



Tune Protect Group Berhad

Registration No. 201101020320 (948454-K)

Interim Financial Statements

For the Quarter and Twelve Months Ended 31 December 2022

Tune Protect Group Berhad
Registration No. 201101020320 (948454-K)

Condensed consolidated statement of financial position
As at 31 December 2022

	As at 31 Dec 2022 Unaudited RM'000	As at 31 Dec 2021 Audited RM'000
Assets		
Property and equipment	3,931	3,977
Intangible assets	29,046	19,639
Right-of-use assets	3,273	3,972
Investment in an associate	35,848	49,763
Investment in a joint venture company	2,045	5,878
Goodwill	24,165	24,165
Investments	682,614	757,975
Deferred tax assets	3,555	1,993
Reinsurance assets	528,786	648,007
Insurance receivables	207,402	116,594
Other receivables	76,183	81,610
Cash and bank balances	30,403	12,400
Total assets	1,627,251	1,725,973
Equity		
Share capital	248,519	248,519
Employee share option reserves	-	2,887
Foreign currency translation reserve	9,603	10,097
Other comprehensive income ("OCI") reserve	199	(47)
Other reserve	343	220
Retained earnings	264,247	298,639
Equity attributable to owners of the parent	522,911	560,315
Non-controlling interests	51,279	106,046
Total equity	574,190	666,361
Liabilities		
Insurance contract liabilities	868,004	911,215
Lease liabilities	3,420	4,195
Deferred tax liabilities	1,456	161
Insurance payables	100,491	70,597
Other payables	79,690	73,444
Total liabilities	1,053,061	1,059,612
Total equity and liabilities	1,627,251	1,725,973
Net assets per ordinary share attributable to owners of the parent (RM)	0.70	0.75

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

Tune Protect Group Berhad
Registration No. 201101020320 (948454-K)

Condensed consolidated statement of comprehensive income
For the year ended 31 December 2022

	Current quarter		Cumulative quarters		
	3 months ended		12 months ended		
	31 Dec	31 Dec	31 Dec	31 Dec	
	2022	2021	2022	2021	
Note	RM'000	RM'000	RM'000	RM'000	
Operating revenue	138,958	102,794	529,509	434,716	
Gross earned premiums	133,656	97,492	510,376	412,271	
Premiums ceded to reinsurers	(50,700)	(44,321)	(213,069)	(215,466)	
Net earned premiums	82,956	53,171	297,307	196,805	
Investment income	7	5,302	5,302	19,133	22,445
Realised gains and losses	(15,933)	(2,663)	(21,593)	(684)	
Fair value gains and losses	20,033	(5,848)	2,972	(29,051)	
Fees and commission income	4,746	3,713	25,542	21,833	
Other operating income	430	798	3,897	1,418	
Other revenue	14,578	1,302	29,951	15,961	
Gross claims paid	(37,615)	(44,633)	(163,485)	(171,645)	
Claims ceded to reinsurers	18,073	28,911	91,418	116,495	
Gross change to contract liabilities	22,969	(30,390)	89,123	(12,462)	
Change in contract liabilities ceded to reinsurers	(25,611)	31,922	(117,845)	29,715	
Net claims	(22,184)	(14,190)	(100,789)	(37,897)	
Fee and commission expenses	(20,734)	(12,341)	(96,053)	(54,788)	
Management expenses	(47,957)	(37,988)	(148,507)	(124,792)	
Other operating expenses	(968)	(210)	(791)	(233)	
Finance costs	(46)	(62)	(205)	(298)	
Other expenses	(69,705)	(50,601)	(245,556)	(180,111)	
Share of results of an associate	(2,184)	(5,249)	(14,806)	(9,733)	
Share of results of a joint venture company	45	73	153	192	
Profit/(loss) before taxation	8	3,506	(15,494)	(33,740)	(14,783)
Taxation	9	(1,314)	751	(420)	(3,439)
Net profit/(loss) for the period		2,192	(14,743)	(34,160)	(18,222)

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Condensed consolidated statement of comprehensive income (cont'd.)
For the year ended 31 December 2022

	<u>Current quarter</u>		<u>Cumulative quarters</u>	
	<u>3 months ended</u>		<u>12 months ended</u>	
	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>	<u>31 Dec</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Note	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(loss):				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Share of other comprehensive income of an associate	369	65	369	65
Effect of post-acquisition foreign exchange translation reserve on investment in an associate and a joint venture company	1,472	2,334	(494)	183
Other comprehensive income/(loss) for the period	1,841	2,399	(125)	248
Total comprehensive income/(loss) for the period	4,033	(12,344)	(34,285)	(17,974)
Profit/(loss) attributable to:				
Owners of the parent	558	(12,129)	(34,392)	(14,990)
Non-controlling interests	1,634	(2,614)	232	(3,232)
	2,192	(14,743)	(34,160)	(18,222)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,399	(9,316)	(34,517)	(14,742)
Non-controlling interests	1,634	(2,614)	232	(3,232)
	4,033	(11,930)	(34,285)	(17,974)
Basic and diluted earning/(loss) per share attributable to owners of the parent (sen per share)				
10	0.07	(1.61)	(4.57)	(1.99)

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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Condensed consolidated statement of changes in equity

For the year ended 31 December 2022

	Attributable to the owners of the parent								
	← Non-distributable →					Distributable			
	Share capital	Other OCI reserve	Other reserve	Employee share option reserve	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	-	-	-	(34,392)	(34,392)	232	(34,160)
Other comprehensive loss for the year	-	246	123	-	(494)	-	(125)	-	(125)
Total comprehensive income/(loss) for the year	-	246	123	-	(494)	(34,392)	(34,517)	232	(34,285)
Write-back of equity-settled share options to employees	-	-	-	(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	264,247	522,911	51,279	574,190
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	-	-	-	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	-	-	-	-	-	-	-	(1,724)	(1,724)
At 31 December 2021	248,519	(47)	220	2,887	10,097	298,639	560,315	106,046	666,361

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

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Condensed consolidated statement of cash flows
For the year ended 31 December 2022

	Cumulative quarters	
	12 months ended	
	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
Cash flows from operating activities		
Loss before taxation	(33,740)	(14,783)
Adjustments for:		
Non-cash items	21,480	16,572
Investment related (loss)/income	(512)	7,328
Operating (loss)/profit before working capital changes	(12,772)	9,117
Net change in operating assets	31,734	(32,575)
Net change in operating liabilities	(7,617)	30,681
Cash generated from operating activities	11,345	7,223
Net interest received	6,487	10,148
Net dividend received	17,400	16,832
Income tax paid	(87)	(5,716)
Net cash generated from operating activities	<u>35,145</u>	<u>28,487</u>
Cash flows from investing activities		
Purchases of fair value through profit or loss ("FVTPL") financial assets	(460,007)	(819,868)
Proceeds from disposal of FVTPL financial assets	470,317	878,537
Movement in amortised cost financial assets	-	972
Proceeds from disposal of property and equipment	270	55
Purchase of property and equipment	(1,717)	(1,834)
Purchase of intangible assets	(14,246)	(16,454)
Net cash (used in)/generated from investing activities	<u>(5,383)</u>	<u>41,408</u>
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(2,645)	(2,455)
Cash paid to non-controlling interest of units cancelled in a subsidiary	(54,999)	(35,002)
Dividends paid to non-controlling interests	-	(1,724)
Net cash used in financing activities	<u>(57,644)</u>	<u>(39,181)</u>
Net (decrease)/increase in cash and cash equivalents	(27,882)	30,714
Effect of exchange rate changes on cash and cash equivalents	445	117
Cash and cash equivalents at beginning of period	65,001	34,170
Cash and cash equivalents at end of period	<u>37,564</u>	<u>65,001</u>
Cash and cash equivalents comprise:		
Fixed and call deposits (with original maturities of less than three months) with licensed financial institutions	7,161	52,601
Cash and bank balances	30,403	12,400
	<u>37,564</u>	<u>65,001</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.

Tune Protect Group Berhad
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Explanatory Notes Pursuant to MFRS 134
For the year ended 31 December 2022

1. Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2022, have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting, the International Accounting Standard ("IAS") 34 Interim Financial Reporting and the requirements of the Companies Act 2016 in Malaysia, where applicable. These condensed consolidated interim financial statements has also been prepared in accordance with Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.

The explanatory notes attached to this condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group since the last financial year ended 31 December 2021.

2. Changes in accounting policies

2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations

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 Company on 1 January 2022.

Annual Improvements to MFRS Standards 2018 - 2020

Amendments to MFRS 116 *Property, Plant and Equipment—Proceeds before Intended Use Property, Plant and Equipment*

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 Conceptual Framework*

The adoption of the above pronouncements did not have any material impact to the current and prior period financial statements of the Group.

2.2 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 Company's financial statements. The Company intends to adopt these Standards and Amendments to Standards, if applicable, when they become effective:

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For the year ended 31 December 2022

2. Changes in accounting policies (cont'd.)

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

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

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements of the Group 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. A few scope exceptions will apply. The overall objective of MFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in MFRS 4, which are largely based on grandfathering previous local accounting policies, MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of MFRS 17 is the general model, 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 (the premium allocation approach) mainly for short-duration contracts.

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Explanatory Notes Pursuant to MFRS 134
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2. Changes in accounting policies (cont'd.)

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

MFRS 17 Insurance Contracts (cont'd.)

Based on the Amendments to MFRS 17, the standard is effective for reporting periods beginning on or after 1 January 2023, with the option to apply a full retrospective, modified retrospective or fair value approach on transition. Early application is permitted, as the Group has applied MFRS 9 and MFRS 15 before the date it first applies MFRS 17.

The Group has completed the assessment of the operational impacts of adopting MFRS 17 and are in the midst of implementing the relevant systems solution, architecture and processes in the upcoming financial years.

3. Change in estimates

There were no changes in estimates that have had a material effect on the current interim results.

4. Changes in composition of the Group

There were no changes in composition of the Group during the year ended 31 December 2022.

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5. Segment information

The Group is organised into business units based on their products and services, and has four business segments as follows:

Investment holding and others : Investment holding operations and other dormant subsidiaries
 Collective investment schemes : Funds managed through collective investment schemes
 General reinsurance business : Underwriting of all classes of general reinsurance business
 General insurance business : Underwriting of all classes of general insurance business

	General insurance		General reinsurance		Collective investment schemes		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue												
External	431,190	326,671	93,085	98,875	3,992	7,556	1,242	1,614	-	-	529,509	434,716
Inter-segment	1,549	2,701	4,943	2,014	-	-	26,970	24,371	(33,462)	(29,086)	-	-
	<u>432,739</u> ¹	<u>329,372</u>	<u>98,028</u> ²	<u>100,889</u>	<u>3,992</u>	<u>7,556</u>	<u>28,212</u> ³	<u>25,985</u>	<u>(33,462)</u>	<u>(29,086)</u>	<u>529,509</u> ⁴	<u>434,716</u>
Segment (loss)/profit	<u>(81)</u>	<u>808</u>	<u>9,935</u>	<u>16,461</u>	<u>594</u>	<u>(5,686)</u>	<u>(2,472)</u>	<u>5,033</u>	<u>(41,716)</u>	<u>(31,399)</u>	<u>(33,740)</u>	<u>(14,783)</u>
Segment assets	<u>1,305,062</u>	<u>1,320,029</u>	<u>184,848</u>	<u>197,301</u>	<u>1,372</u>	<u>115,365</u>	<u>331,958</u>	<u>313,517</u>	<u>(195,989)</u>	<u>(220,238)</u>	<u>1,627,251</u>	<u>1,725,973</u>
Segment liabilities	<u>1,002,467</u>	<u>1,017,538</u>	<u>49,250</u>	<u>47,340</u>	<u>22</u>	<u>65</u>	<u>15,400</u>	<u>11,293</u>	<u>(14,078)</u>	<u>(16,623)</u>	<u>1,053,061</u>	<u>1,059,612</u>

¹ includes investment income of RM11.680 million

² includes investment income of RM3.768 million

³ includes investment income of RM28.212 million

⁴ includes investment income of RM19.133 million

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Explanatory Notes Pursuant to MFRS 134
For the year ended 31 December 2022

6. Seasonality of operations

The Group is subject to seasonal fluctuations in the general reinsurance business. Within an annual cycle, quarter 4 should typically be the best for TPG travel business as this will coincide with peak holiday demand as well as benefit from additions to the airlines fleet occurring during the year.

7. Investment income

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- Amortised costs financial assets	939	471	962	911
- FVTPL financial assets	(64)	1,518	4,201	7,719
- bank balances	26	4	71	21
Share of investment income/(loss) from Malaysian Motor Insurance Pool ("MMIP")	487	176	(339)	(973)
Dividend income:				
- FVTPL financial assets	4,106	3,133	14,430	14,767
	5,494	5,302	19,325	22,445
Net amortisation of premium on investments	(192)	-	(192)	-
	5,302	5,302	19,133	22,445

8. Profit before taxation is stated after charging/(crediting) the following:

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of property and equipment	429	460	1,687	1,655
Depreciation of right-of-use assets	580	602	2,373	2,401
Amortisation of intangible assets	2,410	1,016	4,839	2,736
Allowance for/(Reversal of) impairment losses on insurance receivables and reinsurance assets	1,573	2,271	49	(127)
Realised (gains)/losses on disposal of:				
- property and equipment	(1)	(27)	(195)	(38)
- FVTPL financial assets	15,934	2,690	21,788	722
Net realised losses	15,933	2,663	21,593	684

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8. Profit before taxation is stated after charging/(crediting) the following: (cont'd.)

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Fair value (gains)/losses on FVTPL financial assets	(20,033)	5,848	(2,972)	29,051
Interest expense on lease liabilities	46	62	205	298
(Gains)/Losses on foreign exchange:				
- realised	(796)	(34)	(1,403)	(92)
- unrealised	1,943	81	561	118

9. Taxation

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income tax (benefit)/expense	(310)	(1,152)	687	3,934
Deferred tax expense/(benefit)	1,624	401	(267)	(495)
	1,314	(751)	420	3,439
Effective tax rate	37%	5%	-1%	-23%

The Group's low effective tax rate is mainly due to the share of loss of associate during the period.

10. Earnings per share

Basic earnings per share is calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the number of ordinary shares outstanding during the period.

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Explanatory Notes Pursuant to MFRS 134
For the year ended 31 December 2022

10. Earnings per share (cont'd.)

The followings reflect the profit and number of shares used in the computation of basic and diluted earnings per share:

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) net of tax attributable to owners of the parent (RM'000)	558	(12,129)	(34,392)	(14,990)
Number of ordinary shares in issue ('000)	751,760	751,760	751,760	751,760
Basic and diluted earning/(loss) per share (sen per share)	<u>0.07</u>	<u>(1.61)</u>	<u>(4.57)</u>	<u>(1.99)</u>

11. Share capital

There were no issuances, cancellations, repurchases, resale and repayments of equity securities by the Company during the period.

12. Dividends

No interim dividend has been declared for the financial year ended 31 December 2022.

13. Fair value measurement

The carrying values of financial assets and liabilities which are not carried at fair value approximate fair values due to their short-term maturity.

The Group uses the following hierarchy for determining and disclosing the fair values 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

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For the year ended 31 December 2022

13. Fair value measurement (cont'd.)

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-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.

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 ->			Total RM'000
		Quoted market price (Level 1) RM'000	Ob-servable inputs (Level 2) RM'000	Unob-servable inputs (Level 3) RM'000	
Assets measured at fair value:					
31 December 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
		<u>662,270</u>	<u>5,016</u>	<u>-</u>	<u>667,286</u>
31 December 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
		<u>582,581</u>	<u>114,447</u>	<u>-</u>	<u>697,028</u>

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the current financial period and previous financial year. There were also no transfers in and out of Level 3 of the fair value hierarchy.

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Explanatory Notes Pursuant to MFRS 134
For the year ended 31 December 2022

13. Fair value measurement (cont'd.)

Determination of fair value and fair value hierarchy

The fair values of the Group'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 investments in unit trust funds is determined by reference to published net asset values.

14. Capital commitments

	<u>As at</u> <u>31 Dec</u> <u>2022</u> <u>RM'000</u>	<u>As at</u> <u>31 Dec</u> <u>2021</u> <u>RM'000</u>
Capital expenditure:		
Approved but not contracted for:		
Intangible assets	35,426	31,987
Property and equipment	3,124	1,508
	<u>38,550</u>	<u>33,495</u>

15. Contingencies

There were no contingent assets or liabilities as at the date of this report, other than liabilities arising from insurance contracts underwritten in the ordinary course of business of the Group.

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16. Related party transactions

The details of the related party transactions entered by the Group under the approved Shareholders' Mandate for Recurrent Related Party Transactions of Revenue or Trading Nature are as follow:

Name of company	Relationship
AirAsia Berhad ("AAB")	Person connected to major shareholder of the Company, AirAsia Digital Sdn Bhd ("AAD")
PT Indonesia AirAsia ("PTAA")	Person connected to major shareholder of the Company, AAD
Thai AirAsia Co. Ltd ("TAA")	Person connected to major shareholder of the Company, AAD
Tune Group Sdn Bhd ("TGSB")	Major shareholder of the Company
SP&G Gallagher Insurance Brokers Sdn Bhd ("SP&G")	SP&G is a company 51% owned by Orion Asia Sdn Bhd which is 50% owned by Dato' Zakaria Bin Meranun, the brother of Datuk Kamarudin Bin Meranun, who is major shareholder of the Company as well as person connected to major shareholders of the Company, AAD and TGSB
BIGLIFE Sdn Bhd ("BIGLIFE")	Person connected to major shareholder of the Company, AAD
AirAsia SEA Sdn Bhd ("AirAsia SEA")	Person connected to major shareholder of the Company, AirAsia Digital Sdn Bhd ("AAD")
AirAsia Com Travel Sdn Bhd ("AirAsia Com Travel")	Wholly-owned subsidiary of AAD via AirAsia SuperApp Sdn Bhd

Current quarter		Cumulative quarters	
3 months ended		12 months ended	
31 Dec	31 Dec	31 Dec	31 Dec
2022	2021	2022	2021
RM'000	RM'000	RM'000	RM'000

Income/(expenses):

AAB

Fee and commission expenses	(1,938)	(1,196)	(6,463)	(1,767)
Data management fee	(1)	7	(6)	-

PTAA

Data management fee	(0)	-	(1)	(1)
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16. Related party transactions (cont'd.)

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income/(expenses):				
TAA				
Data management fee	(2)	(2)	(7)	(9)
TGSB				
Royalty fee	(1,656)	(1,194)	(7,441)	(4,469)
Rental and utilities charges	(383)	(382)	(1,538)	(1,397)
SP&G				
Fee and commission expenses	(46)	342	(530)	(741)
BIGLIFE				
Purchase of loyalty points	(9)	(11)	(22)	(38)
AirAsia SEA				
Data management fee	(0)	-	(0)	-
AirAsia Com Travel				
Fee and commission expenses	(31)	-	(93)	-

All other related party transactions of the Group had been entered into the normal course of business and were carried out on terms and conditions similar to transactions with unrelated parties unless otherwise stated.

17. Events after the reporting period

There were no significant events after the reporting period.

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18. Performance review

18.1 Current quarter ("4Q22") against corresponding quarter in prior year ("4Q21")

	General insurance		General reinsurance		Collective investment schemes		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	Current quarter 3 months ended		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue												
External	117,209	73,249	20,933	27,452	569	1,703	247	390	-	-	138,958	102,794
Inter-segment	226	606	1,534	896	-	-	24,000	2,041	(25,760)	(3,543)	-	-
	117,435	73,855	22,467	28,348	569	1,703	24,247	2,431	(25,760)	(3,543)	138,958	102,794
Segment profit/(loss)	9,334	(6,247)	3,279	2,857	626	(3,206)	16,740	(3,338)	(26,473)	(5,560)	3,506	(15,494)

Group/Consolidated

The Group's operating revenue increased from RM102.8 million in 4Q21 to RM138.9 million in 4Q22, an increase of RM36.1 million or 35.1% as compared to the corresponding quarter last year, solely for the increase of RM36.2 million in gross earned premiums.

Profit before tax of the Group increased from a loss of RM15.5 million in 4Q21 to a profit of RM3.5 million in 4Q22. The increase of RM19.0 million in profit before tax was mainly due to increase of RM12.6 million in realised and unrealised investment income, reduction of RM4.4 million in underwriting losses and reduction of RM3.0 million in share of losses of an associate, offset by increase of RM1.1 million in realised and unrealised foreign exchange losses. The reduction of RM4.4 million in underwriting losses was mainly due to improvement of 14% in management expense ratio in current quarter.

General insurance

Operating revenue of this segment grew by RM43.6 million in 4Q22, from RM73.8 million in 4Q21 to RM117.4 million in 4Q22, an increase of 59.1% as compared to the corresponding quarter last year. The increase in operating revenue was mainly contributed by an increase of RM42.7 million in gross earned premiums to RM113.6 million in 4Q22, as compared to RM70.9 million in the corresponding quarter last year, largely attributed by the growth in Personal Accident and Motor segments.

Profit before tax of this segment increased by RM15.5 million, from loss of RM6.2 million in 4Q21 to profit of RM9.3 million in 4Q22. The increase was mainly contributed by the increase of RM6.7 million in underwriting profits, resulted from improvement in net claims ratio and management expense ratio of 10% and 11% respectively, and increase of RM14.9 million in realised and unrealised investment income in 4Q22.

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18. Performance review (cont'd.)

18.1 Current quarter ("4Q22") against corresponding quarter in prior year ("4Q21") (cont'd.)

General reinsurance

Operating revenue of this segment in 4Q22 decreased by RM5.9 million, from RM28.3 million in 4Q21 to RM22.4 million in 4Q22 due to decrease in the gross earned premiums.

Profit before tax of this segment increased by RM0.4 million in this quarter, from RM2.9 million in 4Q21 to RM3.3 million in 4Q22, mainly due to increase of RM2.1 million in realised and unrealised investment income, offset by decrease of RM0.3 million in underwriting profits and increase of RM1.3 million in realised and unrealised foreign exchange losses in current quarter.

18.2 Current year to date ("YTD 2022") against corresponding year to date ("YTD 2021")

	General insurance		General reinsurance		Collective investment schemes		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue												
External	431,190	326,671	93,085	98,875	3,992	7,556	1,242	1,614	-	-	529,509	434,716
Inter-segment	1,549	2,701	4,943	2,014	-	-	26,970	24,371	(33,462)	(29,086)	-	-
	432,739	329,372	98,028	100,889	3,992	7,556	28,212	25,985	(33,462)	(29,086)	529,509	434,716
Segment (loss)/profit	(81)	808	9,935	16,461	594	(5,686)	(2,472)	5,033	(41,716)	(31,399)	(33,740)	(14,783)

Group/Consolidated

The Group's operating revenue increased from RM434.7 million in YTD 2021 to RM529.5 million in YTD 2022, an increase of RM94.8 million or 21.8% as compared to the corresponding year to date last year. The increase in operating revenue was resulted from higher gross earned premiums by RM98.1 million, mainly contributed by general insurance segment, offset by lower investment income by RM3.3 million.

Loss before tax of the Group increased by RM19.0 million from 14.8 million in YTD 2021 to RM33.7 million in YTD 2022. The additional loss before tax in current year was mainly due to increase of RM5.1 million in share of losses of an associate and decrease of RM23.7 million in underwriting profits, which was resulted from higher net claims reserve in both general insurance and general reinsurance segments.

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18. Performance review (cont'd.)

18.2 Current year to date ("YTD 2022") against corresponding year to date ("YTD 2021") (cont'd.)

General insurance

Operating revenue of this segment in YTD 2022 increased by RM103.3 million, from RM329.4 million in YTD 2021 to RM432.7 million in YTD 2022, an increase of 31.4% as compared to the corresponding year to date last year. The increase in operating revenue was largely contributed by the growth of RM103.0 million in gross earned premiums, largely contributed by Personal Accident and Motor segments.

Profit before tax of this segment dropped by RM0.9 million, from profit of RM0.8 million in YTD 2021 to a loss of RM0.1 million in YTD 2022. The decrease was mainly due to decrease of RM6.4 million in underwriting profits resulted from higher claims reserve in current year to date, offset by increase of RM4.4 million in realised and unrealised investment income.

General reinsurance

Operating revenue of this segment in YTD 2022 decreased by RM2.9 million from RM100.9 million in YTD 2021 to RM98.0 million in YTD 2022, mainly contributed by decreases of RM2.0 million in gross earned premiums and RM0.9 million in investment income.

Profit before tax of this segment decreased by RM6.5 million from RM16.4 million in YTD 2021 to RM9.9 million in YTD 2022, mainly due to a decrease of RM7.6 million in underwriting profits resulted from higher claims reserve in current year to date.

18.3 Current quarter ("4Q22") against preceding quarter in current year ("3Q22")

	General insurance		General reinsurance		Collective investment schemes		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022	31 Dec 2022	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Current quarter 3 months ended											
Operating revenue												
External	117,209	110,318	20,933	18,012	569	1,231	247	156	-	-	138,958	129,717
Inter-segment	226	444	1,534	1,509	-	-	24,000	818	(25,760)	(2,771)	-	-
	117,435	110,762	22,467	19,521	569	1,231	24,247	974	(25,760)	(2,771)	138,958	129,717
Segment profit/(loss)	9,334	(2,579)	3,279	1,016	626	958	16,740	(6,799)	(26,473)	(4,451)	3,506	(11,855)

Group/Consolidated

The Group's operating revenue increased by RM9.2 million, from RM129.7 million in 3Q22 to RM138.9 million in 4Q22, mainly due to increase of RM8.0 million in gross earned premiums and RM1.2 million in current quarter.

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18. Performance review (cont'd.)

18.3 Current quarter ("4Q22") against preceding quarter in current year ("3Q22") (cont'd.)

Group/Consolidated (cont'd.)

Profit before tax of the Group by improved by RM15.4 million, from RM11.9 million loss in 3Q22 to RM3.5 million profit in 4Q22, mainly due to the increase of RM10.5 million in realised and unrealised investment income and increase of RM6.2 million in underwriting profits, mainly resulted from reduction in claims reserve in 4Q22.

General insurance

Operating revenue of this segment in 4Q22 increased by RM6.6 million, from RM110.8 million in 3Q22 to RM117.4 million in 4Q22, an increase of 6.0% as compared to the last quarter. The increase in operating revenue was mainly due to higher gross earned premiums by RM5.1 million in Personal Accident segment and higher investment income by RM1.5 million.

Profit before tax of this segment increased by RM11.9 million, from a loss of RM2.6 million in 3Q22 to a profit of RM9.3 million in 4Q22, which was mainly contributed by an increase of RM8.1 million in realised and unrealised investment income and RM3.3 million in underwriting profit mainly resulted from lower claims reserve in current quarter.

General reinsurance

Operating revenue of this segment in 4Q22 increased by RM3.0 million, from RM19.5 million in 3Q22 to RM22.5 million in 4Q22, mainly due to increase in gross earned premiums in current quarter.

Profit before tax of this segment increased by RM2.3 million, from RM1.0 million in 3Q22 to RM3.3 million in 4Q22. The increase in profit before tax was mainly due to increase of RM2.6 million in underwriting profit resulted from improvement of 12% in combined ratio.

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19. Commentary on prospects

The Malaysian economy is expected to expand by 4% to 5% in Year 2023, where the growth is being supported by firm domestic demand, realisation of large infrastructure projects and higher tourist arrivals with anticipated growth of 40% to 52% in air passenger traffic in Year 2023. The Group expects healthy net written premium growth in the coming quarters contributed through our digital and agency channels in the travel and motor insurance segments under the lifestyle pillar. In motor segment, the Group expects Bank Negara Malaysia's Phase 2 liberalisation or de-tariffication anticipated in the second half of 2023, to contribute positively to the overall motor growth.

The Group's recent branding initiatives aimed to improve public perception of Tune Protect as a major player with an array of Health, Lifestyle and Small Medium Enterprises ("SME") products, together with the on-going efforts in improving user experience of our mobile application, are expected to strengthen both our presence and brand awareness especially among the younger consumer groups. These initiatives are expected to fuel continuous growth in our digital channels, especially in the Malaysia and Thailand markets.

The Group's investment return is also expected to stabilise in the coming quarters after the change in investment strategies to increase weightage of money market funds investment in our overall investment portfolio. The Management is of the view that the investment outlook shall improve in the coming year and contribute positively to the financial results of the Group.

While the Group expects the underlying risks and challenges surrounding the macro environment to continue, the Group remains confident that its business strategies and capital strength will enable it to weather the potential negative implications over the medium to longer term.

20. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the financial year ended 31 December 2022.

21. Corporate proposal

There were no corporate proposals at the date of this report.

22. Material litigation

(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.

A fresh hearing was held following the appointment of a new Chairman of MyCC with the last of the parties' submission having been made on 18 June 2019.

Subsequently, TIMB had received a notice dated 25 September 2020 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.

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22. Material litigation (cont'd.)

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

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 ("Decision").

MyCC applied for judicial review of the Kuala Lumpur High Court Decision ("Re-Application"). Hearing of the Re-Application is fixed on 8 May 2023 at the Kuala Lumpur High Court.

(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.

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22. Material litigation (cont'd.)

(b) Tax dispute with the Lembaga Hasil Dalam Negeri ("LHDN") (cont'd.)

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 now fixed for mention on 8 March 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.

(c) Litigation between Tune Insurance Public Co. Ltd. ("TPT") with a foreign reinsurance broker (the "Broker")

On 25 November 2022, TPT, a 49% owned associate company of Tune Protect Group Berhad ("TPG"), commenced legal proceedings against the Broker and its director in the courts of Thailand.

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22. Material litigation (cont'd.)

(c) Litigation between Tune Insurance Public Co. Ltd. ("TPT") with a foreign reinsurance broker (the "Broker") (cont'd.)

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

Matter is fixed for pre-trial case management on 13 March 2023 to present the issue, witness and evidence for court examination.

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

23. Disclosure of nature of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

24. Rationale for entering into derivatives

The Group did not enter into any derivative transactions during the year ended 31 December 2022 or the previous year ended 31 December 2021.

25. Risks and policies for derivatives

The Group did not enter into any derivative transactions during the year ended 31 December 2022 or the previous year ended 31 December 2021.

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26. Disclosures of gains/losses arising from fair value changes of financial liabilities

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 December 2022 and 31 December 2021.

27. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.