



# **Tune Protect Group Berhad**

**Registration No. 201101020320 (948454-K)**

**Interim Financial Statements**

**For the Quarter and Twelve Months Ended 31 December 2023**

# Tune Protect Group Berhad

Registration No. 201101020320

## Condensed consolidated statement of comprehensive income

For the year ended 31 December 2023

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Note	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Insurance revenue	43,067	131,464	374,139	481,901
Insurance service expenses	(27,507)	(59,622)	(257,353)	(243,906)
<b>Insurance service result before reinsurance contracts held</b>	<b>15,560</b>	<b>71,842</b>	<b>116,786</b>	<b>237,995</b>
Allocation of reinsurance premiums	(12,825)	(47,439)	(93,124)	(184,945)
Amounts recoverable from reinsurers for incurred claims	(27,113)	(17,973)	(30,934)	(43,302)
<b>Net expense from reinsurance contracts held</b>	<b>(39,938)</b>	<b>(65,412)</b>	<b>(124,058)</b>	<b>(228,247)</b>
<b>Insurance service result</b>	<b>7 (24,378)</b>	<b>6,430</b>	<b>(7,272)</b>	<b>9,748</b>
Investment income	3,329	5,641	12,224	19,472
Realised gains and losses	701	(14,988)	2,844	(20,648)
Fair value gains or losses	3,316	19,089	17,136	2,028
<b>Total investment income</b>	<b>7,346</b>	<b>9,742</b>	<b>32,204</b>	<b>852</b>
Insurance finance expenses for insurance contracts issued	(4,564)	(4,775)	(15,799)	(10,037)
Reinsurance finance income for reinsurance contracts held	3,345	3,540	13,026	10,849
<b>Net insurance financial result</b>	<b>(1,219)</b>	<b>(1,235)</b>	<b>(2,773)</b>	<b>812</b>
Other operating income	2,515	1,299	6,106	3,194
Other operating expenses	(6,706)	(9,822)	(25,247)	(31,656)
Other finance costs	(42)	(12)	(163)	(82)
<b>Total other income and expenses</b>	<b>(4,233)</b>	<b>(8,535)</b>	<b>(19,304)</b>	<b>(28,544)</b>
Share of results of an associate	(195)	(1,985)	167	(16,763)
Share of results of a joint venture company	33	45	149	153
<b>(Loss)/profit before tax</b>	<b>9 (22,646)</b>	<b>4,462</b>	<b>3,171</b>	<b>(33,742)</b>
Income tax expense	10 3,750	(1,475)	(2,926)	(873)
<b>(Loss)/profit for the year</b>	<b>(18,896)</b>	<b>2,987</b>	<b>245</b>	<b>(34,615)</b>

Condensed consolidated statement of comprehensive income (cont'd.)  
For the year ended 31 December 2023

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Note	RM'000	RM'000 Restated	RM'000	RM'000 Restated
<b>Other comprehensive (loss)/income:</b>				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Share of other comprehensive (loss)/income of an associate	(406)	369	(406)	369
Effect of post-acquisition foreign exchange translation reserve on investment in an associate and a joint venture company	(2,249)	655	(2,928)	(452)
<b>Other comprehensive income/(loss) for the year</b>	<b>(2,655)</b>	<b>1,024</b>	<b>(3,334)</b>	<b>(83)</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(21,551)</b>	<b>4,011</b>	<b>(3,089)</b>	<b>(34,698)</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	(16,196)	1,268	(947)	(35,087)
Non-controlling interests	(2,700)	1,719	1,192	472
	<b>(18,896)</b>	<b>2,987</b>	<b>245</b>	<b>(34,615)</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the parent	(18,851)	2,292	(4,281)	(35,170)
Non-controlling interests	(2,700)	1,719	1,192	472
	<b>(21,551)</b>	<b>4,011</b>	<b>(3,089)</b>	<b>(34,698)</b>
<b>Basic and diluted (loss)/earnings per share attributable to owners of the parent (sen per share)</b>				
11	<b>(2.15)</b>	<b>0.17</b>	<b>(0.13)</b>	<b>(4.67)</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

# Tune Protect Group Berhad

Registration No. 201101020320

## Condensed consolidated statement of financial position

As at 31 December 2023

	As at 31 Dec 2023 RM'000	As at 31 Dec 2022 RM'000 Restated	As at 1 Jan 2022 RM'000 Restated
<b>Assets</b>			
Property and equipment	3,353	3,928	3,977
Intangible assets	38,368	29,047	19,639
Right-of-use assets	9,390	3,273	3,972
Investment in an associate	33,689	35,942	51,771
Investment in a joint venture company	1,281	2,045	5,878
Goodwill	24,165	24,165	24,165
Investments	724,372	682,614	757,975
Deferred tax assets	468	1,091	1,278
Insurance contract assets	16,656	14,522	32,483
Reinsurance contract assets	340,440	445,838	577,531
Other receivables	20,739	32,646	34,548
Cash and bank balances	29,841	41,371	12,400
<b>Total assets</b>	<b>1,242,762</b>	<b>1,316,482</b>	<b>1,525,617</b>
<b>Equity</b>			
Share capital	248,756	248,519	248,519
Employee share option reserves	1,342	-	2,887
Foreign currency translation reserve	6,717	9,645	10,097
Other comprehensive income ("OCI") reserve	(207)	199	(47)
Other reserve	343	343	220
Retained earnings	266,217	267,163	302,250
Equity attributable to owners of the parent	523,168	525,869	563,926
Non-controlling interests	53,002	51,810	106,337
<b>Total equity</b>	<b>576,170</b>	<b>577,679</b>	<b>670,263</b>
<b>Liabilities</b>			
Insurance contract liabilities	612,712	669,458	793,612
Reinsurance contract liabilities	665	752	3,728
Lease liabilities	9,696	3,420	4,195
Other payables	43,519	65,173	53,819
<b>Total liabilities</b>	<b>666,592</b>	<b>738,803</b>	<b>855,354</b>
<b>Total equity and liabilities</b>	<b>1,242,762</b>	<b>1,316,482</b>	<b>1,525,617</b>
<b>Net assets per ordinary share attributable to owners of the parent (RM)</b>	<b>0.70</b>	<b>0.70</b>	<b>0.75</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

## Tune Protect Group Berhad

Registration No. 201101020320

### Condensed consolidated statement of changes in equity For the year ended 31 December 2023

	Attributable to the owners of the parent								Total equity RM'000
	Non-distributable					Distributable		Non-controlling interests RM'000	
	Share capital RM'000	OCI reserve RM'000	Other reserve RM'000	Employee share option reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000		
<b>At 1 January 2023, restated</b>	248,519	199	343	-	9,645	267,164	525,870	51,810	577,680
Net (loss)/profit for the year	-	-	-	-	-	(947)	(947)	1,192	245
Other comprehensive loss for the year	-	(406)	-	-	(2,928)	-	(3,334)	-	(3,334)
Total comprehensive (loss)/income for the year	-	(406)	-	-	(2,928)	(947)	(4,281)	1,192	(3,089)
Grant of equity-settled share options to employees	-	-	-	1,394	-	-	1,394	-	1,394
Issuance of shares pursuant to Employee Share Option Scheme	237	-	-	(52)	-	-	185	-	185
<b>At 31 December 2023</b>	<b>248,756</b>	<b>(207)</b>	<b>343</b>	<b>1,342</b>	<b>6,717</b>	<b>266,217</b>	<b>523,168</b>	<b>53,002</b>	<b>576,170</b>
<b>At 1 January 2022, as previously reported</b>	248,519	(47)	220	2,887	10,097	298,639	560,315	106,046	666,361
Impact on initial application of MFRS 17	-	-	-	-	-	3,611	3,611	291	3,902
<b>At 1 January 2022, restated</b>	248,519	(47)	220	2,887	10,097	302,250	563,926	106,337	670,263
Net (loss)/profit for the year	-	-	-	-	-	(35,087)	(35,087)	472	(34,615)
Other comprehensive income/(loss) for the year	-	246	123	-	(452)	-	(83)	-	(83)
Total comprehensive income/(loss) for the year	-	246	123	-	(452)	(35,087)	(35,170)	472	(34,698)
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 subsidiary	-	-	-	-	-	-	-	(54,999)	(54,999)
<b>At 31 December 2022, restated</b>	<b>248,519</b>	<b>199</b>	<b>343</b>	<b>-</b>	<b>9,645</b>	<b>267,163</b>	<b>525,869</b>	<b>51,810</b>	<b>577,679</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

# Tune Protect Group Berhad

Registration No. 201101020320

## Condensed consolidated statement of cash flows For the year ended 31 December 2023

	Cumulative quarters 12 months ended	
	31 Dec 2023	31 Dec 2022
	RM'000	RM'000 Restated
<b>Cash flows from operating activities</b>		
Profit/(Loss) before taxation	3,171	(33,742)
Adjustments for:		
Non-cash items	11,718	23,392
Investment related income	(32,204)	(513)
Operating loss before working capital changes	(17,315)	(10,863)
Net change in operating assets	111,578	130,133
Net change in operating liabilities	(70,916)	(96,649)
Cash generated from operating activities	23,347	22,621
Net interest received	546	6,587
Net dividend received	6,568	17,394
Income tax paid	(716)	(589)
Net cash generated from operating activities	29,745	46,013
<b>Cash flows from investing activities</b>		
Purchases of fair value through profit or loss ("FVTPL") financial assets	(549,514)	(460,006)
Proceeds from disposal of FVTPL financial assets	854,280	470,139
Movements in amortised cost financial assets	(305,207)	178
Proceeds from disposal of property and equipment	3	270
Purchase of property and equipment	(1,134)	(1,717)
Purchase of intangible assets	(16,055)	(14,247)
Net cash used in investing activities	(17,627)	(5,383)
<b>Cash flows from financing activities</b>		
Payment of principal portion of lease liabilities	(3,942)	(2,645)
Cash paid to non-controlling interest of units cancelled in a subsidiary	-	(54,999)
Proceeds from issuance of shares pursuant to ESOS	185	-
Net cash used in financing activities	(3,757)	(57,644)
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,361	(17,014)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(320)	545
<b>Cash and cash equivalents at beginning of year</b>	48,532	65,001
<b>Cash and cash equivalents at end of year</b>	56,573	48,532
<b>Cash and cash equivalents comprise:</b>		
Fixed and call deposits (with original maturities of less than three months) with licensed financial institutions	26,732	7,161
Cash and bank balances	29,841	41,371
	56,573	48,532

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022.

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134 For the year ended 31 December 2023

### 1. Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2023, 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 2022.

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 2022.

### 2. Changes in accounting policies

#### 2.1 Adoption of New MFRS and Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year, except for the following which were adopted at the beginning of this quarter:

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts (Initial Application of MFRS 17 and MFRS 9- Comparative Information)*

Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 *Disclosure of Accounting Policies*

Amendments to MFRS 108 *Definition of Accounting Estimates*

Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above pronouncements did not have any material impact to the current and prior period financial statements of the Group except for that discussed below:

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 2.1 Adoption of New MFRS and Amendments to MFRSs (cont'd.)

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

The Group has applied MFRS 17, including any consequential amendments to the other standards, from 1 January 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Group has restated certain comparative amounts and presented a third statement of financial position as at 1 January 2022.

The nature and effects of the key changes in the Group's accounting policies resulting from its adoption of MFRS 17 are summarised below:

##### Changes to recognition, classification and measurement

The adoption of MFRS 17 did not change the classification of the Group's insurance contract.

MFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group. The key principles of MFRS 17 are that the Group:

- identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards;
- Divides the insurance and reinsurance contracts into groups it will recognise and measure;
- Recognises and measures groups of insurance contracts at:
  - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information;

Plus

- An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM);



# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 2.1 Adoption of New MFRS and Amendments to MFRSs (cont'd.)

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

###### Changes to recognition, classification and measurement (cont'd.)

- Recognises profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately;
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

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:

- A specific adaptation for contracts with direct participation features (the variable fee approach) which is not applicable to the Group's insurance contracts; and
- 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 Group applies PAA for its non-life segment, of 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 measurement principles of the PAA differ from the ‘earned premium approach’ used by the Group under MFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided;

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 2.1 Adoption of New MFRS and Amendments to MFRSs (cont'd.)

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

###### Changes to recognition, classification and measurement (cont'd.)

- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart;
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not reported ("IBNR") claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

For insurance acquisition cash flows, the Group allocates the acquisition cash flows to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. Insurance acquisition cash flows include those that are directly attributable to a group and to future groups that are expected to arise from renewals of contracts in that group. Where such insurance acquisition cash flows are paid (or where a liability has been recognised applying another MFRS standard) before the related group of insurance contracts is recognised, an asset for insurance acquisition cash flows is recognised. When insurance contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement at initial recognition of the insurance liability for remaining coverage of the related group.

###### Changes to presentation and disclosures

For presentation in the statement of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets;
- Portfolios of reinsurance contracts held that are liabilities.

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 2.1 Adoption of New MFRS and Amendments to MFRSs (cont'd.)

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

##### Changes to recognition, classification and measurement (cont'd.)

The portfolios referred to above are those established at initial recognition in accordance with the MFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Group reported the following line items:

- Gross written premiums;
- Net written premiums;
- Changes in premium reserves;
- Gross insurance claims; and
- Net insurance claims.

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expenses;
- Insurance finance income or expenses; and
- Income or expenses from reinsurance contracts held.

The Group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- Amounts recognised in its financial statements from insurance contracts; and
- Significant judgements, and changes in those judgements, when applying the standard.

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 2.1 Adoption of New MFRS and Amendments to MFRSs (cont'd.)

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

###### Transition

On transition to IFRS 17, the Group has applied the full retrospective approach unless impracticable. The Group has applied the full retrospective approach on transition to all contracts issued on or after 1 January 2018.

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if MFRS 17 had always applied;
- Has identified, recognised and measured assets for insurance acquisition cash flows as if MFRS 17 has always applied. However no recoverability assessment was performed before the transition date. At transition date, a recoverability assessment was performed and no impairment loss was identified;
- Derecognised any existing balances that would not exist had IFRS 17 always applied;
- Recognised any resulting net difference in equity.

The Group has applied the transition provisions in MFRS 17 and has not disclosed the impact of the adoption of MFRS 17 on each financial statement line item and EPS. The effects of adopting MFRS 17 on the consolidated financial statements at 1 January 2022 are presented in the statement of changes in equity.

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 2.1 Adoption of New MFRS and Amendments to MFRSs (cont'd.)

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

###### Transition

Effects from applying MFRS 17 resulted an addition of total equity of RM3.9 million, net of tax, as at 1 January 2022. The opening MFRS 17 Statement of Financial Position and related adjustments as at 1 January 2022 are presented below:

	As reported as at 31 Dec 2021 RM'000	Adjustments due to adoption of MFRS 17 RM'000	Opening balances as at 1 Jan 2022 RM'000
Investment in an associate	49,763	2,008	51,771
Deferred tax assets	1,832	(554)	1,278
Reinsurance assets	648,007	(648,007)	-
Reinsurance contract assets	-	577,531	577,531
Insurance receivables	116,594	(116,594)	-
Insurance contract assets	-	32,483	32,483
Other receivables	81,610	(47,062)	34,548
Other assets	828,006	-	828,006
<b>Total assets</b>	<b>1,725,812</b>	<b>(200,195)</b>	<b>1,525,617</b>
Retained earnings	(298,639)	(3,611)	(302,250)
Non-controlling interests	(106,046)	(291)	(106,337)
Other reserves	(261,676)	-	(261,676)
<b>Total equity</b>	<b>(666,361)</b>	<b>(3,902)</b>	<b>(670,263)</b>
Insurance contract liabilities	(911,215)	117,603	(793,612)
Insurance payables	(70,597)	70,597	-
Reinsurance contract liabilities	-	(3,728)	(3,728)
Other payables	(73,444)	19,625	(53,819)
Other liabilities	(4,195)	-	(4,195)
<b>Total liabilities</b>	<b>(1,059,451)</b>	<b>204,097</b>	<b>(855,354)</b>
<b>Total equity and liabilities</b>	<b>(1,725,812)</b>	<b>200,195</b>	<b>(1,525,617)</b>

# Tune Protect Group Berhad

Registration No. 201101020320

## Explanatory Notes Pursuant to MFRS 134

For the year ended 31 December 2023

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

#### 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 these condensed consolidated interim financial statements. The Group intends to adopt these Standards and Amendments to Standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
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.

### 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 2023.

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**5. Segment information**

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

General insurance business	: Underwriting of all classes of general insurance business
General reinsurance business	: Underwriting of all classes of general reinsurance business
Investment holding and others	: Investment holding operations and other subsidiaries

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year to date 31 December 2023</b>										
<b>Insurance revenue</b>										
External	310,227	413,048	63,725	68,853	187	-	-	-	374,139	481,901
Inter-segment	-	-	5,222	4,663	-	-	(5,222)	(4,663)	-	-
	<u>310,227</u>	<u>413,048</u>	<u>68,947</u>	<u>73,516</u>	<u>187</u>	<u>-</u>	<u>(5,222)</u>	<u>(4,663)</u>	<u>374,139</u>	<u>481,901</u>
<b>Profit/(Loss) before tax</b>	<u>9,099</u>	<u>1,805</u>	<u>24,031</u>	<u>10,004</u>	<u>(20,823)</u>	<u>(4,337)</u>	<u>(9,136)</u>	<u>(41,214)</u>	<u>3,171</u>	<u>(33,742)</u>
<b>Segment assets</b>	<u>953,649</u>	<u>1,015,117</u>	<u>168,625</u>	<u>161,030</u>	<u>318,949</u>	<u>330,879</u>	<u>(198,461)</u>	<u>(190,544)</u>	<u>1,242,762</u>	<u>1,316,482</u>
<b>Segment liabilities</b>	<u>640,798</u>	<u>709,334</u>	<u>19,121</u>	<u>25,225</u>	<u>22,945</u>	<u>15,430</u>	<u>(16,272)</u>	<u>(11,186)</u>	<u>666,592</u>	<u>738,803</u>

During the quarter, Tune Insurance Malaysia Berhad (“TIMB”), a subsidiary of Tune Protect Group Berhad (“Tune Protect”) has been notified by the regulator that some of the policies underwritten by TIMB in 2022 under the Perlindungan Tenang Voucher initiative will not be eligible for redemption as some customer consents secured by TIMB have been assessed as unacceptable by the regulator.

Although TIMB is currently considering an appeal on this matter, the Group has provided for full impairment on the potential financial impact. Under MFRS17, all receivable impairment provision is to be presented as part of the Group’s Insurance Revenue. Consequently, the non-redemption of PTV has resulted in the reduction of approximately RM43.6 million in Insurance Revenue and approximately RM22.4 million reductions in Profit After Tax in the current quarter.

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**6. Seasonality of operations**

The business operation of the Group are not mainly affected by any significant seasonal or cyclical factors.

**7. Insurance service result**

	<b>Current quarter</b>		<b>Cumulative quarters</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		<b>Restated</b>
<b>Insurance revenue :</b>				
Amounts relating to changes in liabilities for remaining coverage				
- CSM recognised for the services provided	-	-	-	-
- Change in risk adjustment for non-financial risk for risk expired	2	-	7	-
- Expected incurred claims and other insurance service expenses	23	-	68	-
- Premium adjustment - arising from premium received in the period other than those related to future service	19	-	83	-
Recovery of insurance acquisition cash flows	-	-	2	-
Contracts not measured under the PAA	44	-	160	-
Contracts measured under the PAA	43,023	131,464	373,979	481,901
	<u>43,067</u>	<u>131,464</u>	<u>374,139</u>	<u>481,901</u>
<b>Insurance service expenses:</b>				
Incurred claims and other expenses	(8,739)	(26,409)	(132,295)	(125,338)
Amortisation of insurance acquisition cash flows	(18,768)	(33,691)	(126,295)	(113,541)
Losses/(Reversal of losses) on onerous contracts	-	478	1,237	(5,027)
	<u>(27,507)</u>	<u>(59,622)</u>	<u>(257,353)</u>	<u>(243,906)</u>
<b>Allocation of reinsurance premium paid</b>	<u>(12,825)</u>	<u>(47,439)</u>	<u>(93,124)</u>	<u>(184,945)</u>



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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**7. Insurance service result (cont'd.)**

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000 Restated	RM'000	RM'000 Restated
<b>Amounts recoverable from reinsurers for incurred claims:</b>				
Amounts recoverable for incurred claims and other expenses	(28,506)	(16,975)	(29,811)	(41,932)
Loss-recovery on onerous underlying contracts and adjustments	1,393	(998)	(1,123)	(1,370)
	<u>(27,113)</u>	<u>(17,973)</u>	<u>(30,934)</u>	<u>(43,302)</u>
<b>Insurance service result</b>	<u>(24,378)</u>	<u>6,430</u>	<u>(7,272)</u>	<u>9,748</u>

**8. Investment income**

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Interest income:				
- Amortised costs financial assets	2,380	83	2,636	744
- FVTPL financial assets	308	623	784	4,227
- bank balances	37	27	116	71
Share of investment income from Malaysian Motor Insurance Pool ("MMIP")	(445)	826	2,527	-
Dividend income:				
- FVTPL financial assets	1,049	4,082	6,161	14,430
	<u>3,329</u>	<u>5,641</u>	<u>12,224</u>	<u>19,472</u>

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**9. Profit/(loss) before tax is stated after charging/(crediting) the following:**

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property and equipment	244	433	1,703	1,691
Depreciation of right-of-use assets	849	580	2,526	2,373
Amortisation of intangible assets	2,382	2,410	5,657	4,839
(Reversal of)/Allowance for impairment losses on insurance receivables and reinsurance assets	(4,531)	1,573	(12,282)	49
Bad debts written off	911	1	6,880	1
Realised (gains)/losses on disposal of:				
- property and equipment	-	(1)	6	(195)
- FVTPL financial assets	(701)	14,989	(2,850)	20,843
Net realised (gains)/losses	(701)	14,988	(2,844)	20,648
Fair value gains on FVTPL financial assets	(3,316)	(19,089)	(17,136)	(2,028)
Interest expense on lease liabilities	42	12	163	82
Losses/(Gains) on foreign exchange:				
- realised	2,101	(796)	2,126	(1,403)
- unrealised	(3,923)	1,943	(3,357)	561

**10. Taxation**

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Income tax (benefits)/expense	(2,739)	(310)	2,304	687
Deferred tax (benefits)/expense	(1,011)	1,785	622	186
	(3,750)	1,475	2,926	873
Effective tax rate	17%	33%	92%	-3%

The Group's effective tax rate in current year is higher than statutory tax rate of 24%, mainly due to losses from non-insurance entities and additional tax provision of RM1.4 million in relation to the settlement of tax dispute with tax authority by TIMB. The Group's high effective tax rates in prior year is mainly due to share of losses from an associate and losses from non-insurance entities.

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**11. Earnings per share**

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

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

	Current quarter 3 months ended		Cumulative quarters 12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
(Loss)/Profit net of tax attributable to owners of the parent (RM'000)	(16,196)	1,268	(947)	(35,087)
Weighted average number of ordinary shares in issue ('000)	751,954	751,760	751,954	751,760
Basic and diluted (loss)/earning per share (sen per share)	(2.15)	0.17	(0.13)	(4.67)

**12. Share capital**

During the year ended 31 December 2023, 500,000 new ordinary shares each fully paid were issued pursuant to the exercise of options granted under the Company's Employees Share Option Scheme ("ESOS") at the exercise price of RM0.37 per share. Details of the issued and paid up capital of the Company as at 31 December 2023 are as follows:

	No. of shares	RM'000
As at 1 January 2023	751,759,980	248,519
Ordinary shares issued pursuant to the ESOS	500,000	237 <sup>(1)</sup>
As at 31 December 2023	752,259,980	248,756

(1) Includes capitalisation of employee share option reserve of RM51,999.

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

**13. Dividends**

No interim dividend has been declared for the financial year ended 31 December 2023.

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**14. 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

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:

		<-- Valuation technique using -->			
	Date of valuation	Quoted market price (Level 1) RM'000	Ob- servable inputs (Level 2) RM'000	Unob- servable inputs (Level 3) RM'000	Total RM'000
<b>Assets measured at fair value:</b>					
<b>31 December 2023</b>					
<b>Financial assets at FVTPL:</b>					
Unquoted debt securities in Malaysia	31 December 2023	-	5,048	-	5,048
Quoted unit trust funds in Malaysia	31 December 2023	379,218	-	-	379,218
		<u>379,218</u>	<u>5,048</u>	<u>-</u>	<u>384,266</u>

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**14. 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.)

	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	
<b>Assets measured at fair value: (cont'd.)</b>					
<b>31 December 2022</b>					
<b>Financial assets at FVTPL:</b>					
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>

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

**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.

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**15. Capital commitments**

	<b>As at 31 Dec 2023 RM'000</b>	<b>As at 31 Dec 2022 RM'000</b>
<b>Capital expenditure:</b>		
Approved but not contracted for:		
Intangible assets	27,781	31,987
Property and equipment	1,850	1,508
	<b>29,631</b>	<b>33,495</b>

**16. 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.

**17. 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:

<b>Name of company</b>	<b>Relationship</b>
AirAsia Berhad ("AAB")	Person connected to major shareholder of the Company, AirAsia Digital Sdn Bhd ("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
AirAsia Com Travel Sdn Bhd ("AirAsia Com Travel")	Wholly-owned subsidiary of AAD via AirAsia SuperApp Sdn Bhd
AirAsia X Bhd	Person connected to major shareholder of the Company, AAD

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

**Explanatory Notes Pursuant to MFRS 134**  
**For the year ended 31 December 2023**

**17. Related party transactions (cont'd.)**

	Current quarter		Cumulative quarters	
	3 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
<b>Income/(expenses):</b>				
<b>AAB</b>				
Fee and commission expenses	(2,278)	(1,938)	(7,749)	(6,463)
<b>TGSB</b>				
Royalty fee	(1,548)	(1,656)	(6,896)	(7,441)
Rental and utilities charges	(408)	(382)	(1,616)	(1,538)
<b>SP&amp;G</b>				
Fee and commission expenses	(379)	(46)	(1,928)	(530)
<b>AirAsia Com Travel</b>				
Fee and commission expenses	(4)	(31)	(96)	(93)
<b>AirAsia X Bhd</b>				
Fee and commission expenses	(562)	-	(1,607)	-

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

**18. Events after the reporting period**

Tune Insurance Malaysia Berhad ("TIMB"), a subsidiary of Tune Protect Group Berhad ("Tune Protect") has been notified by the regulator that some of the policies underwritten by TIMB in 2022 under the Perlindungan Tenang Voucher ("PTV") initiative will not be eligible for redemption as some customer consents secured by TIMB have been assessed as unacceptable by the regulator.

Although TIMB is currently considering an appeal on this matter, the Group has provided for full impairment on the potential financial impact. Under MFRS17, all receivable impairment provision is to be presented as part of the Group's Insurance Revenue. Consequently, the non-redemption of PTV has resulted in the reduction of approximately RM43.6 million in Insurance Revenue and approximately RM22.4 million reductions in Profit After Tax in the current quarter.

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

**Explanatory Notes Pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A**

**For the year ended 31 December 2023**

**19. Performance review**

**19.1 Current quarter ("4Q23") against corresponding quarter in prior year ("4Q22")**

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	<b>Current quarter 3 months ended</b>									
<b>Insurance revenue</b>										
External	39,263	119,386	3,751	12,078	53	-	-	-	43,067	131,464
Inter-segment	-	-	1,939	2,279	-	-	(1,939)	(2,279)	-	-
	39,263	119,386	5,690	14,357	53	-	(1,939)	(2,279)	43,067	131,464
<b>(Loss)/Profit before tax</b>	<b>(20,233)</b>	<b>10,003</b>	<b>4,979</b>	<b>3,367</b>	<b>(7,541)</b>	<b>14,907</b>	<b>149</b>	<b>(23,815)</b>	<b>(22,646)</b>	<b>4,462</b>

**Group/Consolidated**

The Group's insurance revenue decreased from RM131.5 million in 4Q22 to RM43.1 million in 4Q23, a decrease of RM88.4 million or 67.2% as compared to the corresponding quarter last year. This was mainly due to a decrease of RM80.1 million in general insurance segment, as a result of the Group's strategy to reduce risk exposure in Commercial policies and Perlindungan Tenang Vouchers ("PTV") impairment provision of RM43.6 million. Under MFRS17, impairment provision is to be presented as part of the Insurance Revenue.

Profit before tax of the Group decreased from a profit of RM4.5 million in 4Q22 to a loss of RM22.6 million in 4Q23. The decrease of RM27.1 million in profit before tax was mainly due to decrease of RM30.8 million in insurance service result (net of insurance financial result) due to non-redemption of PTV in general insurance segment, as disclosed in Note 5 above. The decrease was then mitigated by a reduction of RM3.1 million in other operating expenses.

**General insurance**

Insurance revenue of this segment decreased by RM80.1 million in 4Q23, from RM119.4 million in 4Q22 to RM39.0 million in 4Q23, a decrease of 67.0% as compared to the corresponding quarter last year. This was mainly due to a decrease of RM80.1 million in general insurance segment, as a result of the Group's strategy to reduce risk exposure in Commercial policies and Perlindungan Tenang Vouchers ("PTV") impairment provision of RM43.6 million. Under MFRS17, impairment provision is to be presented as part of the Insurance Revenue.

Profit before tax of this segment decreased by RM30.2 million, from profit of RM10.0 million in 4Q22 to loss of RM20.2 million in 4Q23. This was mainly due to the non-redemption of PTV as disclosed in Note 5 above.

**General reinsurance**

Insurance revenue of this segment decreased by RM8.7 million in 4Q23, from RM14.4 million in 4Q22 to RM5.7 million in 4Q23, mainly due to decrease of RM10.4 million in Motor segment mitigated by increase of RM1.7 million in Travel PA segment.



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

**Explanatory Notes Pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A**

**For the year ended 31 December 2023**

**19. Performance review (cont'd.)**

**19.1 Current quarter ("4Q23") against corresponding quarter in prior year ("4Q22") (cont'd.)**

**General reinsurance (cont'd.)**

Profit before tax of this segment increased by RM1.6 million in this quarter, from RM3.4 million in 4Q22 to RM5.0 million in 4Q23, mainly due to increase of RM1.3 million in insurance service result (net of insurance financial result) and RM0.2 million in realised and unrealised investment income.

**19.2 Current year to date ("YTD 2023") against corresponding year to date ("YTD 2022")**

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	Cumulative quarters 12 months ended									
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Insurance revenue</b>										
External	310,227	413,048	63,725	68,853	187	-	-	-	374,139	481,901
Inter-segment	-	-	5,222	4,663	-	-	(5,222)	(4,663)	-	-
	310,227	413,048	68,947	73,516	187	-	(5,222)	(4,663)	374,139	481,901
<b>Profit/(loss) before tax</b>	9,099	1,805	24,031	10,004	(20,823)	(4,337)	(9,136)	(41,214)	3,171	(33,742)

**Group/Consolidated**

The Group's insurance revenue decreased from RM481.9 million in YTD 2022 to RM374.1 million in YTD 2023. The decrease of RM107.8 million in insurance revenue was mainly resulted from the decreases of RM102.8 million in general insurance segment (included adverse impact of RM43.6 million for non-redemption of PTV) and RM5.1 million in general reinsurance segment.

Profit before tax of the Group increased from a loss of RM33.7 million in YTD 2022 to a profit of RM3.2 million in YTD 2023. The increase of RM36.9 million was mainly contributed by the increase of RM31.4 million in realised and unrealised investment income, increase of RM16.9 million in share of profits of an associate and reduction of RM9.4 million in net other operating expenses, offset by decrease of RM20.6 million in insurance service result (net of insurance financial result) after the adjustment of the adverse impact of RM29.5 million for non-redemption of PTV in general insurance segment.

**General insurance**

Insurance revenue of this segment decreased by RM102.8 million in YTD 2023, from RM413.0 million in YTD 2022 to RM310.2 million in YTD 2023. The decrease of RM102.8 million is mainly due to the adverse impact of RM43.6 million for non-redemption of PTV and decrease of RM59.2 million in Fire, Marine Hull and Onshore and Offshore Oil-Related segments.

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

**Explanatory Notes Pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A**

**For the year ended 31 December 2023**

**19. Performance review (cont'd.)**

**19.2 Current year to date ("YTD 2023") against corresponding year to date ("YTD 2022") (cont'd.)**

**General insurance (cont'd.)**

Profit before tax of this segment increased by RM7.3 million, from RM1.8 million in YTD 2022 to RM9.1 million in YTD 2023. The increase in profit before tax mainly due to increases of RM22.3 million in realised and unrealised investment income and RM2.5 million in net other operating income, offset by decrease of RM17.5 million in insurance service result (net of insurance financial result) after adjusting the adverse impact of RM29.5 million on insurance service result for non-redemption of PTV.

**General reinsurance**

Insurance revenue of this segment decreased by RM4.6 million in YTD 2023, from RM73.5 million in YTD 2022 to RM68.9 million in YTD 2023, mainly contributed by Travel PA segment.

Profit before tax of this segment increased by RM14.0 million in current year, from RM10.0 million in YTD 2022 to RM24.0 million in YTD 2023, mainly due to increases of RM8.2 million in realised and unrealised investment income, RM3.6 million in insurance service result (net of insurance financial result) and reduction of RM2.2 million in net other operating expenses.

**19.3 Current quarter ("4Q23") against preceding quarter in current year ("3Q23")**

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	Current quarter 3 months ended									
	31 Dec 2023	30 Sept 2023	31 Dec 2023	30 Sept 2023	31 Dec 2023	30 Sept 2023	31 Dec 2023	30 Sept 2023	31 Dec 2023	30 Sept 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Insurance revenue</b>										
External	39,263	82,399	3,751	24,459	53	83	-	-	43,067	106,941
Inter-segment	-	-	1,939	1,804	-	-	(1,939)	(1,804)	-	-
	<u>39,263</u>	<u>82,399</u>	<u>5,690</u>	<u>26,263</u>	<u>53</u>	<u>83</u>	<u>(1,939)</u>	<u>(1,804)</u>	<u>43,067</u>	<u>106,941</u>
<b>(Loss)/Profit before tax</b>	<u>(20,233)</u>	<u>10,210</u>	<u>4,979</u>	<u>5,522</u>	<u>(7,541)</u>	<u>3,461</u>	<u>149</u>	<u>(10,155)</u>	<u>(22,646)</u>	<u>9,038</u>

**Group/Consolidated**

The Group's insurance revenue decreased by RM63.8 million in 4Q23, from RM106.9 million in 3Q23 to RM43.1 million in 4Q23, due to decreases of RM43.1 million in general insurance segment (included adverse impact of RM43.6 million for non-redemption of PTV) and RM20.7 million in general reinsurance segment.

Profit before tax of the Group decreased by RM31.7 million, from profit of RM9.0 million in 3Q23 to a loss of RM22.6 million in 4Q23, mainly due to decreases of RM30.8 million in insurance service result (net of insurance financial result) for the impact of RM29.5 million in non-redemption of PTV in general insurance segment, and RM1.8 million in net other operating expenses. The decreases was then mitigated by increases of RM0.5 million in total realised and unrealised investment income and RM0.3 million in share of profits of an associate.

**For the year ended 31 December 2023**

**19. Performance review (cont'd.)**

**19.3 Current quarter ("4Q23") against preceding quarter in current year ("3Q23") (cont'd.)**

**General insurance**

Insurance revenue of this segment decreased by RM43.1 million in 4Q23, from RM82.4 million in 3Q23 to RM39.3 million in 4Q23, a decrease of 52.3% as compared to the immediate preceding quarter, was mainly resulted from the adverse impact of non-redemption of PTV of RM43.6 million.

Profit before tax of this segment decreased by RM30.4 million in 4Q23, from profit of RM10.2 million in 3Q23 to loss of RM20.2 million in 4Q23, mainly contributed by decrease in insurance service result (net of insurance financial result) for the adverse impact of RM29.5 million for non-redemption of PTV.

**General reinsurance**

Insurance revenue of this segment decreased by RM20.6 million in 4Q23, from RM26.3 million in 3Q23 to RM5.7 million in 4Q23, mainly due to decreases of RM17.5 million in Motor segment and RM3.1 million in Travel PA segment.

Profit before tax of this segment decreased by RM0.5 million, from RM5.5 million in 3Q23 to RM5.0 million in 4Q23. The decrease in profit before tax was mainly due to decrease in insurance service results (net of insurance financial result).

**20. Commentary on prospects**

Moving into year 2024, as recently shared by Bank Negara Malaysia, the Malaysian economy is expected to expand by 4% to 5% driven by resilient domestic expenditure and improvement in external demand. In addition, tourism-related activities are also expected to pick up further and return to pre-pandemic level in year 2024. The Group is expected to benefit from the positive economic outlook.

The Group expects travel products to continue achieve healthy growth in the coming year, given the positive outlook in the travel industry locally and internationally. In the Motor segment, the Group is also cautiously optimistic that the existing growth momentum achieved in the recent quarters, shall continue to deliver growth within the preferred line of Motor to the Group in the coming quarters.

The recent change in the Group investment strategy emphasises stable investment returns and expected to continue delivering favourable investment returns in the coming quarters.

The Group remains confident that its business strategies and capital strength will continue to fuel the growth of the Group over the medium to longer term.

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

**Explanatory Notes Pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A**

**For the year ended 31 December 2023**

**21. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the financial year ended 31 December 2023.

**22. Status of corporate proposal**

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

**23. 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.

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.

**For the year ended 31 December 2023**

**23. Material litigation (cont'd.)**

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

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 3 January 2023 to oppose the Application. Hearing date of the Application is fixed on 30 November 2023 at the Kuala Lumpur High Court.

On 16 January 2024, High Court dismissed the MyCC's application for leave to commence judicial review against the Competition Appeal Tribunal's decision dated 2 September 2022. The High Court also ordered the MyCC to pay costs of RM10,000 for each putative respondent. The MyCC has 30 days to file an appeal to the Court of Appeal.

On 15 February 2024, MyCC filed their Notice of Appeal against the Leave Decision at the Court of Appeal. The Court of Appeal has fixed a case management for this matter on 15 May 2024.

**(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.

**For the year ended 31 December 2023**

**23. Material litigation (cont'd.)**

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

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.

On 13 February 2024, LHDN issued a settlement proposal letter to TIMB, offering a final settlement amount of RM1.4 million, in alignment with discussions between the parties. TIMB has confirmed its acceptance of the proposed settlement and incorporated full tax provision in financial year 2023. Both parties are now in the process of finalizing the settlement agreement to formalize the agreement.

The case is scheduled for case management on 4 March 2024.

**For the year ended 31 December 2023**

**23. Material litigation (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.

On 9 March 2023, the Broker filed its Defence and Counterclaim to the court of Thailand. On 11 April 2023, TIPCL filed its Reply to Defence and Defence to the Counterclaim accordingly.

The matter was fixed for Trial from 17 to 20 October 2023. The Thailand Court will deliver its Judgment on this matter on 20 December 2023.

On 20 December 2023, the Thailand Court delivered its decision as follows:

1. The Broker must pay TIPCL THB79.2 million plus 5% interest per year from the date that TIPCL sued the Broker (25 November 2022) until the Broker completely make full payment to TIPCL;
2. The Managing Director of the Broker (K.Chakrit) which acted on behalf of the Broker, is not personally liable for TIPCL;
3. The court dismissed all counter claims raised by the Broker;
4. The Broker must pay THB100,000 to TIPCL as lawyer fees and THB50,000 for our litigation costs and expenses. In addition, the Broker needs to pay for the court fees which is 2% of the recovery amount.

Parties are due to file their respective appeals against the decision by 20 March 2024.

As at 31 December 2023, net impairment impact to the Group's 49% equity interest in TIPCL was RM8.5 million (as at 31 December 2022: RM7.9 million).

**24. Disclosure of nature of outstanding derivatives**

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

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

**Explanatory Notes Pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A**

**For the year ended 31 December 2023**

**25. Rationale for entering into derivatives**

The Group did not enter into any derivative transactions during the period ended 31 December 2023 or the previous year ended 31 December 2022.

**26. Risks and policies for derivatives**

The Group did not enter into any derivative transactions during the period ended 31 December 2023 or the previous year ended 31 December 2022.

**27. 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 2023 and 31 December 2022.

**28. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2022 was not qualified.