**168**	114
Depreciation of right-of-use assets (Note 18)	**2,373**	2,401	**1,646**	1,645
Write back of for impairment losses on reinsurance assets	**(2,389)**	(512)	**-**	-
Allowance for impairment losses on insurance receivables (Note 11)	**2,438**	385	**-**	-
Bad debts written off	**1**	47	**-**	-
Expenses relating to leases of low-value assets (Note 18)	**105**	229	**-**	-
Expenses relating to short-term leases (Note 18)	**1,555**	498	**342**	19
Management fees	**903**	859	**1,807**	1,246
Marketing expenses	**3,630**	1,174	**1,263**	457
Facilitator fees (Note 31(a))	**15,744**	23,561	**-**	-
Professional fees	**4,934**	4,724	**1,664**	1,364
Printing charges	**2,558**	2,085	**87**	85
Publicity expenses	**10,992**	3,099	**476**	89
Communication expenses	**485**	495	**46**	41
Computer expenses	**7,625**	4,283	**414**	129
Other administration and general expenses	**14,937**	11,731	**5,895**	3,201
	148,510	124,792	**33,982**	26,863

25. Management expenses (cont'd.)

(a) Employee benefits expense

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages and salaries	**62,157**	52,558	**14,922**	14,151
Social security contributions	**362**	303	**65**	47
Contributions to defined contribution plan	**6,896**	5,844	**1,804**	1,470
Share-based compensation (Note 26)	**(2,887)**	28	**(445)**	135
Other benefits	**5,957**	3,611	**1,985**	1,094
	72,485	62,344	**18,331**	16,897

Included in employee benefits expense of the Group and the Company is CEO's remuneration of RM2,009,000 (2021: RM1,923,000) as further disclosed in Note 25(c).

(b) Directors' remuneration

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company:				
Non-executive:				
Fees	**1,334**	1,117	**986**	801
Allowances and other emoluments	**434**	345	**330**	263
	1,768	1,462	**1,316**	1,064
Directors of the subsidiaries:				
Executive:				
Fees	**113**	86	**-**	-
Allowances and other emoluments	**34**	25	**-**	-
	147	111	**-**	-
Non-executive:				
Fees	**162**	304	**-**	-
Allowances and other emoluments	**60**	117	**-**	-
	222	421	**-**	-
	369	532	**-**	-
Total	**2,137**	1,994	**1,316**	1,064

25. Management expenses (cont'd.)

(b) Directors' remuneration (cont'd.)

Directors of the Company:

Group	Fees RM'000	Allowances and other emoluments RM'000	Total RM'000
2022			
Non-executive:			
Dato' Mohamed Kadar Bin Merican	**135**	**30**	**165**
Ng Soon Lai @ Ng Siek Chuan (Retired on 4 October 2022)	**181**	**60**	**241**
Kelvin Desmond Malayapillay	**151**	**50**	**201**
Tan Ming-Li	**262**	**107**	**369**
Mohamed Rashdi Bin Mohamed Ghazalli	**348**	**125**	**473**
Aireen Omar	**114**	**32**	**146**
Dr Grace Lee Hwee Ling (Appointed on 25 March 2022)	**143**	**30**	**173**
Total	**1,334**	**434**	**1,768**
2021			
Non-executive:			
Dato' Mohamed Kadar Bin Merican	24	3	27
Ng Soon Lai @ Ng Siek Chuan	268	75	343
Kelvin Desmond Malayapillay	129	45	174
Tan Ming-Li	259	95	354
Mohamed Rashdi Bin Mohamed Ghazalli	315	97	412
Aireen Omar	122	30	152
Total	1,117	345	1,462

The number of directors whose total remuneration received and receivable from the Group during the year fell within the following bands is analysed below:

	Number of directors 2022	Number of directors 2021
Non-executive:		
Less than RM50,000	**-**	1
RM100,001 - RM150,000	**1**	-
RM150,001 - RM200,000	**2**	2
RM200,001 - RM250,000	**2**	-
RM300,001 - RM350,000	**-**	1
RM350,001 - RM400,000	**1**	1
RM400,001 - RM450,000	**-**	1
RM450,001 - RM500,000	**1**	-

25. Management expenses (cont'd.)

(b) Directors' remuneration (cont'd.)

Directors of the Company: (cont'd.)

Company	**Fees RM'000**	**Allowances and other emoluments RM'000**	**Total RM'000**
2022			
Non-executive:			
Dato' Mohamed Kadar Bin Merican	**124**	**27**	**151**
Ng Soon Lai @ Ng Siek Chuan (Retired on 4 October 2022)	**126**	**55**	**181**
Kelvin Desmond Malayapillay	**151**	**50**	**201**
Tan Ming-Li	**149**	**63**	**212**
Mohamed Rashdi Bin Mohamed Ghazalli	**179**	**73**	**252**
Aireen Omar	**114**	**32**	**146**
Dr Grace Lee Hwee Ling (Appointed on 25 March 2022)	**143**	**30**	**173**
Total	**986**	**330**	**1,316**
2021			
Non-executive:			
Dato' Mohamed Kadar Bin Merican	24	3	27
Ng Soon Lai @ Ng Siek Chuan	196	65	261
Kelvin Desmond Malayapillay	129	45	174
Tan Ming-Li	146	55	201
Mohamed Rashdi Bin Mohamed Ghazalli	184	65	249
Aireen Omar	122	30	152
Total	801	263	1,064

The number of directors whose total remuneration received and receivable from the Company during the year fell within the following bands is analysed below:

	Number of directors	
	2022	**2021**
Non-executive:		
Less than RM50,000	**-**	1
RM100,001 - RM150,000	**1**	-
RM150,001 - RM200,000	**3**	2
RM200,001 - RM250,000	**2**	2
RM250,001 - RM300,000	**1**	1

25. Management expenses (cont'd.)

(b) Directors' remuneration (cont'd.)

Directors of the subsidiaries:

The number of directors whose total remuneration received and receivable from the subsidiaries during the year fell within the following bands is analysed below:

	Number of directors	
	2022	**2021**
Executive director:		
RM0 - RM50,000	**1**	1
RM50,001 - RM100,000	**1**	1
Non-executive directors:		
RM0 - RM50,000	**2**	1
RM50,001 - RM100,000	**1**	4
RM150,001 - RM200,000	**1**	3
RM200,001 - RM250,000	**2**	-

(c) CEO's remuneration

The details of remuneration received by the CEO of the Company during the financial year are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Salaries and other emoluments	**1,315**	1,275	**1,315**	1,275
Bonus	**242**	200	**242**	200
Defined contribution plan	**162**	153	**162**	153
Other benefits	**255**	-	**255**	-
Total remuneration excluding benefits-in-kind	**1,974**	1,628	**1,974**	1,628
Estimated money value of benefits-in-kind	**35**	187	**35**	187
Share based compensation	**-**	108	**-**	108
Total remuneration (Note 31(b))	**2,009**	1,923	**2,009**	1,923

26. Employees' Share Option Scheme ("ESOS")

On 18 March 2014, the Company offered 15,715,000 ESOS shares to eligible employees of the Group. The offer period was from 18 March 2014 to 17 April 2014. The ESOS was to be vested over a period of 4 years in 4 tranches from the grant date.

On 21 November 2017, the Company offered 500,000 ESOS shares to the Chief Executive Officer of TIMB then. The offer period was from 21 November 2017 to 31 December 2017. The ESOS was to be vested over a period of 4 years in 4 tranches from the grant date.This grant has been forfeited due to the departure of the CEO of TIMB then.

On 23 April 2019, the Company offered 500,000 ESOS shares to the Group Chief Executive Officer then. The offer period was from 23 April 2019 to 23 May 2019. The ESOS was to be vested over a period of 4 years in 4 tranches from the grant date. This grant has been forfeited due to the departure of the Group CEO then.

On 13 September 2019, the Company offered 500,000 ESOS shares to the Chief Executive Officer ("CEO") of TIMB. The offer period was from 13 September 2019 to 12 October 2019. The ESOS is to be vested over a period of 4 years in 4 tranches from the grant date.

On 29 December 2020, the Company offered 1,879,400 ESOS shares to the Group Chief Executive Officer. The offer period was from 29 December 2020 to 28 January 2021. The ESOS is to be vested 2 years after the grant date.

All employees are entitled to a grant of options, under the ESOS, once they are employed by and on the payroll of the Group and whose employment has been confirmed in writing, as at the date of offer. The options granted under ESOS is exercisable only by the employees during their employment with the Group and before the expiry date. The exercise price of the options is the grant price which is a discounted price of 10% from the average weighted price for five days preceding the date of grant.

On 30 September 2022, the Company terminated the ESOS given that the Company does not intend to grant any further options under the existing ESOS. There were no ESOS options exercised as at 30 September 2022, and all unexercised ESOS options was lapsed on the same date.

The allowance for and write-back recognised by the Group and the Company in relation to employee services received and forfeiture from employees during the year are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
(Write-back of)/Allowance for equity-settled share-based payment transactions (Note 25(a))	**(2,887)**	28	**(445)**	135

26. Employees' Share Option Scheme ("ESOS") (cont'd.)

Movements during the year

The number and weighted average exercise prices ("WAEP") of, and movements in, ESOS during the current and previous years are as follow:

Grant date	Outstanding as at 1.1.2022 '000	Granted '000	Exercised '000	Terminated '000	Outstanding as at 31.12.2022 '000	Vested '000	Exercise price of ESOS RM	Average remaining contractual life
18 March 2014	**3,447**	**-**	**-**	**(3,447)**	**-**	**-**	**1.71**	**1 year**
13 September 2019	**500**	**-**	**-**	**(500)**	**-**	**-**	**0.56**	**1 year**
29 December 2020	**1,879**	**-**	**-**	**(1,879)**	**-**	**-**	**0.37**	**-**
	5,826	**-**	**-**	**(5,826)**	**-**	**-**		
WAEP	**1.18**	**-**	**-**	**1.18**	**-**	**-**		

Grant date	Outstanding as at 1.1.2021 '000	Granted '000	Exercised '000	Terminated '000	Outstanding as at 31.12.2021 '000	Vested '000	Exercise price of ESOS RM	Average remaining contractual life
18 March 2014	3,832	-	-	(385)	3,447	3,447	1.71	2 years
13 September 2019	500	-	-	-	500	250	0.56	2 years
29 December 2020	1,879	-	-	-	1,879	-	0.37	1 year
	6,211	-	-	(385)	5,826	3,697		
WAEP	1.21	-	-	1.71	1.18	1.63		

26. Employees' Share Option Scheme ("ESOS") (cont'd.)

Fair value of share options granted

The fair value of share options was estimated by an external valuer using the Binomial Model, taking into account the terms and conditions upon which the options were granted. The fair value of share options and the assumptions used were as follows:

	Grant dates		
	18 March 2014	**13 September 2019**	**29 December 2020**
Fair value of share options:			
- Tranche 1 (RM)	0.7287	0.1605	0.1376
- Tranche 2 (RM)	0.7745	0.1645	-
- Tranche 3 (RM)	0.8139	0.1658	-
- Tranche 4 (RM)	0.8489	0.1641	-
Dividend yield (per annum)	1.98%	2.90%	2.17%
Expected volatility (per annum)	33.00%	32.00%	46.00%
Risk-free interest rate (per annum)	3.59%	3.20%	1.80%

The expected life of the options was based on historical data and therefore is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility was indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options granted were incorporated into the measurement of fair value.

During the year, the Company announced to establish and implement a long term incentive plan ("LTIP") of up to 10% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the 10 years period, with effect from 30 September 2022. The LTIP will consist of a share grant plan ("SGP") and an employees' share option scheme ("ESOS") offered to the eligible employees of the Company and its subsidiaries which are not dormant. As at 31 December 2022, there is no SGP or ESOS being offered to employees.

27. Taxation

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Labuan income tax:				
Current income tax	**298**	494	**-**	-
Malaysian income tax:				
Current income tax	**539**	3,465	**279**	56
(Over)/Under provision in prior years	**(150)**	(25)	**5**	8
	389	3,440	**284**	64
Deferred tax (Note 15):				
Relating to origination and reversal of temporary differences	**(688)**	(482)	**-**	-
Under/(Over) provision in prior years	**421**	(13)	**-**	-
	(267)	(495)	**-**	-
	420	3,439	**284**	64

Following the issuance of the Federal Government Gazette P.U.(A) 392, a Labuan entity that meets the substantial activity requirements would be taxed at 3% of the net audited profits while Labuan entities that do not meet the substantial activity requirements would be subjected to a higher tax rate of 24% under LBATA.

The income tax for the Company and Malaysian incorporated subsidiaries are based on the corporate tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

27. Taxation (cont'd.)

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate is as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
(Loss)/Profit before taxation	**(33,741)**	(14,783)	**7,271**	5,311
Taxation at Malaysian statutory tax rate of 24%	**(8,098)**	(3,548)	**1,745**	1,275
Effect of different tax rate in respect of Labuan subsidiary	**(2,086)**	(3,457)	**-**	-
Income not subject to tax	**(2,052)**	(4,286)	**(6,757)**	(6,276)
Expenses not deductible for tax purposes	**8,065**	12,459	**5,291**	5,057
Share of results of an associate	**3,553**	2,336	**-**	-
Share of results of a joint venture company	**(37)**	(46)	**-**	-
Deferred tax asset not recognised on deductible temporary differences and unutilised tax losses	**1,088**	341	**-**	-
Utilisation of previously unrecognised unabsorbed capital allowances	**(284)**	(322)	**-**	-
(Over)/Under provision of income tax in prior years	**(150)**	(25)	**5**	8
Under/(Over) provision of deferred tax in prior years	**421**	(13)	**-**	-
Tax expense for the year	**420**	3,439	**284**	64

The Group had not recognised any provisions in respect of the disputed additional tax and penalties levied by the Lembaga Hasil Dalam Negeri ("LHDN") on its insurance subsidiary during the previous years, as further described in Note 40(b).

28. Loss per share - Basic and diluted (cont'd.)

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the year, net of tax attributable to ordinary equity holders of the Company by the number of ordinary shares in issue.

Diluted (loss)/earnings per share is calculated by dividing the (loss)/profit for the year attributable to ordinary equity holders of the Company by the number of ordinary shares in issue plus the number of ordinary shares that would be issued under the Employees' Share Option Scheme.

The following shows the computation of basic and diluted loss per share for the years ended 31 December 2022 and 2021:

	Group	
	2022	**2021**
Loss attributable to ordinary equity holders (RM'000)	**(34,393)**	(14,990)
Number of ordinary shares in issues ('000)	**751,760**	751,760
Effects of dilution - Employees' Share Option Scheme ('000)	**-**	-
	751,760	751,760
Basic and diluted loss per share (sen)	**(4.57)**	(1.99)

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial years as there are no dilutive potential ordinary shares.

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

29. Dividends

No dividend has been declared or paid by the Company in the current and previous financial years.

30. Capital commitments

The commitments of the Group and of the Company as at the financial year end are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Capital expenditure				
Approved but not contracted for:				
Intangible assets	**36,178**	31,987	**3,001**	5,489
Property and equipment	**1,724**	1,508	**116**	388
	37,901	33,495	**3,117**	5,877

31. Related party disclosures

(a) Significant related party transactions

The Group and the Company had the following significant transactions with related parties during the financial year:

	Group		Company	
Income/(expense):	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Transactions with subsidiaries:				
TPR				
Dividend income	**-**	-	**24,000**	11,685
Management fee income	**-**	-	**2,500**	1,210
Reimbursement of expenses incurred	**-**	-	**2,300**	2,351
Rental received	**-**	-	**97**	87
TIMB				
Dividend income	**-**	-	**-**	8,577
Management fee income	**-**	-	**8,538**	3,028
Management fee expense	**-**	-	**(1,327)**	(835)
Other employee benefits	**-**	-	**(48)**	(46)
Reimbursement of expenses incurred	**-**	-	**3,919**	1,186
Rental received	**-**	-	**1,106**	977
WL				
Development of other intangible assets	**-**	-	**(56)**	(215)
Management fee income	**-**	-	**652**	1,736
Management fee expense	**-**	-	**(265)**	(265)
Reimbursement of expenses incurred	**-**	-	**3,452**	1,180
Rental received	**-**	-	**129**	115
TPV				
Director fees	**-**	-	**6**	-
Management fee income	**-**	-	**178**	-
Reimbursement of expenses incurred	**-**	-	**350**	-
Subsription of shares (Note 5)	**-**	-	**(20,000)**	(1)
- by cash	**-**	-	**(16,424)**	(1)
- by transfer of other intangible assets development-in-progress	**-**	-	**(3,576)**	-
Transfer of other intangible assets development-in-progress	**-**	-	**59**	-
Transfer of computer hardware	**-**	-	**49**	-

31. Related party disclosures (cont'd.)

(a) Significant related party transactions (cont'd.)

The Group and the Company had the following significant transactions with related parties during the financial year: (cont'd.)

	Group		Company	
Income/(expense):	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Transactions with associate:				
TIPCL				
Director fees	**53**	48	**53**	48
Gross earned premiums	**6,049**	280	**-**	-
Gross claims paid	**(1,855)**	(24)	**-**	-
Management fee expense	**(646)**	(443)	**(215)**	(146)
Provision of software maintenance services	**40**	-	**-**	-
Provision of software customisation and professional services (Note 23)	**200**	-	**-**	-
Reimbursement of expenses incurred	**58**	-	**201**	-
Sundry income	**157**	81	**-**	-
Transactions with joint venture company:				
TPCBLLC				
Dividend income	**2,970**	-	**2,970**	4,109
Facilitator fees (Note 25)	**(15,744)**	(23,561)	**-**	-
Reimbursement of expenses incurred	**(69)**	-	**-**	-
Sundry income	**56**	-	**-**	-
		-	**-**	-
Transactions with corporate shareholders of the Company:				
Tune Group Sdn. Bhd.				
Royalty fee	**(7,441)**	(4,469)	**(5,489)**	(2,680)
Rental and utilities charges	**(1,538)**	(1,397)	**(1,520)**	(1,388)
Gross written premium	**1**	-	**-**	-

31. Related party disclosures (cont'd.)

(a) Significant related party transactions (cont'd.)

	Group		Company	
Income/(expense):	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Transactions with related companies of a corporate shareholder of the Company, AirAsia Digital Sdn. Bhd.:				
AirAsia Berhad				
Gross written premium	**25,985**	7,099	**-**	-
Fee and commission expense	**(6,489)**	(1,767)	**-**	-
AirAsia X Berhad				
Gross written premium	**4**	6	**-**	-
PT Indonesia AirAsia				
Gross written premium	**1,070**	176	**-**	-
Telemarketing commission expense	**(1)**	(1)	**(1)**	(1)
Thai AirAsia Co. Ltd.				
Gross written premium	**835**	-	**-**	-
Telemarketing commission expense	**(7)**	(9)	**(7)**	(9)
Philippines AirAsia Inc.				
Gross written premium	**68**	1	**-**	-
BigPay Malaysia Sdn. Bhd.				
Gross written premium (net of rebate)	**1**	22	**-**	-

31. Related party disclosures (cont'd.)

(a) Significant related party transactions (cont'd.)

	Group		Company	
Income/(expense):	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Transactions with related companies of a corporate shareholder of the Company, Tune Group Sdn. Bhd.:				
BigLife Sdn. Bhd.				
Management expenses	**(16)**	(38)	**-**	-
Teleport Commerce Malaysia Sdn. Bhd.				
Gross written premium	**5**	4	**-**	-
AirAsia Com Travel Sdn. Bhd.				
Gross written premium (net of rebate)	**483**	-	**-**	-
Fee and commission expenses	**(93)**	-	**-**	-
Tune Talk Sdn. Bhd.				
Gross written premium	**56**	58	**-**	-
ECM Libra Financial Group Berhad				
Gross written premium	**107**	17	**-**	-
SP&G Gallagher Insurance Brokers				
Gross written premium	**3,076**	3,476	**-**	-
Fee and commission expenses	**(526)**	(741)		
Brokerage fee	**(4)**	(4)	**-**	-
Epsom College in Malaysia				
Gross written premium (net of rebate)	**137**	302	**-**	-

Details of balances with related parties at the end of the respective years are disclosed in Notes 11, 12, 16 and 17.

31. Related party disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of key management personnel during the year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive directors' remuneration: (Note 25(b))				
- directors of the subsidiaries	147	111	-	-
Non-executive directors' remuneration: (Note 25(b))				
- directors of the Company	1,768	1,462	1,316	1,064
- directors of the subsidiaries	222	421	-	-
	1,990	1,883	1,316	1,064
CEO's remuneration (Note 25(c))	2,009	1,923	2,009	1,923
	4,146	3,917	3,325	2,987

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company. The key management personnel of the Group includes the directors and Chief Executive Officer of the Company.

32. Regulatory capital/working fund and solvency requirements of subsidiaries

(i) TPR

The Guidelines on Application for Licence - Insurance and Insurance Related Activities ("the Guidelines") were introduced as the capital adequacy, working fund and solvency requirements for all insurers licensed under the Labuan Financial Services and Securities Act 2010 ("LFSSA 2010") effective from 13 December 1997. It was imposed by the Labuan Financial Services Authority ("Labuan FSA"), pursuant to Section 109 of the LFSSA 2010 as a licensing condition for insurance companies.

TPR, as a Labuan reinsurer is required to maintain at all times, a minimum paid-up capital/net working funds of RM10.0 million each.

In addition, TPR is also required to have a minimum solvency margin of:

(1) RM10.0 million; or

(2) 20% of net premium income of the preceding year, whichever is greater for TPR.

As at 31 December 2022, the margin of solvency of TPR was a surplus of RM117,862,000 (2021: RM139,095,000) which complies with requirements of Section 109 of the LFSSA 2010.

32. Regulatory capital/working fund and solvency requirements of subsidiaries (cont'd.)

(ii) TIMB

The insurance subsidiary, TIMB, is required to comply with the regulatory capital requirement prescribed in the RBC Framework which is imposed by the Ministry of Finance. Under the RBC Framework, insurance companies are required to satisfy a minimum capital adequacy ratio of 130%. As at year end, TIMB has a capital adequacy ratio in excess of the minimum requirement.

The capital structure of TIMB as at 31 December 2022 and the comparative period, as prescribed under the RBC Framework, are provided below:

	2022 RM'000	2021 RM'000
Eligible Tier 1 capital		
Share capital (paid-up)	**103,348**	103,348
Reserves, including retained earnings	**199,246**	199,140
	302,594	302,488
Amount deducted from capital	**(24,049)**	(14,707)
Total capital available	**278,545**	287,781

33. Risk management framework

The Board of Directors of the insurance subsidiary, which has the ultimate responsibility for ensuring an adequate system of risk management, has established a Risk Management Committee ("RMC") of 3 independent non-executive directors. The Committee is responsible for regularly identifying risks, ensuring that adequate risk management policies and procedures are in place, and monitoring compliance with policies and procedures.

The Committee has worked with the Management to develop these policies and both Management and the Board have agreed to adopt these policies to govern the running of the business.

Risk appetite

The subsidiaries' risk appetite statements together with the associated metrics, articulate the levels, boundaries and nature of risk that the Board is willing to bear and accept in pursuit of achieving strategic objectives. The statements, which are approved by the Board, comprise the following components:

(a) Capital adequacy risk policy;
(b) Business growth strategies;
(c) Underwriting performance;
(d) Liquidity;
(e) Investment strategy and returns;
(f) Reinsurance and intermediaries counterparty risks;
(g) Compliance with regulatory guidelines;
(h) Reputational risks;
(i) Operational risks; and
(j) Credit settlement period.

33. Risk management framework (cont'd.)

Overview of risk management policies

The Group and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group and the Company's business whilst managing the key risks faced by the Group and the Company.

A. Underwriting

i. Risk

Acceptance of poor insurance risks, risks with low profit margins and inadequate reinsurance arrangements contribute to low profitability and inadequate capital growth. Insurance risk is also the risk of outstanding insurance contract liabilities being greater than estimated.

ii. Policy

The following outlines the Group's policies to safeguard against these risks:

(a) Underwrite only classes of risks which have been approved by the Board;

(b) Accept risks within the approved classes only according to comprehensive underwriting guidelines and within limits of delegated authority;

(c) Expand into new lines only where there is adequate experience within the Group and after management has obtained appropriate Board authority;

(d) Price risks with sufficient margin to ensure ongoing viability of the business, and maintaining a professional approach to this function;

(e) Retain risks according to guidelines on maximum risks to be retained;

(f) Mitigate foreign currency risks on reinsurance by all significant reinsurance arrangements being entered into in Malaysian Ringgit;

(g) Ensure compliance with treaty arrangements in accepting risks;

(h) Maintain a balanced portfolio to yield a reasonable level of profits; and

(i) Review on a regular basis the insurance contract liabilities.

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

B. Reinsurance

i. Risk

Reinsurance arrangement exposes the Group to residual insurance risks, legal risks, counterparty risks, liquidity risks and operational risks.

ii. Policy

The following outlines the Group's policies to safeguard against these risks:

(a) Set retention limits in accordance to the Group's risk appetite and its risk tolerance level;

(b) Use of intermediaries such as reinsurance brokers to obtain an independent advice and to source for best pricing;

(c) Determine the reinsurer selection process including selection criteria to ensure sufficient diversification of reinsurance sources as well as the financial position of the reinsurers; and

(d) Regularly review the financial soundness of the reinsurers.

C. Claims

i. Risk

Exposure to unexpected or excessive losses, fraudulent claims and inadequate provisions for outstanding claims could affect the Group's profitability, financial position and reputation.

ii. Policy

The Group's policies to guard against these risks are:

(a) Identify claims exposures and properly assess them, and routinely review them upon the receipt of further information and at least once a year;

(b) Maintain good claims administration and settlement processes to ensure prudent claims estimation and appropriate loss adjustment;

(c) Make adequate provisions for all claim liabilities, especially for long-tail liabilities and adverse foreign exchange movements on such liabilities;

(d) Assess exposure to fraud periodically and employ measures to minimise potential losses through accepting claims outside contractual obligations for fraudulent reasons and for detecting fraudulent claims; and

(e) Ensure that losses are mitigated and potential recovery action is followed up in a professional and timely fashion.

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

D. Investments

i. Risk

Investment risk is the risk of inadequate investment returns from poor investment strategies and adverse movements in the value of investments. Investment risk is derived from market risk, credit risk, investment concentration risk, liquidity risk, and asset/liability mismatch risk.

ii. Policy

Returns from the investment of premium income are an important source of income to the Group and the Company and maintenance of the market value of the investments is essential for the financial stability of the Group and the Company. The absence of prudent investment strategies and investment decision framework could result in poor investment return which would affect the Group's and the Company's profitability and competitiveness and also result in the Group and the Company not being able to meet its obligations as they fall due. It is the Group's and the Company's policy to:

(a) Implement an investment strategy to ensure appropriate asset allocation that commensurates with the Group and Company's respective risk appetite, limit concentration risk in any specific investments and ensure adequate matching of asset and liability portfolios;

(b) Ensure that investments in all assets are within limits specified by the Investment Committee;

(c) Understand and conduct proper analysis before making any investments to minimise market risk and continuously monitor the performance and risk of the investments;

(d) Manage disposal of investments to optimise returns;

(e) Limit exposure to interest rate risk by managing the duration of investments in term deposits, corporate bonds and government securities;

(f) Ensure liquidity by maintaining sufficient cash float at any time and regularly matching the expected duration of liabilities and investments and uncertainties arising from the timing and amount of cash flows;

(g) Minimise credit risk via investments in Fixed Income Instruments that have a minimum rating of "A" and within specific overall limits as specified within the Group's and the Company's Investment Policy; and

(h) Monitor investment portfolio and performance on a regular basis and report investment exposure and performance to the Investment Committee and Board monthly.

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

E. Credit quality

i. Risk

Credit quality risk is associated with credit exposure that increase the risk profile of the Group and the Company and can adversely affect the Group and the Company's viability. The risk arises mainly from default of reinsurers, due premiums and other large exposures.

ii. Policy

Policies to limit credit risks include the following:

(a) Maintain credit control in accordance with appropriate policies and procedures which govern the extension of credit to the cedants and specifies guidelines for setting limits on credit as per the quota share agreement;

(b) Limit exposure to single parties or groups of related entities to 30% of the Group and the Company's capital base. However, specific Board approval is required to sanction exposures including facultative reinsurance placements which exceed 30% of the Group and the Company's capital base as well as exposure from arrangements made in exception cases;

(c) Monitor compliance with established credit limits; and

(d) Collect amounts due in accordance with agreed credit terms, enforce prompt collection of overdue amounts in the case of due premiums and consider the cancellation of insurance policies at the expiry of credit terms.

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

F. Operations

i. Risk

Non-financial or operational risks the Group and the Company face include technology risk, risk to reputation, fraud, compliance, legal risk, physical damage to property, poor outsourcing arrangements, threats to business continuity and key personnel risk.

ii. Policy

The policies to monitor and minimise these risks are as follows:

(a) Undertake annual risk audits to identify material operational risks to which the Group are exposed;

(b) Effect appropriate insurance cover for all identified operational risks which can be cost-effectively insured;

(c) Closely monitor the external relationships;

(d) Ensure at all times that compliance with regulatory requirements and fulfilment of material obligations under the legislative framework is maintained;

(e) Maintain an ethics and personal conduct policy to ensure that the affairs of the Group and the Company are conducted in a manner that would avoid any action by the Group and the Company or its officers that would bring disrepute to the Group and the Company;

(f) Implement adequate security procedures to prevent unauthorised access, damage, loss to assets and facilities and harm to employees;

(g) Ensure that division of responsibility is clear and mutually understood where any part of the Group's and the Company's business is outsourced to third parties whilst ultimate control over the outsourced operations is retained by the Group and the Company; and

(h) Identify the possible types of fraud the Group and the Company is exposed to and develop and maintain effective controls to prevent them and to take appropriate and prompt action if fraud occurs.

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

G. Regulatory compliance and corporate governance

The Management is responsible to follow a systematic approach to the business and effectively manage the risks. The key risks that have been identified are monitored and their status communicated as appropriate throughout all levels of the organisation and are also incorporated in the Group's and the Company's performance management reporting.

The Group maintains a register of risks and follows a project management approach toward mitigation of risk.

The Internal Audit Department, which reports independently to the Board, undertakes a wide-ranging programme of work designed to keep the Board fully informed on the compliance of the business with agreed risk management policies, controls and procedures.

Regular reports are submitted to the Board with Key Performance Indicators covering the Group's and the Company's performance and the key risks identified.

A Compliance Department is in place to ensure regulatory compliance. The department is under the responsibility of the Head of Compliance who shall monitor compliance to regulatory requirements.

The Head of Compliance shall take responsibility to ensure regulatory compliance is adhered to and any changes to policy and practices are communicated appropriately to all parties concerned.

H. Regulations of risk management

In accordance with these policies a framework for management of identified risks has been developed for the effective management of risk.

Effective and efficient operation of the organisation would be ensured through:

(a) Providing a framework that enables the activities of the Group and the Company to be undertaken in a consistent and controlled manner;

(b) A management structure that clearly identifies the roles and responsibilities of the staff;

(c) Development of procedures to ensure that risk management strategies are implemented;

(d) Retention of a level of well-qualified staff through appropriate recruitment, training and staff development systems and procedures;

(e) Improving motivation of staff through a suitable communication, review, feedback and rewards system; and

(f) Prompt and comprehensive management reporting systems to assess performance and progress of the business and the utilisation of its resources.

34. Insurance risk

The Group has in place comprehensive underwriting guidelines and limits of authority to ensure that risks are accepted in accordance with the authorised limits. The retention of risks is protected by proportional and non-proportional treaties with reputable reinsurers and brokers, and premised on the risk appetite of the Group.

The Group also underwrites treaty business on a proportional basis mainly in travel insurance business. Risks can arise from the adverse development of the loss ratio and catastrophic events. These risks vary significantly in relation to economic conditions and territories from which the risk originated.

(a) Concentration of risks

(i) General reinsurance

The premium and claim liabilities of the general reinsurance business are primarily in respect of travel insurance risks.

The following table sets out the concentration of travel insurance risks by country/regions based on the geographical location of the primary insurers or reinsurers from which the gross premium are written.

	Group	
	2022 RM'000	**2021 RM'000**
Geographical diversification		
Australia	**285**	(60)
Bahrain	**1,103**	632
Cambodia	**210**	5
Egypt	**1,817**	1,971
India	**226**	8
Indonesia	**1,376**	223
Japan	**103**	1
Jordan	**664**	928
Kuwait	**713**	981
Malaysia	**26**	27
Morocco	**5,782**	7,157
Nepal	**397**	242
Oman	**8,139**	9,449
Philippines	**4,156**	717
Qatar	**4,205**	3,060
Singapore	**2,965**	131
Thailand	**14,448**	4,237
United Arab Emirates (UAE)	**25,264**	63,159
Vietnam	**20,805**	580
Other countries	**1,622**	521
	94,306	93,969

34. Insurance risk (cont'd.)

(a) Concentration of risks (cont'd.)

(ii) General insurance

The table below shows the concentration of gross written premium by class of business:

	Group	
	2022 RM'000	**2021 RM'000**
Class of business diversification		
Motor	**119,873**	80,491
Fire	**83,291**	64,584
Marine, aviation and transit	**88,192**	79,644
Others	**170,391**	90,271
	461,747	314,990

The table below shows the concentration of premium and claim liabilities by class of business at the reporting date:

	Group		
	Gross RM'000	**Reinsurance RM'000**	**Net RM'000**
Premium liabilities			
2022			
Motor	**70,469**	**(18,537)**	**51,932**
Fire	**26,106**	**(20,032)**	**6,074**
Marine, aviation and transit	**21,332**	**(14,877)**	**6,455**
Others	**41,648**	**(8,562)**	**33,086**
	159,555	**(62,008)**	**97,547**
2021			
Motor	49,088	(18,438)	30,650
Fire	20,716	(16,111)	4,605
Marine, aviation and transit	26,858	(23,064)	3,794
Others	22,205	(8,409)	13,796
	118,867	(66,022)	52,845

34. Insurance risk (cont'd.)

(a) Concentration of risks (cont'd.)

(ii) General insurance (cont'd.)

The table below shows the concentration of premium and claim liabilities by class of business at the reporting date: (cont'd.)

	Group		
	Gross RM'000	**Reinsurance RM'000**	**Net RM'000**
Claim liabilities			
2022			
Motor	**210,530**	**(77,973)**	**132,557**
Fire	**140,260**	**(126,017)**	**14,243**
Marine, aviation and transit	**154,402**	**(140,592)**	**13,810**
Others	**186,117**	**(122,525)**	**63,592**
	691,309	**(467,107)**	**224,202**
2021			
Motor	229,963	(100,193)	129,770
Fire	167,657	(155,803)	11,854
Marine, aviation and transit	193,235	(180,129)	13,106
Others	195,628	(148,564)	47,064
	786,483	(584,689)	201,794

(b) Sensitivity analysis

Key assumptions

The principal assumptions underlying the estimation of liabilities is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes key assumptions such as the adopted Ultimate Loss Ratios ("ULR"), risk margin percentages (i.e., PRAD) and expense ratios in respect of claims handling and other overhead expenses.

Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

34. Insurance risk (cont'd.)

(b) Sensitivity analysis (cont'd.)

Key assumptions (cont'd.)

The recommended claims and premium liability provisions did not explicitly allow for discounting and inflation adjustment. Implicit inflation has been allowed for future claims to the extent evident in past claims development. Discounting is unlikely to result in any material impact due to the short tail nature of most classes coupled with the low prevailing interest rate environment.

The Group has based its risk margin for adverse deviation for the provisions for unexpired risks and insurance claims at a 75% level of sufficiency, according to the requirements set by Bank Negara Malaysia under the Risk Based Capital ("RBC") Framework and the requirements set by Labuan FSA under the Guidelines on Valuation Basis for Liabilities of Labuan General Insurance Business.

Sensitivities

The general reinsurance and general insurance claim liabilities are sensitive to the key assumptions shown below. It has not been possible to quantify the sensitivity of certain assumptions, such as, legislative changes or uncertainty in the estimation process.

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claim 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. The method used for deriving the sensitivity results had not changed from the previous year.

(i) General reinsurance

		Increase/(decrease)			
	Changes in variable	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before taxation RM'000	* Impact on equity RM'000
2022					
Loss ratio	+1%	128	128	(128)	(124)
	-1%	(128)	(128)	128	124

34. Insurance risk (cont'd.)

(b) Sensitivity analysis (cont'd.)

Sensitivities (cont'd.)

(i) General reinsurance (cont'd.)

	Changes in variable	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before taxation RM'000	* Impact on equity RM'000
		Increase/(decrease)			
2021					
Loss ratio	+1%	51	51	(51)	(49)
	-1%	(51)	(51)	51	49

* Impact is net of tax of 3% (2021: 3%) for the general reinsurance business.

(ii) General insurance

	Changes in variable	Impact on gross liabilities RM'000	Impact on net liabilities RM'000	Impact on profit before taxation RM'000	* Impact on equity RM'000
		Increase/(decrease)			
2022					
Loss ratio	**+10%**	**62,435**	**30,664**	**(30,664)**	**(23,305)**
PRAD	**+10%**	**7,791**	**2,042**	**(2,042)**	**(1,552)**
Provision for expenses	**+10%**	**1,527**	**1,527**	**(1,527)**	**(1,161)**
Loss ratio	**-10%**	**(45,895)**	**(17,406)**	**17,406**	**13,229**
PRAD	**-10%**	**(7,791)**	**(2,042)**	**2,042**	**1,552**
Provision for expenses	**-10%**	**(1,527)**	**(1,527)**	**1,527**	**1,161**

34. Insurance risk (cont'd.)

(b) Sensitivity analysis (cont'd.)

Sensitivities (cont'd.)

(i) General insurance (cont'd.)

		Increase/(decrease)			
	Changes in variable	**Impact on gross liabilities RM'000**	**Impact on net liabilities RM'000**	**Impact on profit before taxation RM'000**	*** Impact on equity RM'000**
2021					
Loss ratio	+10%	53,575	18,173	(18,173)	(13,811)
PRAD	+10%	9,081	1,891	(1,891)	(1,437)
Provision for expenses	+10%	1,300	1,300	(1,300)	(988)
Loss ratio	-10%	(53,575)	(16,206)	16,206	12,317
PRAD	-10%	(9,081)	(1,891)	1,891	1,437
Provision for expenses	-10%	(1,300)	(1,300)	1,300	988

* Impact is net of tax of 24% (2021: 24%) for the general insurance business.

(c) Claims development table

The following tables show the estimate of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to-date.

In setting provisions for claims, the Group gives consideration to the probability and magnitude of future experience being more adverse than assumed and exercises a degree of caution in setting reserves when there is considerable uncertainty. In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the confidence in adequacy of provision is relatively at its highest. As claims develop and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(i) General reinsurance

Gross general reinsurance contract liabilities for 2022:

Accident year	2015 & prior RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	Total RM'000
At end of accident year	3,817	8,668	7,073	7,031	6,389	6,521	8,407	15,686	
One year later	3,388	3,731	5,522	5,506	5,535	2,913	6,077		
Two years later	3,400	3,577	5,864	5,391	4,816	2,329			
Three years later	3,480	3,814	5,867	5,115	4,783				
Four years later	3,725	3,797	5,762	5,104					
Five years later	3,753	3,794	5,760						
Six years later	3,753	3,794							
Seven years later	3,752								
Current estimate of cumulative claims incurred	3,752	3,794	5,760	5,104	4,783	2,329	6,077	15,686	47,285
At end of accident year	(2,168)	(2,673)	(4,167)	(4,246)	(3,264)	(1,109)	(3,807)	(4,441)	
One year later	(3,253)	(3,553)	(5,081)	(4,947)	(4,419)	(2,095)	(5,978)		
Two years later	(3,360)	(3,563)	(5,466)	(5,004)	(4,481)	(2,240)			
Three years later	(3,478)	(3,802)	(5,459)	(5,004)	(4,490)				
Four years later	(3,724)	(3,782)	(5,459)	(5,004)					
Five years later	(3,752)	(3,782)	(5,458)						
Six years later	(3,752)	(3,782)							
Seven years later	(3,752)								
Cumulative payments to-date	(3,752)	(3,782)	(5,458)	(5,004)	(4,490)	(2,240)	(5,978)	(4,441)	(35,145)
Gross general reinsurance contract liabilities before elimination	-	12	302	100	293	89	99	11,245	12,140
Elimination/adjustment upon consolidation									(828)
Gross general reinsurance contract liabilities per statements of financial position (Note 14(b)(i))									11,312

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(i) General reinsurance (cont'd.)

Net general reinsurance contract liabilities for 2022:

Accident year	2015 & prior RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	Total RM'000
At end of accident year	3,891	8,731	7,136	7,031	6,389	6,521	8,325	15,679	
One year later	3,390	3,731	5,586	5,506	5,535	2,911	6,001		
Two years later	3,400	3,577	5,929	5,391	4,816	2,267			
Three years later	3,480	3,815	5,932	5,116	4,784				
Four years later	3,724	3,797	5,827	5,104					
Five years later	3,752	3,794	5,825						
Six years later	3,752	3,794							
Seven years later	3,752								
Current estimate of cumulative claims incurred	3,752	3,794	5,825	5,104	4,784	2,267	6,001	15,679	47,206
At end of accident year	(2,168)	(2,673)	(4,231)	(4,246)	(3,264)	(1,109)	(3,751)	(4,434)	
One year later	(3,253)	(3,553)	(5,145)	(4,947)	(4,419)	(2,093)	(5,903)		
Two years later	(3,360)	(3,563)	(5,531)	(5,004)	(4,481)	(2,181)			
Three years later	(3,478)	(3,803)	(5,524)	(5,005)	(4,488)				
Four years later	(3,723)	(3,782)	(5,524)	(5,004)					
Five years later	(3,751)	(3,782)	(5,523)						
Six years later	(3,751)	(3,782)							
Seven years later	(3,751)								
Cumulative payments to-date	(3,751)	(3,782)	(5,523)	(5,004)	(4,488)	(2,181)	(5,903)	(4,434)	(35,066)
Net general reinsurance contract liabilities before elimination	1	12	302	100	296	86	98	11,245	12,140
Elimination/adjustment upon consolidation									(828)
Net general reinsurance contract liabilities per statements of financial position (Note 14(b)(i))									11,312

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(i) General reinsurance (cont'd.)

Gross general reinsurance contract liabilities for 2021:

Accident year	2014 & prior RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	Total RM'000
At end of accident year	7,576	3,817	8,668	7,073	7,031	6,389	6,521	8,407	
One year later	8,932	3,388	3,731	5,522	5,506	5,535	2,913		
Two years later	6,178	3,400	3,577	5,864	5,391	4,816			
Three years later	6,811	3,480	3,814	5,867	5,115				
Four years later	6,805	3,725	3,797	5,762					
Five years later	6,879	3,753	3,794						
Six years later	6,874	3,753							
Seven years later	6,874								
Current estimate of cumulative claims incurred	6,874	3,753	3,794	5,762	5,115	4,816	2,913	8,407	41,434
At end of accident year	(3,063)	(2,168)	(2,673)	(4,167)	(4,246)	(3,264)	(1,109)	(3,807)	
One year later	(5,596)	(3,253)	(3,553)	(5,081)	(4,947)	(4,419)	(2,095)		
Two years later	(5,610)	(3,360)	(3,563)	(5,466)	(5,004)	(4,481)			
Three years later	(6,805)	(3,478)	(3,802)	(5,459)	(5,004)				
Four years later	(6,805)	(3,724)	(3,782)	(5,459)					
Five years later	(6,879)	(3,752)	(3,782)						
Six years later	(6,874)	(3,752)							
Seven years later	(6,874)								
Cumulative payments to-date	(6,874)	(3,752)	(3,782)	(5,459)	(5,004)	(4,481)	(2,095)	(3,807)	(35,254)
Gross general reinsurance contract liabilities before elimination	-	1	12	303	111	335	818	4,600	6,180
Elimination/adjustment upon consolidation									(1,155)
Gross general reinsurance contract liabilities per statements of financial position (Note 14(b)(i))									5,025

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(i) General reinsurance (cont'd.)

Net general reinsurance contract liabilities for 2021:

Accident year	2014 & prior RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	Total RM'000
At end of accident year	4,999	3,891	8,731	7,136	7,031	6,389	6,521	8,325	
One year later	6,245	3,390	3,731	5,586	5,506	5,535	2,911		
Two years later	4,080	3,400	3,577	5,929	5,391	4,816			
Three years later	4,107	3,480	3,815	5,932	5,116				
Four years later	4,100	3,724	3,797	5,827					
Five years later	4,174	3,752	3,794						
Six years later	4,169	3,752							
Seven years later	4,169								
Current estimate of cumulative claims incurred	4,169	3,752	3,794	5,827	5,116	4,816	2,911	8,325	38,710
At end of accident year	(3,063)	(2,168)	(2,673)	(4,231)	(4,246)	(3,264)	(1,109)	(3,751)	
One year later	(4,054)	(3,253)	(3,553)	(5,145)	(4,947)	(4,419)	(2,093)		
Two years later	(4,068)	(3,360)	(3,563)	(5,531)	(5,004)	(4,481)			
Three years later	(4,100)	(3,478)	(3,803)	(5,524)	(5,005)				
Four years later	(4,100)	(3,723)	(3,782)	(5,524)					
Five years later	(4,174)	(3,751)	(3,782)						
Six years later	(4,169)	(3,751)							
Seven years later	(4,169)								
Cumulative payments to-date	(4,169)	(3,751)	(3,782)	(5,524)	(5,005)	(4,481)	(2,093)	(3,751)	(32,556)
Net general reinsurance contract liabilities before elimination	-	1	12	303	111	335	818	4,574	6,154
Elimination/adjustment upon consolidation									(1,155)
Net general reinsurance contract liabilities per statements of financial position (Note 14(b)(i))									4,999

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(ii) General reinsurance

Gross general insurance contract liabilities for 2022:

Accident year	2015 & prior RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	Total RM'000
At end of accident year	256,297	229,818	332,338	419,111	413,643	274,566	220,647	267,023	
One year later	207,973	190,560	321,812	395,085	412,309	271,187	185,130		
Two years later	189,658	177,779	263,327	455,939	379,695	212,062			
Three years later	185,293	171,898	255,215	458,743	345,213				
Four years later	185,029	168,754	252,764	406,809					
Five years later	183,568	169,857	246,235						
Six years later	195,596	162,048							
Seven years later	185,862								
Current estimate of cumulative claims incurred	185,862	162,048	246,235	406,809	345,213	212,062	185,130	267,023	2,010,382
At end of accident year	(57,884)	(58,917)	(85,432)	(66,383)	(80,157)	(38,898)	(24,535)	(34,478)	
One year later	(125,894)	(118,303)	(174,301)	(238,424)	(151,759)	(77,811)	(59,060)		
Two years later	(150,069)	(138,351)	(204,177)	(265,905)	(220,056)	(98,641)			
Three years later	(164,360)	(148,596)	(214,375)	(290,770)	(251,055)				
Four years later	(172,133)	(150,154)	(220,832)	(314,335)					
Five years later	(174,019)	(151,334)	(227,845)						
Six years later	(176,668)	(155,752)							
Seven years later	(177,907)								
Cumulative payments to-date	(177,907)	(155,752)	(227,845)	(314,335)	(251,055)	(98,641)	(59,060)	(34,478)	(1,319,073)
Gross general insurance contract liabilities per statements of financial position (Note 14(b)(i))	7,955	6,296	18,390	92,474	94,158	113,421	126,070	232,545	691,309

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(ii) General reinsurance (cont'd.)

Net general insurance contract liabilities for 2022:

Accident year	2015 & prior RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	Total RM'000
At end of accident year	158,569	170,009	203,874	149,367	125,932	95,228	83,453	139,060	
One year later	124,410	140,195	174,838	127,793	109,622	75,871	68,342		
Two years later	110,685	131,430	157,504	117,552	96,929	65,875			
Three years later	104,518	125,293	151,629	109,387	88,968				
Four years later	102,064	121,496	147,057	105,013					
Five years later	101,070	120,594	143,641						
Six years later	103,431	114,727							
Seven years later	99,221								
Current estimate of cumulative claims incurred	99,221	114,727	143,641	105,013	88,968	65,875	68,342	139,060	824,847
At end of accident year	(37,371)	(45,175)	(59,278)	(35,666)	(29,966)	(19,485)	(16,881)	(26,829)	
One year later	(72,798)	(85,912)	(107,969)	(72,361)	(52,725)	(34,967)	(32,824)		
Two years later	(84,626)	(100,544)	(122,450)	(81,718)	(63,020)	(43,430)			
Three years later	(91,523)	(107,374)	(128,356)	(85,447)	(70,135)				
Four years later	(93,764)	(108,601)	(130,471)	(88,706)					
Five years later	(94,845)	(109,588)	(132,702)						
Six years later	(95,710)	(110,410)							
Seven years later	(96,437)								
Cumulative payments to-date	(96,437)	(110,410)	(132,702)	(88,706)	(70,135)	(43,430)	(32,824)	(26,829)	(601,473)
Net general insurance contract liabilities before elimination	2,784	4,317	10,939	16,307	18,833	22,445	35,518	112,231	223,374
Elimination/adjustment upon consolidation									828
Net general insurance contract liabilities per statements of financial position (Note 14(a)(i))									224,202

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(ii) General reinsurance (cont'd.)

Gross general insurance contract liabilities for 2021:

Accident year	2014 & prior RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	Total RM'000
At end of accident year	246,130	256,297	229,818	332,338	419,111	413,644	274,566	220,647	
One year later	207,343	207,973	190,560	321,812	395,085	412,308	271,187		
Two years later	183,695	189,658	177,779	263,327	455,939	379,695			
Three years later	171,284	185,293	171,898	255,215	458,743				
Four years later	169,387	185,029	168,754	252,764					
Five years later	168,048	183,568	169,857						
Six years later	178,114	180,937							
Seven years later	174,751								
Current estimate of cumulative claims incurred	174,751	180,937	169,857	252,764	458,743	379,695	271,187	220,647	2,108,581
At end of accident year	(54,979)	(57,884)	(58,917)	(85,432)	(66,383)	(80,157)	(38,898)	(24,534)	
One year later	(120,315)	(125,894)	(118,303)	(174,301)	(238,424)	(151,759)	(77,811)		
Two years later	(144,298)	(150,069)	(138,351)	(204,177)	(265,904)	(220,056)			
Three years later	(153,854)	(164,360)	(148,596)	(214,375)	(290,770)				
Four years later	(157,531)	(172,133)	(150,154)	(220,832)					
Five years later	(158,839)	(174,019)	(151,334)						
Six years later	(160,093)	(174,666)							
Seven years later	(162,095)								
Cumulative payments to-date	(162,095)	(174,666)	(151,334)	(220,832)	(290,770)	(220,056)	(77,811)	(24,534)	(1,322,098)
Gross general insurance contract liabilities per statements of financial position (Note 14(a)(i))	12,656	6,271	18,523	31,932	167,973	159,639	193,376	196,113	786,483

34. Insurance risk (cont'd.)

(c) Claims development table (cont'd.)

(ii) General insurance (cont'd.)

Net general insurance contract liabilities for 2021:

Accident year	2014 & prior RM'000	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	Total RM'000
At end of accident year	144,802	158,569	170,009	203,874	149,367	125,933	95,228	83,453	
One year later	123,661	124,410	140,195	174,838	127,793	109,621	75,871		
Two years later	107,164	110,685	131,430	157,504	117,552	96,929			
Three years later	98,948	104,518	125,293	151,629	109,387				
Four years later	96,123	102,064	121,496	147,057					
Five years later	95,527	101,070	120,594						
Six years later	97,398	98,781							
Seven years later	96,206								
Current estimate of cumulative claims incurred	96,206	98,781	120,594	147,057	109,387	96,929	75,871	83,453	828,278
At end of accident year	(39,627)	(37,371)	(45,175)	(59,278)	(35,666)	(29,966)	(19,485)	(16,881)	
One year later	(73,221)	(72,798)	(85,912)	(107,969)	(72,360)	(52,726)	(34,967)		
Two years later	(84,040)	(84,626)	(100,544)	(122,450)	(81,718)	(63,020)			
Three years later	(89,070)	(91,523)	(107,374)	(128,356)	(85,447)				
Four years later	(90,375)	(93,764)	(108,601)	(130,471)					
Five years later	(91,030)	(94,845)	(109,588)						
Six years later	(91,556)	(95,171)							
Seven years later	(92,094)								
Cumulative payments to-date	(92,094)	(95,171)	(109,588)	(130,471)	(85,447)	(63,020)	(34,967)	(16,881)	(627,639)
Net general insurance contract liabilities before elimination	4,112	3,610	11,006	16,586	23,940	33,909	40,904	66,572	200,639
Elimination/adjustment upon consolidation									1,155
Net general insurance contract liabilities per statements of financial position (Note 14(a)(i))									201,794

35. **Financial instruments and insurance assets and liabilities (cont'd.)**

The following tables summarise the financial instruments (other than cash and bank balances) and insurance assets and liabilities of the Group and of the Company by categories:

Group	Amortised Cost RM'000	FVTPL RM'000	Assets under MFRS 4 RM'000	Total RM'000
Assets				
2022				
Investments	**15,328**	**667,286**	**-**	**682,614**
Reinsurance assets	**-**	**-**	**528,785**	**528,785**
Insurance receivables	**197,640**	**-**	**-**	**197,640**
Other receivables (net of prepayments and assets held under the MMIP)	**4,387**	**-**	**-**	**4,387**
Total assets	**217,355**	**667,286**	**528,785**	**1,413,426**
2021				
Investments	60,947	697,028	-	757,975
Reinsurance assets	-	-	648,007	648,007
Insurance receivables	116,594	-	-	116,594
Other receivables (net of prepayments and assets held under the MMIP)	7,647	-	-	7,647
Total assets	185,188	697,028	648,007	1,530,223

Group	Other financial liabilities RM'000	Liabilities under MFRS 4 RM'000	Total RM'000
Liabilities			
2022			
Insurance contract liabilities	**-**	**868,003**	**868,003**
Lease liabilities	**3,420**	**-**	**3,420**
Insurance payables	**100,491**	**-**	**100,491**
Other payables (net of provision for taxation and other provisions)	**69,260**	**-**	**69,260**
Total liabilities	**173,171**	**868,003**	**1,041,174**

35. Financial instruments and insurance assets and liabilities (cont'd.)

The following tables summarise the financial instruments (other than cash and bank balances) and insurance assets and liabilities of the Group and of the Company by categories: (cont'd.)

Group (cont'd.)	Other financial liabilities RM'000	Liabilities under MFRS 4 RM'000	Total RM'000
Liabilities (cont'd.)			
2021			
Insurance contract liabilities	-	911,215	911,215
Lease liabilities	4,195	-	4,195
Insurance payables	70,597	-	70,597
Other payables (net of provision for taxation and other provisions)	62,789	-	62,789
Total liabilities	137,581	911,215	1,048,796

Company	Amortised Cost RM'000	FVTPL RM'000	Total RM'000
Assets			
2022			
Investments	**-**	**47,647**	**47,647**
Other receivables (net of prepayments)	**12,924**	**-**	**12,924**
	12,924	**47,647**	**60,571**
2021			
Investments	-	63,612	63,612
Other receivables (net of prepayments)	12,692	-	12,692
	12,692	63,612	76,304

35. Financial instruments and insurance assets and liabilities (cont'd.)

The following tables summarise the financial instruments (other than cash and bank balances) and insurance assets and liabilities of the Group and of the Company by categories: (cont'd.)

Company (cont'd.)	**Other financial liabilities RM'000**
Liabilities	
2022	
Lease liabilities	**740**
Other payables	**4,007**
	4,747
2021	
Lease liabilities	2,146
Other payables	3,065
	5,211

36. Financial risks

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk primarily from net insurance receivables, reinsurance assets, investment securities, trade receivables and other receivables which are financial assets, and cash and bank balances with licensed financial institutions.

The Group has established counterparty and credit management policies that govern the credit selection and review process, as well as the insurance and reinsurance receivables collection and impairment assessment processes. These processes are regularly reviewed and monitored by the Risk Management Committee of the insurance subsidiary. For reinsurance transactions, the Group will give due consideration to retrocessionaires with rating of A- and above, by either A.M. Best or Standard & Poor's.

The maximum exposure to credit risk is normally represented by the carrying amount of each financial asset in the statements of financial position, although in the case of reinsurance receivables, it is fairly common practice for accounts to be settled on a net basis. In such cases, the maximum exposure to credit risk is expected to be limited to the extent of the amount of financial assets that has not been fully offset by financial liabilities with the same counterparty. The maximum amount recoverable from each reinsurer/retrocessionaire at any time is also dependent on the claims recoverable from such reinsurers/retrocessionaires at that point in time.

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Amounts arising from ECL

For insurance receivables, the Group applies the simplified approach in accordance with MFRS 9 Financial Instruments and measures the allowance for impairment loss based on a lifetime ECL from initial recognition.

Measurement of ECL - Explanation of inputs, assumptions and estimation techniques

The key inputs into the measurement of ECL are based on the following variables as described in Note 2.3(h):

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

The ECL is determined by projecting PD, LGD and EAD which are multiplied together and adjusted for forward-looking information.

These parameters are derived from internally developed statistical models as developed by the Group based on historical data. They are adjusted to reflect forward-looking information.

Definition of default

The Group considers a financial asset to be in default by assessing the following criteria:

Quantitative criteria

Insurance receivables are considered to be in default when the counterparty fails to make contractual payments within 12 months when they fall due, which is derived based on the Group's historical information.

Qualitative criteria

Default occurs when the counterparty is in bankruptcy or has indications of potentially significant financial difficulty such as lawsuits or similar actions that threaten the financial viability of the counterparty.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for credit risk management purposes. The default definition has been applied consistently to model the PD, LGD and EAD throughout the Group's expected loss calculations.

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information

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.

These economic variables and their associated impact on the PD, LGD and EAD vary by financial instrument. Forecasts of these economic variables (the "base economic scenario") are obtained from publicly available economic databases and provide the best estimate view of the economy over the next three to five years. The impact of these economic variables on the PD, LGD and EAD has been determined by performing statistical regression analysis to understand the impact that changes in these variables have had historically on default rates and the components of LGD and EAD.

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 considers these forecasts to represent its best estimates of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios 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 material to the Group for the years ended 31 December 2022 and 2021.

Set out below is the information about the credit risk exposure on the Group's insurance receivables using a provision matrix:

	Days past due					
	< 30 days RM'000	**31 to 60 days RM'000**	**61 to 90 days RM'000**	**91 to 180 days RM'000**	**More than 180 days RM'000**	**Total RM'000**
31 December 2022						
ECL rate	**2%**	**5%**	**7%**	**3%**	**28%**	**16%**
Gross carrying amount - insurance receivables	**28,964**	**14,097**	**10,065**	**63,636**	**118,197**	**234,959**
Allowance for ECL	**666**	**686**	**669**	**2,199**	**33,099**	**37,319**

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

	Days past due					
	< 30 days RM'000	**31 to 60 days RM'000**	**61 to 90 days RM'000**	**91 to 180 days RM'000**	**More than 180 days RM'000**	**Total RM'000**
31 December 2021						
ECL rate	4%	5%	4%	4%	57%	23%
Gross carrying amount - insurance receivables	31,176	13,584	17,050	35,529	54,417	151,756
Allowance for ECL	1,326	638	608	1,392	31,198	35,162

The following table shows the movement in gross insurance receivables and the loss allowance recognised for not credit and credit impaired receivables:

	Not credit impaired RM'000	**Credit impaired RM'000**	**Total RM'000**
Gross carrying amount			
As at 1 January 2021	101,800	38,436	140,236
Increase/(decrease)	12,037	(517)	11,520
As at 1 January 2022	113,837	37,919	151,756
Increase/(decrease)	84,154	(951)	83,203
As at 31 December 2022	197,991	36,968	234,959
Allowance for ECL			
As at 1 January 2021	8,827	26,750	35,577
(Decrease)/increase	(1,619)	1,204	(415)
As at 1 January 2022	7,208	27,954	35,162
Increase/(decrease)	2,794	(637)	2,157
As at 31 December 2022	10,002	27,317	37,319

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the maximum amount of each class of financial and reinsurance assets recognised in the statements of financial position as shown in the table below. The reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Amortised cost:				
Fixed and call deposits with licensed financial institutions	**15,267**	60,801	**-**	-
Loans receivable:				
Staff mortgage loans	**59**	144	**-**	-
Other unsecured staff loans	**2**	2	**-**	-
FVTPL financial assets:				
Debt securities	**5,016**	114,447	**-**	-
Reinsurance assets	**467,107**	584,715	**-**	-
Insurance receivables	**197,640**	116,594	**-**	-
Other receivables (net of prepayments and assets held under the MMIP)	**4,387**	7,647	**12,924**	12,692
Cash and bank balances	**41,371**	12,400	**3,002**	232
	730,849	896,750	**15,926**	12,924

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure by credit rating

The table below provides information regarding the credit risk exposures of the Group and the Company by classifying financial and reinsurance assets subject to credit risk according to the credit ratings of counterparties.

Group	AAA RM'000	AA RM'000	A RM'000	BBB and lower RM'000	Not rated RM'000	Total RM'000
2022						
Amortised cost:						
Fixed and call deposits with licensed financial institutions	6,917	6,653	-	-	1,697	15,267
Loans receivable:						
Staff mortgage loans	-	-	-	-	59	59
Other unsecured staff loans	-	-	-	-	2	2
FVTPL financial assets:						
Debt securities	5,016	-	-	-	-	5,016
Reinsurance assets ^	-	1,100	107,531	4,760	353,716	467,107
Insurance receivables ^	1,822	1,865	18,984	2,892	172,077	197,640
Other receivables (net of prepayments and assets held under the MMIP)	144	83	-	-	4,160	4,387
Cash and bank balances	33,718	2,375	6	-	5,272	41,371
	47,617	12,076	126,521	7,652	536,983	730,849

^ Reinsurance assets and insurance receivables from brokers/insurers/reinsurers licensed under the Financial Services Act 2013 and Labuan Financial Services and Securities Act 2010 are classified under the "not rated" category.

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure by credit rating (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and the Company by classifying financial and reinsurance assets subject to credit risk according to the credit ratings of counterparties. (cont'd.)

Group (cont'd.)	AAA RM'000	AA RM'000	A RM'000	BBB and lower RM'000	Not rated RM'000	Total RM'000
2021						
Amortised cost:						
Fixed and call deposits with licensed financial institutions	52,611	6,532	-	-	1,658	60,801
Loans receivable:						
Staff mortgage loans	-	-	-	-	144	144
Other unsecured staff loans	-	-	-	-	2	2
FVTPL financial assets:						
Debt securities	32,155	71,853	10,439	-	-	114,447
Reinsurance assets ^	-	1,927	134,072	8,256	440,460	584,715
Insurance receivables ^	-	1,150	18,316	27,585	69,543	116,594
Other receivables (net of prepayments and assets held under the MMIP)	134	193	-	1,769	5,551	7,647
Cash and bank balances	8,773	3,531	42	-	54	12,400
	93,673	85,186	162,869	37,610	517,412	896,750

^ Reinsurance assets and insurance receivables from brokers/insurers/reinsurers licensed under the Financial Services Act 2013 and Labuan Financial Services and Securities Act 2010 are classified under the "not rated" category.

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure by credit rating (cont'd.)

The table below provides information regarding the credit risk exposures of the Group and the Company by classifying financial and reinsurance assets subject to credit risk according to the Group's credit ratings of counterparties. (cont'd.)

Company	AAA RM'000	BBB and lower RM'000	Not rated RM'000	Total RM'000
2022				
Other receivables (net of prepayments)	**-**	**-**	**12,924**	**12,924**
Cash and bank balances	**3,002**	**-**	**-**	**3,002**
	3,002	**-**	**12,924**	**15,926**
2021				
Other receivables (net of prepayments)	-	1,769	10,923	12,692
Cash and bank balances	232	-	-	232
	232	1,769	10,923	12,924

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company is unable to meet its obligations in a timely manner at a reasonable cost at any time. The Group maintains a large tranche of liquid asset instruments, primarily bank deposits and unit trust funds, to ensure high liquidity.

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles

The tables below summarise the maturity profile of the financial and insurance assets and financial and insurance contract liabilities of the Group and the Company based on the remaining undiscounted contractual obligations, including interest receivable.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on the estimated timing of net cash outflows of recognised insurance liabilities. Unearned premiums and reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

Group	Carrying value RM'000	Less than 1 year RM'000	Over 1-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
2022						
Amortised cost:						
Fixed and call deposits with licensed financial institutions	15,267	15,267	-	-	-	15,267
Loans receivable:						
Staff mortgage loans	59	-	-	59	-	59
Other unsecured staff loans	2	2	-	-	-	2
FVTPL:						
Unit trust funds	662,270	-	-	-	662,270	662,270
Debt securities	5,016	134	5,538	-	-	5,672
Reinsurance assets	467,107	244,279	219,794	3,034	-	467,107
Insurance receivables	197,640	197,640	-	-	-	197,640

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

Group (cont'd.)	Carrying value RM'000	Less than 1 year RM'000	Over 1-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
2022 (cont'd.)						
Other receivables (net of prepayments and assets held under the MMIP)	**4,387**	**4,387**	**-**	**-**	**-**	**4,387**
Cash and bank balances	**41,371**	**41,371**	**-**	**-**	**-**	**41,371**
Total financial and insurance assets	**1,393,119**	**503,080**	**225,332**	**3,093**	**662,270**	**1,393,775**
Insurance contract liabilities	**702,621**	**384,242**	**312,649**	**5,730**	**-**	**702,621**
Lease liabilities	**3,420**	**365**	**2,802**	**335**	**-**	**3,502**
Insurance payables	**100,491**	**100,491**	**-**	**-**	**-**	**100,491**
Other payables (net of provision for taxation and other provisions)	**69,260**	**69,005**	**-**	**255**	**-**	**69,260**
Total financial and insurance liabilities	**875,792**	**554,103**	**315,451**	**6,320**	**-**	**875,874**
Liquidity surplus/(deficit)	**517,327**	**(51,023)**	**(90,119)**	**(3,227)**	**662,270**	**517,901**
2021						
Amortised cost:						
Fixed and call deposits with licensed financial institutions	60,801	60,940	-	-	-	60,940
Loans receivable:						
Staff mortgage loans	144	-	-	144	-	144
Other unsecured staff loans	2	2	-	-	-	2

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

Group (cont'd.)	Carrying value RM'000	Less than 1 year RM'000	Over 1-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
2021 (cont'd.)						
FVTPL:						
Unit trust funds	582,581	-	-	-	582,581	582,581
Debt securities	114,447	18,778	38,419	88,362	-	145,559
Reinsurance assets	584,715	322,986	256,296	5,433	-	584,715
Insurance receivables	116,594	116,594	-	-	-	116,594
Other receivables (net of prepayments and assets held under the MMIP)	7,647	7,647	-	-	-	7,647
Cash and bank balances	12,400	12,400	-	-	-	12,400
Total financial and insurance assets	1,479,331	539,347	294,715	93,939	582,581	1,510,582
Insurance contract liabilities	791,508	443,874	340,007	7,627	-	791,508
Lease liabilities	4,195	725	3,460	290	-	4,475
Insurance payables	70,597	70,597	-	-	-	70,597
Other payables (net of provision for taxation and other provisions)	62,789	62,549	-	240	-	62,789
Total financial and insurance liabilities	929,089	577,745	343,467	8,157	-	929,369
Liquidity surplus/(deficit)	550,242	(38,398)	(48,752)	85,782	582,581	581,213

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

Company	Carrying value RM'000	Less than 1 year RM'000	Over 1-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
2022						
FVTPL:						
Unit trust funds	**47,647**	**-**	**-**	**-**	**47,647**	**47,647**
Other receivables (net of prepayments)	**12,924**	**12,924**	**-**	**-**	**-**	**12,924**
Cash and bank balances	**3,002**	**3,002**	**-**	**-**	**-**	**3,002**
Total financial assets	**63,573**	**15,926**	**-**	**-**	**47,647**	**63,573**
Lease liabilities	**740**	**298**	**473**	**-**	**-**	**771**
Other payables (net of provision for taxation)	**4,007**	**4,007**	**-**	**-**	**-**	**4,007**
Total financial liabilities	**4,747**	**4,305**	**473**	**-**	**-**	**4,778**
Liquidity surplus/(deficit)	**58,826**	**11,621**	**(473)**	**-**	**47,647**	**58,795**
2021						
FVTPL:						
Unit trust funds	63,612	-	-	-	63,612	63,612
Other receivables (net of prepayments)	12,692	12,692	-	-	-	12,692
Cash and bank balances	232	232	-	-	-	232
Total financial assets	76,536	12,924	-	-	63,612	76,536

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

Company	Carrying value RM'000	Less than 1 year RM'000	Over 1-5 years RM'000	Over 5 years RM'000	No maturity date RM'000	Total RM'000
2021						
Lease liabilities	2,146	1,794	436	-	-	2,230
Other payables (net of provision for taxation)	3,065	3,065	-	-	-	3,065
Total financial liabilities	5,211	4,859	436	-	-	5,295
Liquidity surplus/(deficit)	71,325	8,065	(436)	-	63,612	71,241

(c) Market risk

Market risk arises with changes in prices of unit trust funds and bond prices. This risk is mitigated through regular review on the performance of unit trust funds, proper initial and continuous credit evaluation of bonds, purchase of high grade shares and bonds, and constant watch on the investment portfolio for adverse changes and opportunities.

Fund managers' performance are monitored constantly and parameters are prescribed to fund managers according to the Group's risk appetite on investments in unit trust funds, collective investment schemes and bonds, by placing limits on categories of purchase.

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Price risk

Management's best estimate of the effect on the net profit for the year and equity due to a reasonably possible change in the Net Asset Value ("NAV") with all other variables held constant is indicated in the table below:

		Group		Company	
		Increase/(decrease)		Increase/(decrease)	
	Change in NAV %	* Effect on net profit for the year RM'000	* Effect on equity RM'000	* Effect on net profit for the year RM'000	* Effect on equity RM'000
2022					
Market indices:					
NAV	**+10**	**52,999**	**52,999**	**3,621**	**3,621**
NAV	**-10**	**(52,999)**	**(52,999)**	**(3,621)**	**(3,621)**
2021					
Market indices:					
NAV	+10	47,334	47,334	4,835	4,835
NAV	-10	(47,334)	(47,334)	(4,835)	(4,835)

* Impact is net of tax rates enacted at reporting date.

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Interest rate risk

The Group's exposure to interest rate risk arises primarily from investments in interest-bearing investments classified as FVTPL. The interest and capital value may be affected by changes in the interest yield curve. The Group has an investment policy that investments are made at competitive interest rates.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit or loss and impact on equity. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate yield 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. During the current financial year, the method used for deriving sensitivity information did not change from the previous period.

Sensitivity analysis:

		Group	
		(Decrease)/Increase	
	Changes in basis points	* Effect on net profit for the year RM'000	* Effect on equity RM'000
2022			
Interest-bearing investments:			
FVTPL	**+ 200 bps**	**(9)**	**(9)**
FVTPL	**- 200 bps**	**9**	**9**
2021			
Interest-bearing investments:			
FVTPL	+ 200 bps	(307)	(307)
FVTPL	- 200 bps	307	307

* Impact is net of tax of 24% (2021: 24%)

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's and the Company's exposure to foreign currencies are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Insurance receivables:		
Thai Baht	**7,963**	6,500
United States Dollar	**21,545**	40,188
Philippines Peso	**5,667**	3,379
Indonesian Rupiah	**1,144**	615
Singapore Dollar	**2,527**	765
China Yuen Renminbi	**619**	641
Indian Rupee	**710**	1,553
Australia Dollar	**583**	407
Japanese Yen	**189**	147
Hong Kong Dollar	**76**	34
Vietnam Dong	**8,481**	61
Other currencies	**238**	170
	49,742	54,460
Cash and bank balances:		
United States Dollar	**14,069**	6,461
Thai Baht	**19**	18
Indonesian Rupiah	**65**	70
	14,153	6,549
Investments:		
United States Dollar	**13,017**	12,138
Other receivables:		
United States Dollar	**197**	2,995

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Foreign currency risk (cont'd.)

	Group	
	2022 RM'000	**2021 RM'000**
Insurance contract liabilities:		
Thai Baht	**(877)**	(209)
Philippines Peso	**(332)**	(7)
United States Dollar	**(1,599)**	(2,122)
Australia Dollar	**(103)**	(1)
Japanese Yen	**(34)**	(1)
Singapore Dollar	**(302)**	(38)
Indonesian Rupiah	**(144)**	(13)
Vietnam Dong	**(3,349)**	(13)
Other currencies	**(92)**	(2)
	(6,832)	(2,406)
Insurance payables:		
China Yuen Renminbi	**(11)**	(11)
Hong Kong Dollar	**(125)**	(125)
United States Dollar	**(1,491)**	(3,857)
Other currencies	**(89)**	8
	(1,716)	(3,985)
Other payables:		
United States Dollar	**(20,398)**	(27,285)
Vietnam Dong	**(1,381)**	-
	(21,779)	(27,285)

	Company	
	2022 RM'000	**2021 RM'000**
Cash and bank balances:		
United States Dollar	**965**	98
Indonesian Rupiah	**24**	32
	989	130

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Foreign currency risk (cont'd.)

Sensitivity analysis:

A 5% strengthening/weakening of the Ringgit Malaysia against the foreign currencies as at the end of 31 December 2022 would have decreased/increased net loss/profit of the Group and the Company by approximately RM3,428,000 and RM49,000 respectively (2021: RM3,488,000 and RM7,000 respectively). This assumes that all other variables remain constant.

(d) Operational risk

A good internal control framework, compliance to regulatory guidelines and observance of best practices enable the Group and the Company to mitigate operational risks. Internal audit plan and risk-based audits coupled with periodic reviews on compliance to policies and procedures provide assurance that the Group and the Company have the best processes in a controlled environment.

37. Fair value measurement

MFRS 7 Financial Instruments: Disclosures ("MFRS 7") requires the classification of financial instruments measured at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. MFRS 13 Fair Value Measurement requires similar disclosure requirements as MFRS 7 but extends to include all assets and liabilities measured at fair value and/or for which fair values are disclosed.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assesing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

37. Fair value measurement (cont'd.)

The following table provides an analysis of assets measured and/or disclosed at fair value on a recurring basis in accordance with the fair value hierarchy:

	Date of valuation	Valuation technique using: Quoted market price (Level 1) RM'000	Observable inputs (Level 2) RM'000	Unobservable inputs (Level 3) RM'000	Total RM'000
Group					
Assets measured at fair value:					
2022					
Financial assets at FVTPL:					
Unquoted debt securities in Malaysia	**31 December 2022**	**-**	**5,016**	**-**	**5,016**
Quoted unit trust funds in Malaysia	**31 December 2022**	**662,270**	**-**	**-**	**662,270**
		662,270	**5,016**	**-**	**667,286**
2021					
Financial assets at FVTPL:					
Unquoted debt securities in Malaysia	31 December 2021	-	114,447	-	114,447
Quoted unit trust funds in Malaysia	31 December 2021	582,581	-	-	582,581
		582,581	114,447	-	697,028

37. Fair value measurement (cont'd.)

The following table provides an analysis of assets measured and/or disclosed at fair value on a recurring basis in accordance with the fair value hierarchy: (cont'd.)

		Valuation technique using			
	Date of valuation	Quoted market price (Level 1) RM'000	Observable inputs (Level 2) RM'000	Un-observable inputs (Level 3) RM'000	Total RM'000
Company					
Assets measured at fair value:					
2022					
Financial assets at FVTPL:					
Quoted unit trust funds in Malaysia	**31 December 2022**	**47,647**	**-**	**-**	**47,647**
2021					
Financial assets at FVTPL:					
Quoted unit trust funds in Malaysia	31 December 2021	63,612	-	-	63,612

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the current and previous financial years. There were also no transfers in and out of Level 3 of the fair value hierarchy. The only movement involving financial assets classified at Level 3 of the fair value hierarchy relates to the unquoted equity securities in the previous financial year which is disclosed in Note 9(b).

Determination of fair value and fair value hierarchy

The fair values of the Group's and the Company's assets which are carried at fair value or for which fair value is disclosed, are determined as follows:

(i) The fair values of unquoted corporate bonds are determined by reference to Bond Pricing Agency Malaysia.
(ii) The fair value of investment in unit trust funds is determined by reference to published net asset values.

38. Segmental information

The Group is organised into four major business segments, investment holding and others, funds managed through collective investment schemes, general reinsurance, and general insurance business. The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business based on negotiated and mutual terms.

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
For the year ended 31 December 2022						
Operating revenue						
External	1,242	3,992	93,085	431,190	-	529,509
Inter-segment	26,970	-	4,943	1,549	(33,462)	-
	28,212	3,992	98,028	432,739	(33,462)	529,509
Results						
Gross earned premiums	-	-	94,260	421,059	(4,943)	510,376
Premiums ceded to reinsurers	-	-	(1,780)	(216,232)	4,943	(213,069)
Net earned premiums	-	-	92,480	204,827	-	297,307
Investment income	28,212	3,992	3,768	11,680	(28,519)	19,133
Realised gains and losses	(525)	(3,136)	(2,278)	(15,182)	473	(20,648)
Fair value gains/(losses)	205	-	(1,758)	2,883	698	2,028
Fees and commission income	-	-	107	26,736	(1,582)	25,261
Other operating income	22,066	-	1,772	3,358	(23,298)	3,898
Other revenue	49,958	856	1,611	29,475	(52,228)	29,672

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
For the year ended 31 December 2022 (cont'd.)						
Results (cont'd.)						
Gross claims paid	-	-	(6,765)	(157,067)	347	(163,485)
Claims ceded to reinsurers	-	-	86	91,678	(347)	91,417
Gross changes to contract liabilities	-	-	(5,960)	95,174	(90)	89,124
Change in contract liabilities ceded to reinsurers	-	-	(26)	(117,909)	90	(117,845)
Net claims	-	-	(12,665)	(88,124)	-	(100,789)
Fee and commission expense	-	-	(37,275)	(60,079)	1,582	(95,772)
Management expenses	(54,785)	(262)	(33,549)	(85,903)	25,989	(148,510)
Other operating expenses	(19)	-	(661)	(111)	-	(791)
Finance costs	(85)	-	(6)	(167)	53	(205)
Other expenses	(54,889)	(262)	(71,491)	(146,260)	27,624	(245,278)
Share of results of an associate	-	-	-	-	(14,806)	(14,806)
Share of results of a joint venture company	-	-	-	-	153	153
(Loss)/profit before taxation	(4,931)	594	9,935	(82)	(39,257)	(33,741)
Taxation	(307)	-	(298)	185	-	(420)
Net (loss)/profit for the year	(5,238)	594	9,637	103	(39,257)	(34,161)

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
For the year ended 31 December 2021						
Operating revenue						
External	1,614	7,556	98,875	326,671	-	434,716
Inter-segment	24,371	-	2,014	2,701	(29,086)	-
	25,985	7,556	100,889	329,372	(29,086)	434,716
Results						
Gross earned premiums	-	-	96,223	318,062	(2,014)	412,271
Premiums ceded to reinsurers	-	-	(7,366)	(210,114)	2,014	(215,466)
Net earned premiums	-	-	88,857	107,948	-	196,805
Investment income	25,985	7,556	4,666	11,310	(27,072)	22,445
Realised gains and losses	1,024	(57)	514	(575)	(1,590)	(684)
Fair value gains/(losses)	(2,237)	(12,720)	(5,436)	(15,750)	7,092	(29,051)
Fees and commission income	-	-	375	22,032	(574)	21,833
Other operating income	15,121	-	184	2,366	(16,253)	1,418
Other revenue	39,893	(5,221)	303	19,383	(38,397)	15,961

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
For the year ended 31 December 2021 (cont'd.)						
Results (cont'd.)						
Gross claims paid	-	-	(4,855)	(166,896)	106	(171,645)
Claims ceded to reinsurers	-	-	57	116,544	(106)	116,495
Gross changes to contract liabilities	-	-	1,159	(13,221)	(400)	(12,462)
Change in contract liabilities ceded to reinsurers	-	-	26	29,289	400	29,715
Net claims	-	-	(3,613)	(34,284)	-	(37,897)
Fee and commission expense	-	-	(26,659)	(28,703)	574	(54,788)
Management expenses	(34,674)	(465)	(42,285)	(63,209)	15,841	(124,792)
Other operating expenses	-	-	(132)	(101)	-	(233)
Finance costs	(186)	-	(10)	(226)	124	(298)
Other expenses	(34,860)	(465)	(69,086)	(92,239)	16,539	(180,111)
Share of results of an associate	-	-	-	-	(9,733)	(9,733)
Share of results of a joint venture company	-	-	-	-	192	192
Profit/(loss) before taxation	5,033	(5,686)	16,461	808	(31,399)	(14,783)
Taxation	(66)	-	(488)	(2,885)	-	(3,439)
Net profit/(loss) for the year	4,967	(5,686)	15,973	(2,077)	(31,399)	(18,222)

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
As at 31 December 2022						
Assets						
Property and equipment	1,289	-	104	2,535	-	3,928
Intangible assets	7,659	-	1,351	20,299	(262)	29,047
Right-of-use assets	736	-	31	2,711	(205)	3,273
Investments in subsidiaries	199,129	-	-	-	(199,129)	-
Investment in an associate	40,955	-	-	-	(5,107)	35,848
Investment in a joint venture company	433	-	-	-	1,612	2,045
Goodwill	-	-	-	-	24,165	24,165
Investments	59,160	790	126,990	496,396	(722)	682,614
Deferred tax assets	-	-	-	2,099	-	2,099
Reinsurance assets	-	-	19	530,035	(1,269)	528,785
Insurance receivables	-	-	41,494	158,330	(2,184)	197,640
Other receivables	16,487	-	412	45,684	(16,195)	46,388
Tax recoverable	8	-	-	28,142	-	28,150
Cash and bank balances	3,651	582	14,447	17,486	5,205	41,371
Total assets	329,507	1,372	184,848	1,303,717	(194,091)	1,625,353

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
As at 31 December 2022 (cont'd.)						
Equity						
Share capital	278,623	4,551	10,000	103,348	(148,003)	248,519
Foreign currency translation reserve	-	-	-	-	9,603	9,603
Other comprehensive income reserve	-	-	-	-	199	199
Other reserve	-	-	-	-	343	343
Retained earnings	35,476	(3,201)	125,598	199,246	(92,873)	264,246
Equity attributable to owners of the parent	314,099	1,350	135,598	302,594	(230,731)	522,910
Non-controlling interests	-	-	-	-	51,279	51,279
Total equity	314,099	1,350	135,598	302,594	(179,452)	574,189
Liabilities						
Insurance contract liabilities	-	-	18,408	850,864	(1,269)	868,003
Lease liabilities	762	-	33	2,845	(220)	3,420
Insurance payables	-	-	3,283	99,392	(2,184)	100,491
Other payables	14,646	22	27,526	48,022	(10,966)	79,250
Total liabilities	15,408	22	49,250	1,001,123	(14,639)	1,051,164
Total equity and liabilities	329,507	1,372	184,848	1,303,717	(194,091)	1,625,353

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
As at 31 December 2021						
Assets						
Property and equipment	936	-	160	2,881	-	3,977
Intangible assets	5,933	-	1,646	12,528	(468)	19,639
Right-of-use assets	2,183	-	145	3,070	(1,426)	3,972
Investments in subsidiaries	181,588	-	-	-	(181,588)	-
Investment in an associate	40,955	-	-	-	8,808	49,763
Investment in a joint venture company	433	-	-	-	5,445	5,878
Goodwill	-	-	-	-	24,165	24,165
Investments	63,719	115,204	145,601	493,341	(59,890)	757,975
Deferred tax assets	-	-	-	1,993	-	1,993
Reinsurance assets	-	-	34	649,331	(1,358)	648,007
Insurance receivables	-	-	42,427	75,636	(1,469)	116,594
Other receivables	16,019	-	341	49,367	(12,459)	53,268
Tax recoverable	103	-	16	28,223	-	28,342
Cash and bank balances	1,648	161	6,931	3,660	-	12,400
Total assets	313,517	115,365	197,301	1,320,030	(220,240)	1,725,973

38. Segmental information (cont'd.)

	Investment holding and others RM'000	Collective investment schemes RM'000	General reinsurance business RM'000	General insurance business RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
As at 31 December 2021 (cont'd.)						
Equity						
Share capital	258,623	111,158	10,000	103,348	(234,610)	248,519
Employee share option reserves	2,887	-	-	-	-	2,887
Foreign currency translation reserve	-	-	-	-	10,097	10,097
OCI reserve	-	-	-	-	(47)	(47)
Other reserve	-	-	-	-	220	220
Retained earnings	40,714	4,142	139,961	199,143	(85,321)	298,639
Equity attributable to owners of the parent	302,224	115,300	149,961	302,491	(309,661)	560,315
Non-controlling interests	-	-	-	-	106,046	106,046
Total equity	302,224	115,300	149,961	302,491	(203,615)	666,361
Liabilities						
Insurance contract liabilities	-	-	7,223	905,350	(1,358)	911,215
Lease liabilities	2,292	-	151	3,253	(1,501)	4,195
Deferred tax liabilities	-	-	-	161	-	161
Insurance payables	-	-	4,838	67,228	(1,469)	70,597
Other payables	9,001	65	35,128	41,547	(12,297)	73,444
Total liabilities	11,293	65	47,340	1,017,539	(16,625)	1,059,612
Total equity and liabilities	313,517	115,365	197,301	1,320,030	(220,240)	1,725,973

39. Capital management

The Group's capital management objective is to ensure that the Group creates value for its shareholders while minimising the potential adverse effects on the performance of the Group.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years 31 December 2022 and 2021.

The Company is not subject to any externally imposed capital requirements.

TPR is required to comply with the capital requirements stipulated under the Guidelines on application for Licence - Insurance and Insurance Related Activities ("the Guideline"), as issued by the Labuan Financial Services Authority. Similarly, TIMB is required to meet the minimum capital adequacy requirements as prescribed by the RBC Framework. The status of compliance of these subsidiaries with the Guideline and RBC Framework above are disclosed in Note 32.

40. Significant and subsequent events

(a) Update to the Malaysian Competition Commission ("MyCC")'s Proposed Decision against PIAM and its 22 members

On 22 February 2017, the general insurance subsidiary, TIMB received a notice from the Malaysia Competition Commission ("MyCC") concerning a proposed decision ("proposed decision") which found that TIMB and 21 other general insurance companies in Malaysia who are all members of the General Insurance Association of Malaysia ("PIAM") had infringed one of the prohibitions under the Competitions Act 2010 ("CA") in Malaysia, pursuant to its investigation outcome in respect of the agreement entered into between PIAM and the Federation of Automobile Workshop Owners' Association of Malaysia ("FAWOAM") concerning the cap on the parts trade discount rates and minimum agreed labour rates payable by the insurers to the PIAM Approved Repairer's Scheme workshops. These rates were subsequently approved and adopted by PIAM members, including TIMB.

Subsequent to MyCC's issuance of its proposed decision, PIAM and its 22 members, including TIMB, were given the opportunity to make written representations in their defence and TIMB had on 5 April 2017 filed in its written representations with MyCC. TIMB's oral representations were presented before MyCC on 29 January 2018.

40. Significant and subsequent events (cont'd.)

(a) Update to the Malaysian Competition Commission ("MyCC")'s Proposed Decision against PIAM and its 22 members (cont'd.)

Subsequently, TIMB received a notice from MyCC informing TIMB of its decision dated 14 September 2020, wherein they have found that TIMB and 21 other members of PIAM had infringed Section 4 of the CA ("Decision").

The MyCC in its Decision, had imposed a financial penalty of RM2,571,078 only on the part of TIMB and a consolidated amount of RM130,241,475 on all 22 members of PIAM, net of a 25% reduction granted on the final penalties after taking into consideration the economic impact arising from the COVID-19 pandemic. The MyCC had also granted the parties a moratorium period of six (6) months up to 24 March 2021 to pay the financial penalty imposed. The MyCC had also allowed the parties, including TIMB, to pay the financial penalty imposed by way of up to six (6) equal monthly instalments.

The MyCC had also directed TIMB to cease implementing the agreed parts trade discount and the hourly labour rate previously agreed upon with the workshops with immediate effect ("Cease and Desist Order"). All future parts trade discount rate and future hourly labour rates with the workshops would be negotiated independently.

TIMB, in consultation with their legal counsel, is of the view that TIMB has not infringed Section 4 of the CA and has taken all necessary and appropriate actions to defend its position. Accordingly, TIMB has not made any provision, and has continued to disclose the matter as an on-going litigation until further development.

TIMB had filed its Notice of Appeal with the Competition Appeal Tribunal ("CAT") pursuant to Section 51 of the CA and had filed an application for a stay of the financial penalty with the CAT pursuant to Section 53 of the CA on 13 October 2020 and 14 October 2020 respectively.

On 23 March 2021, the CAT allowed TIMB's application for a stay of the financial penalty. The CAT has also stayed the Cease and Desist Order.

On 2 September 2022, TIMB and the other general insurance companies succeeded in their appeal to the CAT ("Appeal Decision").

MyCC applied for leave to apply for judicial review of the Kuala Lumpur High Court Decision ("Application"). TIMB and the other general insurance companies filed their affidavits on 03 January 2023 to oppose the Application. Hearing of the Application is fixed on 8 May 2023 at the Kuala Lumpur High Court.

40. Significant and subsequent events (cont'd.)

(b) Tax dispute with the Lembaga Hasil Dalam Negeri ("LHDN")

On 20 December 2018, TIMB received Notice of Additional Assessment (Form JA) from the Lembaga Hasil Dalam Negeri ("LHDN") in respect of Years of Assessment ("YA") 2013 to 2015, wherein a sum of RM11.1 million of additional taxes and penalties was sought by the LHDN.

TIMB is of the view given legal advice received that out of the RM11.1 million of additional taxes and penalties levied by the LHDN, RM10.7 million, being the disputed additional tax and penalties, is open to challenge and has hence, engaged tax solicitors to assist in challenging the said disputed additional tax and penalties imposed by the LHDN.

On 11 January 2019, TIMB filed an Affidavit to the High Court of Malaya ("High Court") to apply for a judicial review against LHDN's assessments. On 23 May 2019, the High Court granted TIMB's application for judicial review with cost of RM5,000. The High Court ordered for the Notice of Assessment from LHDN to be amended to allow the deduction of PRAD expenses and dismissed the penalty imposed in relation to this issue. The High Court also ordered a stay of proceedings against the payment of taxes on the other additional taxes and penalties levied by LHDN until the determination of the appeal before the Special Commissioners of Income Tax ("SCIT").

On 11 June 2019, LHDN file a Notice of Appeal against the decision of the High Court. The appeal was subsequently withdrawn and a consent order was entered at the Court of Appeal on 13 November 2020 stating:

(a) The PRAD expenses are allowed for deduction for income tax purposes;

(b) LHDN will issue the Notices of Reduced Assessment for the Years of Assessment 2013, 2014 and 2015 within 90 days of the date of the order;

(c) The consent order applies only to this case;

(d) The High Court order dated 23 May 2019 is affirmed; and

(e) No order as to cost.

With this, the total amount currently on appeal before the SCIT is RM3.8 million.

The matter is fixed for mention on 18 May 2023.

TIMB had not recognised any liability in respect of the disputed additional tax and penalties, pending further developments of the appeal before the SCIT, as TIMB believes that there are strong grounds to argue their case, based on legal advice received.

40. Significant and subsequent events (cont'd.)

(c) Litigation between TIPCL with a foreign reinsurance broker (the "Broker")

On 25 November 2022, TIPCL, a 49% owned associate company of the Company, commenced legal proceedings against the Broker and its director in the courts of Thailand.

On 14 August 2020, the Broker issued a reinsurance slip wherein three foreign insurers ("Three Reinsurers") would provide reinsurance to TIPCL to allow TIPCL to facilitate an insurance policy. Subsequently, TIPCL was informed that the sole reinsurer of this insurance arrangement was in fact another reinsurer which was not aligned with TIPCL's internal guidelines.

Matter is fixed for pre-trial case management on 21 April 2023.

As at 31 December 2022, net impairment impact to the Group's 49% share of results in TIPCL was RM7.9 million (2021: RM4.8 million).

(d) Bank Negara Malaysia ("BNM") approval granted to TPV

On 10 January 2023, BNM granted its approval to TPV to commence testing of SME EZY, which is an employee benefits life insurance comprising Group Term Life, Group Hospitalisation and Surgical and Group Outpatient Clinical Benefit for Small Medium Enterprise ("SME"), in the BNM financial technology regulatory sandbox ("the Approval").

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

SHARE CAPITAL

Number of issued shares	:	751,759,980 ordinary shares
Issued share capital	:	RM248,518,780
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	Total Holdings	%
Less than 100 shares	129	1.30	1,680	0.00
100 – 1,000 shares	1,079	10.85	729,540	0.10
1,001 – 10,000 shares	4,616	46.43	26,345,220	3.50
10,001 – 100,000 shares	3,491	35.12	122,704,183	16.32
100,001 – to less than 5% of issued shares	622	6.26	313,682,300	41.73
5% and above of issued shares	4	0.04	288,297,057	38.35
Total	**9,941**	**100.00**	**751,759,980**	**100.00**

DIRECTORS' AND GROUP CHIEF EXECUTIVE OFFICER'S ("GROUP CEO") INTERESTS

The interests of the Directors of Tune Protect Group Berhad ("the Company") in the ordinary shares and options over ordinary shares of the Company and its related corporation based on the Company's Register of Directors' Shareholdings as well as the interests of the Group CEO in the Company are as follows:

		Direct		Deemed		
No.	Name	No. of Ordinary Shares Held in the Company	%	No. of Ordinary Shares Held in the Company	%	No. of Unexercised LTIP Options of the Company
	Directors					
1.	Dato' Mohamed Khadar bin Merican	-	-	-	-	-
2.	Tan Ming-Li	-	-	-	-	-
3.	Mohamed Rashdi bin Mohamed Ghazalli	-	-	-	-	-
4.	Aireen Omar	600,000	0.08	-	-	-
5.	Kelvin Desmond Malayapillay	-	-	-	-	-
6.	Dr Grace Lee Hwee Ling	-	-	-	-	-
	Group CEO					
1.	Rohit Chandrasekharan Nambiar	1,143,000	0.15	-	-	3,758,800

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2023

SUBSTANTIAL SHAREHOLDERS

		Direct		Deemed		
No.	Name of Shareholders	No. of Ordinary Shares Held	%	No. of Ordinary Shares Held	%	Note
1.	AirAsia Digital Sdn. Bhd.	102,609,000	13.65	-	-	-
2.	Tune Group Sdn. Bhd.	118,563,150	15.77	-	-	-
3.	Tan Sri Anthony Francis Fernandes	100,000	0.01	221,172,150	29.42	(i)
4.	Datuk Kamarudin bin Meranun	163,900	0.02	221,172,150	29.42	(i)
5.	CIMB SI II Sdn. Bhd.	70,679,123	9.40	-	-	-
6.	CIMB Group Sdn. Bhd.	-	-	70,679,123	9.40	(ii)
7.	CIMB Group Holdings Berhad	-	-	70,679,123	9.40	(ii)

Notes:
(i) Deemed interested by virtue of his interest in AirAsia Digital Sdn. Bhd. (102,609,000 shares) and Tune Group Sdn. Bhd. (118,563,150 shares) pursuant to Section 8 of the Companies Act 2016.
(ii) Deemed interested by virtue of the shareholder's interest in CIMB SI II Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY LARGEST ORDINARY SHAREHOLDERS OF THE COMPANY

No.	Registered Holders	No. of Ordinary Shares	%
1.	AirAsia Digital Sdn. Bhd.	102,609,000	13.65
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. RHB Islamic Bank Berhad Pledged Securities Account for Tune Group Sdn. Bhd.	71,008,934	9.45
3.	CIMB SI II Sdn. Bhd.	70,679,123	9.40
4.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (GCM CBM-SKY X)	44,000,000	5.85
5.	Cartaban Nominees (Asing) Sdn. Bhd. BNYM SA/NV for ES River and Mercantile Global Recovery Fund	15,904,030	2.12
6.	Universal Trustee (Malaysia) Berhad KAF Tactical Fund	10,123,500	1.35
7.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. for Manulife Investment Progress Fund (4082)	7,958,600	1.06
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt AN for Areca Capital Sdn. Bhd. (Clients' Account)	6,805,000	0.91
9.	Cartaban Nominees (Tempatan) Sdn. Bhd. RHB Trustees Berhad for KAF Vision Fund	6,597,500	0.88
10.	Universal Trustee (Malaysia) Berhad KAF Core Income Fund	6,240,600	0.83
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Areca Dividend Income Fund (412723)	5,930,000	0.79
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. Tanjung Panorama Sdn. Bhd.	5,544,100	0.74
13.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for Bank of Singapore Limited (Foreign)	5,075,000	0.68

ANALYSIS OF SHAREHOLDINGS

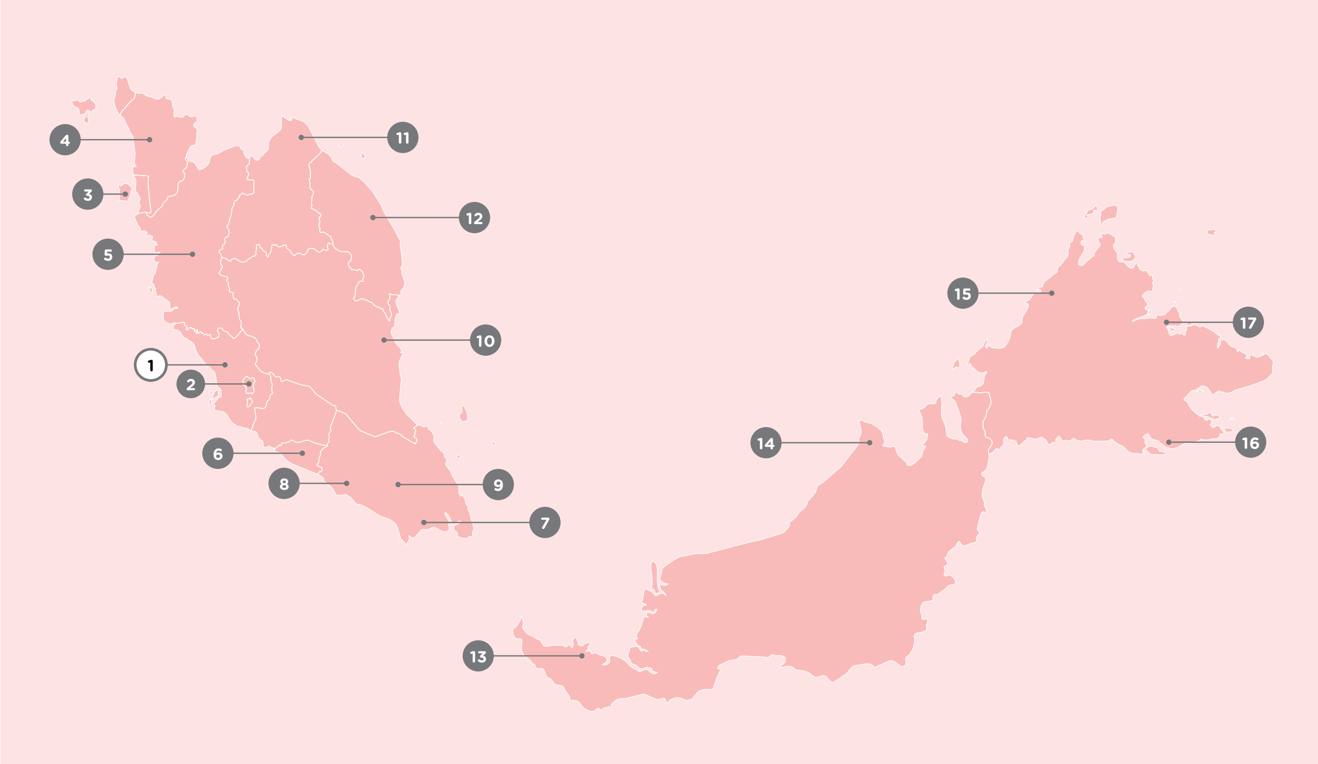
As at 31 March 2023

THIRTY LARGEST ORDINARY SHAREHOLDERS OF THE COMPANY (CONT'D.)

No.	Registered Holders	No. of Ordinary Shares	%
14.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	3,750,000	0.50
15.	UOBM Nominees (Tempatan) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Aggressive Fund	3,708,200	0.49
16.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Areca Equity Growth Fund (427458)	3,620,000	0.48
17.	CIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (EDG&GCM)	3,480,000	0.46
18.	Zakaria bin Meranun	3,473,900	0.46
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Tiing Uh	3,146,000	0.42
20.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee Chee Chiang (8073610)	3,122,700	0.42
21.	Chai Hooi Teing	3,050,000	0.41
22.	Lim Kok Seong	3,000,000	0.40
23.	KAF Trustee Berhad KIFB for Lagmuir Holdings Ltd.	2,662,300	0.35
24.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loo Kee Seng	2,623,900	0.35
25.	Cartaban Nominees (Asing) Sdn. Bhd. BNYM SA/NV for River and Mercantile Global Recovery Fund	2,500,000	0.33
26.	Tee Kok Chuan	2,428,300	0.32
27.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teow Chee Keong	2,300,000	0.31
28.	Siaw Wei Tang	2,250,000	0.30
29.	Gan Tuan Boon	2,100,000	0.28
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. Lim Kok Khong (AA0039387)	2,000,000	0.27

LIST OF BRANCHES & OVERSEAS VENTURES

TUNE PROTECT MALAYSIA'S BRANCHES



Customer Service Centre

ADDRESS
Level 8, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

PHONE
Customer Service Hotline
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Monday – Thursday
9:00AM – 5:00PM (GMT +8)
Friday
9:00AM – 4:30PM (GMT+8)

24/7 Emergency Assistance
1800 22 8863
(Auto Emergency Assist)

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(Travel Emergency Assistance)

EMAIL
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  (for AirAsia Travel Protection related enquiries only)

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   Phone : +603 2087 9000
   Email : **hello.my@tuneprotect.com**
   Website : **www.tuneprotect.com/my**

2. **Bukit Jalil (Flagship Lifestyle Branch)**
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   +603 5510 3730
   Mobile : +6018 233 6062

3. **Penang**
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   Bayan Bay,
   11900 Bayan Lepas, Penang
   Phone : +604 643 0288
   +604 641 2388
   Mobile : +6018 662 8888

4. **Alor Setar**
   No. 216-A, Ground Floor,
   Jalan PSK 6, Off Jalan Simpang Kuala,
   Pekan Simpang Kuala,
   05400 Alor Setar,
   Kedah Darul Aman
   Phone : +604 771 1988
   +604 771 9089
   Mobile : +6019 889 9400

5. **Ipoh**
   Ground & 1st Floor,
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   Bandar Ipoh Raya,
   30000 Ipoh,
   Perak Darul Ridzuan
   Phone : +605 254 3305
   +605 254 1239
   Mobile : +6012 521 1197

6. **Melaka**
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   Taman Melaka Raya,
   75000 Melaka
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   +606 283 3109
   Mobile : +6016 212 5113

LIST OF BRANCHES & OVERSEAS VENTURES

7. Johor Bahru
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8. Batu Pahat
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+607 431 3752
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9. Kluang
No. 53, 1st & 2nd Floor,
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86000 Kluang,
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Mobile : +6016 772 0019

10. Kuantan
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Sri Dagangan,
Jalan Tun Ismail,
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11. Kota Bahru
PT 389, Ground & 1st Floor,
Rumah Kedai Lembah Sireh,
15050 Kota Bharu,
Kelantan Darul Naim
Phone : +609 748 3986
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12. Kuala Terengganu
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Jalan Sultan Sulaiman,
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13. Kuching
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Mobile : +6019 887 9967

14. Miri
Lot 788, 1st Floor,
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Mobile : +6013 564 4500

15. Kota Kinabalu
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17. Sandakan
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OVERSEAS VENTURES

THAILAND
Tune Protect Thailand
(Tune Insurance Public Company Limited)

Address:
3199 Maleenont Tower,
14th Floor Rama IV Road,
Khlong Tan,
Khlong Toei,
Bangkok 10110

Phone : +66(0)2 078 5656
Call Centre : 1183
Fax : +66(0)2 078 5601 3
Email : **customercare@tuneprotect.com**
Website : **www.tuneinsurance.co.th**
Operating Hours : Monday to Friday
8:00AM - 5:00PM (GMT +7)

EUROPE, MIDDLE EAST, INDIA & AFRICA
Tune Protect EMEIA
(Tune Protect Commercial Brokerage LLC)

Address:
Level 8 No. 807,
Blue Bay Tower,
P.O Box 124177
Business Bay, Dubai, UAE

Phone : +971 4360 6872
Fax : +971 4420 3920
Email :
- General Enquiries : **enquiry.emeia@tuneprotect.com**
- Claims Related Enquiries : **travelassurance@tuneprotect.com**

Website : **www.tuneprotect.com/emeia**

Tune Protect Re - Principal Place of Business
(Tune Protect Re Ltd.)

Address:
Suite No. 26, Unit Level 9(E),
Main Office Tower,
Financial Park Labuan,
Jalan Merdeka,
87000 Labuan Federal Territory

GRI CONTENT INDEX

Statement of use	Tune Protect Group Berhad has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1	Organizational details	• Who We Are (page 6) • Corporate Structure (page 7) • Corporate Information (page 8) • List of Branches & Overseas Ventures (page 284)
	2-2	Entities included in the organization's sustainability reporting	• Reporting Framework (pages 2-3) • Corporate Structure (page 7)
	2-3	Reporting period, frequency and contact point	• Reporting Framework (pages 2-3)
	2-4	Restatements of information	*Restatements of information are provided in context where necessary.*
	2-5	External assurance	• Reporting Framework (page 3)
	2-6	Activities, value chain and other business relationships	• Who We Are (page 6) • Corporate Structure (page 7) • Our Business Model (page 16) • Sustainability Statement: Economic Performance (page 55)
	2-7	Employees	• Sustainability Statement: Our Workforce Composition (pages 73-74)
	2-8	Workers who are not employees	• Sustainability Statement: Percentage of employees that are contractors or temporary staff (page 70)
	2-9	Governance structure and composition	• Sustainability Statement: Sustainability Governance (page 42) • Sustainability Statement: TCFD - Governance (pages 59-60) • Profile of Directors (pages 90-96) • Profile of the Executive Committee (page 97-102) • Corporate Governance Overview Statement: Corporate Governance Framework (page 103)
	2-10	Nomination and selection of the highest governance body	• Corporate Governance Overview Statement: Nomination Committee (pages 106-107)
	2-11	Chair of the highest governance body	• Profile of Directors (page 90)
	2-12	Role of the highest governance body in overseeing the management of impacts	• Material Matters (page 17) • Stakeholder Engagement (pages 18-21) • Sustainability Statement: Sustainability Governance (page 42) • Sustainability Statement: TCFD - Governance (pages 59-60) • Corporate Governance Overview Statement: Remuneration Committee (page 108) • Corporate Governance Overview Statement: Directors' Remuneration (pages 112-113)

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021 (CONT'D.)	2-13	Delegation of responsibility for managing impacts	• Sustainability Statement: Sustainability Governance (page 42) • Sustainability Statement: TCFD - Governance (pages 59-60) • Corporate Governance Overview Statement: Corporate Governance Framework (page 103)
	2-14	Role of the highest governance body in sustainability reporting	• Material Matters (page 17) • Sustainability Statement: Sustainability Governance (page 42) • Corporate Governance Overview Statement: Communication with Stakeholders (page 115)
	2-15	Conflicts of interest	• Profile of Directors (pages 90-95) • Profiles of the Executive Committee (pages 97-102) • Corporate Governance Overview Statement: Conflict of Interest (page 106) • Additional Compliance Information: Recurrent Related Party Transactions of a Revenue or Trading Nature (pages 125-127) • Analysis of Shareholdings (pages 281-283)
	2-16	Communication of critical concerns	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45) • Investor Relations: Annual General Meeting and Extraordinary General Meeting (pages 9-10)
	2-17	Collective knowledge of the highest governance body	• Sustainability Statement: ABC Training & Awareness (page 45) • Sustainability Statement: Climate Education and Remuneration (page 60) • Profile of Directors (pages 90-96) • Profiles of the Executive Committee (pages 97-102) • Corporate Governance Overview Statement: Professional Development (page 106)
	2-18	Evaluation of the performance of the highest governance body	• Corporate Governance Overview Statement: Nomination Committee (pages 106-107)
	2-19	Remuneration policies	• Corporate Governance Overview Statement: Remuneration (pages 110-112)
	2-20	Process to determine remuneration	• Corporate Governance Overview Statement: Remuneration Committee (page 108) • Corporate Governance Overview Statement: Remuneration (pages 110-112)
	2-22	Statement on sustainable development strategy	• Sustainability Statement: Sustainability Framework (page 41) • Chairman's Review (pages 26-29) • Group CEO's Message (pages 30-35)
	2-23	Policy commitments	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45) • Corporate Governance Overview Statement (pages 103-116) • Internal Policies (pages 128-130)
	2-24	Embedding policy commitments	• Stakeholder Engagement (pages 18-21) • Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45) • Corporate Governance Overview Statement (pages 103-116)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021 (CONT'D.)	2-25	Processes to remediate negative impacts	• Stakeholder Engagement (pages 18-21) • Top Risks & How We Manage Them (pages 22-23) • Statement on Risk Management & Internal Control: Internal Control (pages 120-124)
	2-26	Mechanisms for seeking advice and raising concerns	• Reporting Framework (page 3) • Investor Relations (pages 9-12) • Stakeholder Engagement (pages 18-21) • Sustainability Statement: ZERO TOLERANCE Against Bribery & Corruption (page 44) • Sustainability Statement: Customer Satisfaction (pages 46-50) • Statement on Risk Management & Internal Control: Whistleblowing Policy and Procedures (page 123)
	2-27	Compliance with laws and regulations	*There were no significant instances of non-compliance with laws and regulations that apply to the organisation.*
	2-28	Membership associations	• Reporting Framework (page 3) • Sustainability Statement: Engaging on Climate Change (page 62) • Sustainability Statement: Engaging and Empowering Women Leaders (page 71)
	2-29	Approach to stakeholder engagement	• Stakeholder Engagement (pages 18-21)
	2-30	Collective bargaining agreements	• Corporate Governance Overview Statement: Remuneration (pages 110-112)
GRI 3: Material Topics 2021	3-1	Process to determine material topics	• Material Matters (page 17) • Stakeholder Engagement (pages 18-21)
	3-2	List of material topics	• Material Matters (page 17)
	3-3	Management of material topics	• Our Value Creation Model (pages 24-25) • Sustainability Statement (pages 41-87)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	• Financial Highlights (pages 14-15) • Sustainability Statement: Economic Performance (page 55)
	201-2	Financial implications and other risks and opportunities due to climate change	• Top Risks & How We Manage Them (page 23) • Sustainability Statement: TCFD - Strategy (pages 59-61) • Sustainability Statement: TCFD - Risk Management (page 63)
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	• Profiles of the Executive Committee (pages 97-102)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	• Management Discussion & Analysis (pages 36-39) • Sustainability Statement: Economic Performance (page 55) • Sustainability Statement: Local Communities (pages 84-87)
	203-2	Significant indirect economic impacts	• Sustainability Statement: Economic Performance (page 55) • Sustainability Statement: Local Communities (pages 84-87)
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	• Sustainability Statement: Purchasing and Procuring Responsibly (page 55)

GRI STANDARD	DISCLOSURE		LOCATION
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45)
	205-2	Communication and training about anti-corruption policies and procedures	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45)
GRI 207: Tax 2019	207-1	Approach to tax	• Notes to the Financial Statements: 2.3(r) Summary of Significant Accounting Policies - Income tax (page 173) • Notes to the Financial Statements: 27. Taxation (page 218-219)
	207-2	Tax governance, control, and risk management	• Notes to the Financial Statements: 2.3(r) Summary of Significant Accounting Policies - Income tax (page 173) • Notes to the Financial Statements: 27. Taxation (pages 218-219)
GRI 301: Materials 2016	301-1	Materials used by weight or volume	• Sustainability Statement: Materials (Resource Consumption) (pages 66-67)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• Sustainability Statement: Energy Consumption (page 66)
	302-4	Reduction of energy consumption	• Sustainability Statement: Energy Consumption (page 66)
GRI 303: Water and Effluents 2018	303-5	Water consumption	• Sustainability Statement: Water Consumption (page 66)
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• Sustainability Statement: Our Carbon Footprint (page 64)
	305-2	Energy indirect (Scope 2) GHG emissions	• Sustainability Statement: Our Carbon Footprint (page 64)
	305-5	Reduction of GHG emissions	• Sustainability Statement: Our Carbon Footprint (page 64)
GRI 306: Waste 2020	306-4	Waste diverted from disposal	• Sustainability Statement: Waste Collection and Disposal (page 67)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• Sustainability Statement: Driving Diverse Recruitment (pages 69-70)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Sustainability Statement: Inclusive Work Arrangements and Benefits (pages 75-76)
	401-3	Parental leave	• Sustainability Statement: Inclusive Work Arrangements and Benefits (page 75)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		LOCATION
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-2	Hazard identification, risk assessment, and incident investigation	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-3	Occupational health services	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-4	Worker participation, consultation, and communication on occupational health and safety	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-5	Worker training on occupational health and safety	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-6	Promotion of worker health	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-8	Workers covered by an occupational health and safety management system	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• Sustainability Statement: Training & Development (page 77)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• Sustainability Statement: Diversity & Equal Opportunity (pages 69-74) • Profile of Directors (pages 90-95) • Profiles of the Executive Committee (pages 97-102)
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	• Sustainability Statement: Upholding Human Rights (page 45) *There were no recorded reports of discrimination in the year under review.*
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	• Sustainability Statement: Local Communities (pages 84-87)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*There were no susbstantiated complaints concerning breaches of customer privacy and losses of customer data.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("**AGM**") of Tune Protect Group Berhad will be held virtually using the Remote Participation and Voting ("**RPV**") facilities of TIIH Online at https://tiih.online, with the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 22 June 2023 at 2:30 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A.

2. To re-elect the following Directors who retire by rotation pursuant to Article 122 of the Company's Constitution and who, being eligible, have offered themselves for re-election:
   (a) Tan Ming-Li **Resolution 1**
   (b) Kelvin Desmond Malayapillay **Resolution 2**

3. To approve the payment of Directors' fees of up to RM1,070,000 from the conclusion of the Twelfth AGM until the conclusion of the next AGM of the Company. **Resolution 3**
   Please refer to Explanatory Note B.

4. To approve the payment of Directors' benefits of up to RM612,500 being meeting attendance allowances and up to RM150,000 for each Director being the overall annual limit for self-insured hospitalisation and surgical, from the conclusion of the Twelfth AGM until the conclusion of the next AGM of the Company. **Resolution 4**
   Please refer to Explanatory Note C.

5. To re-appoint Ernst & Young PLT as Auditor of the Company for the ensuing financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following proposed resolutions:

6. **ORDINARY RESOLUTION**
   PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

   "**THAT** subject to the Companies Act 2016 ("**the Act**"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares allotted pursuant to this resolution during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted on Bursa Securities;

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

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held, unless permitted to be waived by the relevant authorities or prevailing law or regulations; or

(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND FURTHER THAT pursuant to Section 85 of the Act read together with Clause 20 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Act **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company." **Resolution 6**
Please refer to Explanatory Note D.

7. ORDINARY RESOLUTION
PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** approval be and is hereby given for the Company and/or its subsidiary companies to enter into any of the transactions falling within the types of recurrent related party transactions ("**RRPTs**") of a revenue or trading nature as set out in Section 2.4 of the Company's Circular to Shareholders dated 28 April 2023 with parties as set out therein provided that such transactions are undertaken in the ordinary course of business, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, on arm's length basis, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act [but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby 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 RRPTs contemplated and/or authorised by this ordinary resolution with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or permitted by the relevant regulatory authorities and/or deemed fit by the Directors in the best interest of the Company." **Resolution 7**
Please refer to Explanatory Note E.

8. ORDINARY RESOLUTION
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"**THAT** subject to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares of the Company as may be determined by the Directors from time to time through Bursa Securities in the best interest of the Company, provided that:

(i) the aggregate number of shares purchased or held by the Company as treasury shares, shall not exceed 10% of the total number of issued shares of the Company at the time of purchase;

(ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company; and

(iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until –

(a) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed, at which time this authority will lapse unless by an ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(c) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier;

THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased under the Proposed Renewal of Share Buy-Back Authority in their absolute discretion ("**Purchased Shares**") in the following manner:

(i) cancel the Purchased Shares;

(ii) retain the Purchased Shares as treasury shares; or

(iii) retain part of the Purchased Shares as treasury shares and cancel the remainder;

THAT where such Purchased Shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion in the following manner:

(i) distribute the Purchased Shares as dividends to shareholders, such dividends to be known as 'share dividends';

(ii) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant requirements of Bursa Securities;

(iii) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme;

(iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;

(v) cancel the Purchased Shares or any of the Purchased Shares;

(vi) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or

(vii) in any other manner as may be prescribed by the Act or the rules, regulations and order made pursuant to the Act, the requirements of Bursa Securities and/or any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised and empowered to do all acts and things and to take all such steps as are necessary or expedient to implement and to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or permitted by the relevant regulatory authorities and/or deemed fit by the Directors in the best interest of the Company." **Resolution 8**

Please refer to Explanatory Note F.

9. To consider any other business for which due notice shall have been given.

By Order of the Board

NORHANA BINTI OTHMAN
Company Secretary
MACS 01597
SSM Practising Certificate No. 202008001519

Kuala Lumpur
28 April 2023

Notes:

RPV

1) The Twelfth AGM of the Company will be conducted virtually, without a physical meeting venue, using the RPV facilities of TIIH Online at https://tiih.online. Please follow the procedures provided in the **Administrative Guide for Shareholders** in order to register, participate and vote remotely via the RPV facilities.
2) The only venue involved will be the broadcast venue where essential individuals will be physically present to organise and facilitate the conduct of the virtual AGM. The number of essential individuals will be in accordance with any prevailing order and/or guidance applicable then. The broadcast venue also serves the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.
3) Members may submit questions in relation to the agenda items of the Twelfth AGM prior to the meeting via TIIH Online website at https://tiih.online by selecting 'e-Services' to login the corporate event of the Company from Friday, 28 April 2023 at 10:00 a.m. to Tuesday, 20 June 2023 at 2:30 p.m. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the 'Query Box' of the RPV facilities. The Board of Directors or Management of the Company shall respond to the questions to their best endeavour during the Twelfth AGM.

Appointment of proxy

4) A member of the Company entitled to attend and vote at the AGM is entitled to appoint up to two (2) proxies [or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Act] to attend and vote in his stead. Other than the proxy(ies) must be of full age, there shall be no other restriction as to the qualification of the proxy(ies).
5) The Proxy Form in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or the hand of its attorney.
6) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7) 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.
8) The Proxy Form must be deposited at the Registered Office of the Company at Level 9, Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia; or in the case of the appointment of a proxy via electronic means, the instrument of proxy can also be submitted electronically through Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for Shareholders for the Twelfth AGM for further information on proxy form submission. All proxy forms submitted must be received by the Company by Tuesday, 20 June 2023 at 2:30 p.m., being not less than forty-eight (48) hours before the time set for holding the AGM.

Others

9) In respect of deposited securities, only a depositor whose name appears on the Record of Depositors as at Monday, 12 June 2023 shall be eligible to attend the AGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries on the Record of Depositors after the abovementioned date shall be disregarded in determining the rights of any person to attend and vote at the AGM.
10) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all votings on the resolutions set out in this Notice will be by way of poll.

EXPLANATORY NOTES:

Note A – Agenda 1 on the Laying of Audited Financial Statements and Reports thereon

In accordance with Section 340(1)(a) of the Act, the Company is required to lay the Audited Financial Statements together with the Reports of the Directors and Auditors thereon at the AGM of the Company. Hence, this Agenda 1 is not a business which requires a resolution to be put to vote by the shareholders. This agenda item is for discussion and receipt only.

Note B – Proposed Ordinary Resolution 3 on Directors' Fees

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. The details of the estimated total fees payable (no change of rate from previous year) from the conclusion of the Twelfth AGM until the conclusion of the next AGM are as follows:

Yearly Fees (RM unless indicated otherwise)								
Company	Designation	Board	Audit Committee	Risk Management Committee	Nomination Committee	Remuneration Committee	Investment Committee	Annual Nominee Director's fee at our Joint Venture Company
Tune Protect Group Berhad	Chairman	132,000	28,000	28,000	14,000	14,000	28,000	NIL
	Member	78,000	23,000	23,000	11,500	11,500	23,000	36,000
Tune Insurance Malaysia Berhad	Chairman	97,000	24,000	24,000	12,000	12,000	24,000	NIL
	Member	52,800	18,000	18,000	9,000	9,000	18,000	NIL
Tune Protect Re Ltd.	Chairman	72,000	NIL	NIL	NIL	NIL	NIL	NIL
	Member	42,000	NIL	NIL	NIL	NIL	NIL	NIL

Note C – Proposed Ordinary Resolution 4 on Directors' Benefits

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. The details of the estimated total benefits payable (no change of rate from previous year) from the conclusion of the Twelfth AGM until the conclusion of the next AGM are as follows:

(a) Meeting Allowance

Meeting Allowance per Meeting (RM unless indicated otherwise)								
Company	Designation	Board	Audit Committee	Risk Management Committee	Nomination Committee	Remuneration Committee	Investment Committee	Strategic Advisory Committee
Tune Protect Group Berhad	Chairman	2,500	2,500	2,500	2,500	2,500	2,500	NIL
	Member	2,500	2,500	2,500	2,500	2,500	2,500	NIL
Tune Insurance Malaysia Berhad	Chairman	2,000	2,000	2,000	2,000	2,000	2,000	NIL
	Member	2,000	2,000	2,000	2,000	2,000	2,000	NIL
Tune Protect Re Ltd.	Chairman	2,500	NIL	NIL	NIL	NIL	NIL	NIL
	Member	2,500	NIL	NIL	NIL	NIL	NIL	NIL
Tune Protect Ventures Sdn. Bhd.	Chairman	NIL	NIL	NIL	NIL	NIL	NIL	2,500
	Member	NIL	NIL	NIL	NIL	NIL	NIL	2,000

(b) Hospitalisation & Surgical ("H&S")

Overall annual limit for self-insured H&S benefit is up to RM150,000 for each Director whether in Malaysia or otherwise.

Note D – Proposed Ordinary Resolution 6 on the Authority for Directors to Allot Shares

The proposed Ordinary Resolution 6, if passed, will renew the general mandate given to the Directors to allot shares, grant rights to subscribe for shares, convert any security into shares in the Company or to allot shares under an agreement or option or offer at their discretion from time to time without needing to convene another general meeting first, provided that the aggregate shares to be allotted, to be subscribed under any right granted, to be issued from conversion of any security or to be allotted under an agreement or option or offer pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being. In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The general mandate sought at this AGM, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, unless permitted to be waived by the relevant authorities or prevailing law or regulations; or whichever is earlier.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 20 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 20 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

As at the date of this Notice, no new shares of the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 27 June 2022, which will lapse at the conclusion of the Twelfth AGM. The general mandate sought at the Twelfth AGM will enable the Directors to respond expediently to business opportunities or other circumstances involving issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares, or allotment of shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

Note E – Proposed Ordinary Resolution 7 on the RRPTs of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will empower the Company and/or its subsidiaries to enter into RRPTs of a revenue or trading nature, which are necessary for the Company's and/or its subsidiaries' day-to-day operations in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company. Please refer to the Circular to Shareholders dated 28 April 2023 in relation to the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, which is available on our corporate website at **https://www.tuneprotect.com/corporate/group/investor-relations/reports-presentations/**, for more information.

Note F – Proposed Ordinary Resolution 8 on the Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the next AGM. Please refer to the Share Buy-Back Statement dated 28 April 2023, which is despatched together with the Annual Report 2022, for further information.

PERSONAL DATA PRIVACY:

By executing and delivering to the Company the form of proxy to appoint a proxy(ies) and the relevant document(s) in respect of the appointment of a representative(s) for the AGM, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for purposes incidental to the AGM;

(ii) warrants that relevant prior consent of such proxy(ies) and/or representative(s) has been obtained for the use of his/her/their personal data by the Company (or its agents); and

(iii) agrees that the member will indemnify the Company in respect of any liabilities, demands, losses and damages as a result of the member's breach of warranty.

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Proxy Form

TUNE PROTECT GROUP BERHAD
[Registration No. 201101020320 (948454-K)]
(Incorporated in Malaysia)

I/We:

Full name (in block capitals):	CDS account no.:	No. of shares held:
Address:	NRIC/Passport/Company no.:	Contact no.:

being a member of TUNE PROTECT GROUP BERHAD, do hereby appoint:

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

AND/OR (please delete as appropriate)

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

and/or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting ("**AGM**") of the Company to be held virtually, with the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 22 June 2023 at 2:30 p.m. or any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
-	To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.	Not applicable	
Ordinary Resolution 1	To re-elect Ms Tan Ming-Li as Director.		
Ordinary Resolution 2	To re-elect Mr Kelvin Desmond Malayapillay as Director.		
Ordinary Resolution 3	To approve the payment of Directors' fees.		
Ordinary Resolution 4	To approve the Directors' benefits payable.		
Ordinary Resolution 5	To approve the re-appointment of Ernst & Young PLT as Auditor and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	To authorise the Directors to allot shares of up to 10% of the total number of issued shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 7	To authorise the renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		
Ordinary Resolution 8	To renew the authority to purchase the Company's own shares of up to 10% of the total number of issued shares of the Company.		

Please indicate with an "X" in the appropriate column to show how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

Signed this ____________________ day of ________________ 2023

____
Signature/Seal of Shareholder

Notes:

Remote participation and voting ("**RPV**")

1) The Twelfth AGM of the Company will be conducted virtually, without a physical meeting venue, using the RPV facilities of TIIH Online at https://tiih.online. Please follow the procedures provided in the **Administrative Guide for Shareholders** in order to register, participate and vote remotely via the RPV facilities.
2) The only venue involved will be the broadcast venue where essential individuals will be physically present to organise and facilitate the conduct of the virtual AGM. The number of essential individuals will be in accordance with any prevailing order and/or guidance applicable then. The broadcast venue also serves the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.
3) Members may submit questions in relation to the agenda items of the Twelfth AGM prior to the meeting via TIIH Online website at https://tiih.online by selecting "e-Services" to login the corporate event of the Company from Friday, 28 April 2023 at 10:00 a.m. to Tuesday, 20 June 2023 at 2:30 p.m. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the "Query Box" of the RPV facilities. The Board of Directors or Management of the Company shall respond to the questions to their best endeavour during the Twelfth AGM.

Appointment of proxy

4) A member of the Company entitled to attend and vote at the AGM is entitled to appoint up to two (2) proxies [or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Companies Act 2016] to attend and vote in his stead. Other than the proxy(ies) must be of full age, there shall be no other restriction as to the qualification of the proxy(ies).
5) The Proxy Form in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or the hand of its attorney.
6) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7) 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.
8) The Proxy Form must be deposited at the Registered Office of the Company at Level 9, Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia; or in the case of the appointment of a proxy via electronic means, the instrument of proxy can also be submitted electronically through Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for Shareholders for the Twelfth AGM for further information on proxy form submission. All proxy forms submitted must be received by the Company by Tuesday, 20 June 2023 at 2:30 p.m., being not less than forty-eight (48) hours before the time set for holding the AGM.

Others

9) In respect of deposited securities, only a depositor whose name appears on the Record of Depositors as at Monday, 12 June 2023 shall be eligible to attend the AGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries on the Record of Depositors after the abovementioned date shall be disregarded in determining the rights of any person to attend and vote at the AGM.
10) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all votings on the resolutions set out in this Notice will be by way of poll.

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Stamp

The Company Secretary
TUNE PROTECT GROUP BERHAD
[Registration No. 201101020320 (948454-K)]
Level 9, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

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