



**Tune Protect Group Berhad**

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

**Interim Financial Statements**

**For the Quarter and Three Months Ended 31 March 2024**

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

**Condensed consolidated statement of comprehensive income**  
**For the period ended 31 March 2024**

		<b>Current quarter</b>	
		<b>3 months ended</b>	
		<b>31 Mar</b>	<b>31 Mar</b>
		<b>2024</b>	<b>2023</b>
<b>Note</b>		<b>RM'000</b>	<b>RM'000</b>
	Insurance revenue	94,622	121,828
	Insurance service expenses	(126,766)	(98,993)
	<b>Insurance service result before reinsurance contracts held</b>	<b>(32,144)</b>	<b>22,835</b>
	Allocation of reinsurance premiums	(14,801)	(35,832)
	Amounts recoverable from reinsurers for incurred claims	38,186	19,281
	<b>Net income/(expense) from reinsurance contracts held</b>	<b>23,385</b>	<b>(16,551)</b>
	<b>Insurance service result</b>	<b>(8,759)</b>	<b>6,284</b>
	Investment income	6,398	2,747
	Realised gains and losses	407	(1,431)
	Fair value gains or losses	2,589	8,000
	<b>Total investment income</b>	<b>9,394</b>	<b>9,316</b>
	Insurance finance expenses for insurance contracts issued	(2,613)	(3,913)
	Reinsurance finance income for reinsurance contracts held	2,060	3,254
	<b>Net insurance financial result</b>	<b>(553)</b>	<b>(659)</b>
	Other operating income	979	458
	Other operating expenses	(5,333)	(10,535)
	Other finance costs	(53)	(27)
	<b>Total other income and expenses</b>	<b>(4,407)</b>	<b>(10,104)</b>
	Share of results of an associate	236	(1,067)
	Share of results of a joint venture company	20	35
	<b>(Loss)/profit before tax</b>	<b>(4,069)</b>	<b>3,805</b>
	Income tax benefit/(expense)	199	(627)
	<b>(Loss)/Profit for the period</b>	<b>(3,870)</b>	<b>3,178</b>

**Tune Protect Group Berhad**  
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**Condensed consolidated statement of comprehensive income (cont'd.)**  
**For the period ended 31 March 2024**

		<b>Current quarter</b>	
		<b>3 months ended</b>	
		<b>31 Mar</b>	<b>31 Mar</b>
		<b>2024</b>	<b>2023</b>
<b>Note</b>		<b>RM'000</b>	<b>RM'000</b>
			<b>Restated</b>
<b>Other comprehensive loss:</b>			
<u>Items that will not be subsequently reclassified to profit or loss</u>			
	Effect of post-acquisition foreign exchange translation reserve on investment in an associate and a joint venture company	(402)	(643)
	<b>Other comprehensive loss for the period</b>	<b>(402)</b>	<b>(643)</b>
	<b>Total comprehensive (loss)/profit for the period</b>	<b>(4,272)</b>	<b>2,535</b>
<b>(Loss)/profit attributable to:</b>			
	Owners of the parent	(3,534)	1,974
	Non-controlling interests	(336)	1,204
		<b>(3,870)</b>	<b>3,178</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
	Owners of the parent	(3,936)	1,331
	Non-controlling interests	(336)	1,204
		<b>(4,272)</b>	<b>2,535</b>
<b>Basic and diluted (loss)/earnings per share attributable to owners of the parent (sen per share)</b>			
11		<b>(0.47)</b>	<b>0.26</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

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

**Condensed consolidated statement of financial position**  
**As at 31 March 2024**

	<b>As at</b>	<b>As at</b>
	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Property and equipment	3,004	3,353
Intangible assets	39,131	38,368
Right-of-use assets	6,685	6,913
Investment in an associate	33,323	33,689
Investment in a joint venture company	1,501	1,281
Goodwill	24,165	24,165
Investments	741,678	724,372
Deferred tax assets	800	468
Insurance contract assets	20,844	16,656
Reinsurance contract assets	367,112	340,440
Other receivables	64,573	58,443
Cash and bank balances	41,142	45,736
<b>Total assets</b>	<b>1,343,958</b>	<b>1,293,884</b>
<b>Equity</b>		
Share capital	249,382	248,756
Long Term Incentive Plan - Employee Share Option Scheme ("LTIP - ESOS") reserves	1,320	1,342
Foregin currency translation reserve	6,315	6,717
Other comprehensive income ("OCI") reserve	(363)	(363)
Other reserve	499	499
Retained earnings	262,683	266,217
Equity attributable to owners of the parent	519,836	523,168
Non-controlling interests	52,666	53,002
<b>Total equity</b>	<b>572,502</b>	<b>576,170</b>
<b>Liabilities</b>		
Insurance contract liabilities	692,395	649,555
Reinsurance contract liabilities	886	665
Lease liabilities	7,015	7,219
Other payables	71,160	60,275
<b>Total liabilities</b>	<b>771,456</b>	<b>717,714</b>
<b>Total equity and liabilities</b>	<b>1,343,958</b>	<b>1,293,884</b>
<b>Net assets per ordinary share attributable to owners of the parent (RM)</b>	<b>0.69</b>	<b>0.70</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

**Tune Protect Group Berhad**  
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**Condensed consolidated statement of changes in equity**  
For the period ended 31 March 2024

	Attributable to the owners of the parent								Total equity
	Non-distributable					Distributable		Non-controlling interests	
	Share capital	OCI reserve	Other reserve	LTIP - ESOS reserve	Foreign currency translation reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2024</b>	248,756	(363)	499	1,342	6,717	266,217	523,168	53,002	576,170
Net loss for the period	-	-	-	-	-	(3,534)	(3,534)	(336)	(3,870)
Other comprehensive loss for the period	-	-	-	-	(402)	-	(402)	-	(402)
Total comprehensive loss for the period	-	-	-	-	(402)	(3,534)	(3,936)	(336)	(4,272)
Grant of equity-settled share options to employees	-	-	-	155	-	-	155	-	155
Issuance of shares pursuant to LTIP - ESOS	626	-	-	(177)	-	-	449	-	449
<b>At 31 March 2024</b>	<b>249,382</b>	<b>(363)</b>	<b>499</b>	<b>1,320</b>	<b>6,315</b>	<b>262,683</b>	<b>519,836</b>	<b>52,666</b>	<b>572,502</b>
<b>At 1 January 2023</b>	248,519	199	343	-	9,645	267,164	525,870	51,810	577,680
Net profit for the period	-	-	-	-	-	1,974	1,974	1,204	3,178
Other comprehensive loss for the period	-	-	-	-	(643)	-	(643)	-	(643)
Total comprehensive (loss)/income for the period	-	-	-	-	(643)	1,974	1,331	1,204	2,535
Grant of equity-settled share options to employees	-	-	-	472	-	-	472	-	472
<b>At 31 March 2023</b>	<b>248,519</b>	<b>199</b>	<b>343</b>	<b>472</b>	<b>9,002</b>	<b>269,138</b>	<b>527,673</b>	<b>53,014</b>	<b>580,687</b>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

**Tune Protect Group Berhad**  
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**Condensed consolidated statement of cash flows**  
**For the period ended 31 March 2024**

	<b>Current quarter</b>	
	<b>3 months ended</b>	
	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(4,069)	3,805
Adjustments for:		
Non-cash items	1,649	4,398
Investment related income	(9,394)	(9,316)
Operating loss before working capital changes	(11,814)	(1,113)
Net change in operating assets	17,078	3,545
Net change in operating liabilities	6,292	(21,683)
Cash generated from/(used in) operating activities	11,556	(19,251)
Net interest received	137	160
Net dividend received	1,203	2,545
Income tax paid	(880)	(206)
Net cash generated from/(used in) operating activities	<u>12,016</u>	<u>(16,752)</u>
<b>Cash flows from investing activities</b>		
Purchases of fair value through profit or loss ("FVTPL") financial assets	(59,385)	(358,449)
Proceeds from disposal of FVTPL financial assets	15,841	355,066
Movements in amortised cost financial assets	27,505	(2,408)
Proceeds from disposal of property and equipment	-	3
Purchase of property and equipment	(57)	(163)
Purchase of intangible assets	(2,646)	(4,331)
Net cash used in investing activities	<u>(18,742)</u>	<u>(10,282)</u>
<b>Cash flows from financing activities</b>		
Payment of principal portion of lease liabilities	(654)	(1,015)
Proceeds from issuance of shares pursuant to LTIP - ESOS	448	-
Net cash used in financing activities	<u>(206)</u>	<u>(1,015)</u>
<b>Net decrease in cash and cash equivalents</b>	(6,932)	(28,049)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	178	80
<b>Cash and cash equivalents at beginning of period</b>	72,468	48,532
<b>Cash and cash equivalents at end of period</b>	<u>65,714</u>	<u>20,563</u>
<b>Cash and cash equivalents comprise:</b>		
Fixed and call deposits (with original maturities of less than three months) with licensed financial institutions	24,572	4,262
Cash and bank balances	41,142	16,301
	<u>65,714</u>	<u>20,563</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023.

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**Explanatory Notes Pursuant to MFRS 134**  
**For the period ended 31 March 2024**

**1. Basis of preparation**

These condensed consolidated interim financial statements, for the period ended 31 March 2024, 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 2023.

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 2023.

**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 with respect to the following Amendments to Standards which are mandatory for annual financial periods beginning on or after 1 January 2024 and which were adopted by the Group on 1 January 2024.

Amendments to MFRS 16 *Lease Liability in a Sale and Leaseback*

Amendments to MFRS 101 *Non-current Liabilities with Covenants*

Amendments to MFRS 107 *Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures*

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

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**For the period ended 31 March 2024**

**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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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 period ended 31 March 2024.



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**For the period ended 31 March 2024**

**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 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Period to date 31 March 2024</b>										
<b>Insurance revenue</b>										
External	79,614	101,925	14,980	19,903	28	-	-	-	94,622	121,828
Inter-segment	-	-	2,627	29	-	-	(2,627)	(29)	-	-
	<u>79,614</u>	<u>101,925</u>	<u>17,607</u>	<u>19,932</u>	<u>28</u>	<u>-</u>	<u>(2,627)</u>	<u>(29)</u>	<u>94,622</u>	<u>121,828</u>
<b>(Loss)/Profit before tax</b>	<u>(2,350)</u>	<u>7,684</u>	<u>4,599</u>	<u>4,775</u>	<u>(6,515)</u>	<u>(7,538)</u>	<u>197</u>	<u>(1,116)</u>	<u>(4,069)</u>	<u>3,805</u>
<b>Segment assets</b>	<u>1,052,157</u>	<u>1,001,982</u>	<u>173,261</u>	<u>166,844</u>	<u>313,359</u>	<u>330,657</u>	<u>(194,819)</u>	<u>(194,595)</u>	<u>1,343,958</u>	<u>1,304,888</u>
<b>Segment liabilities</b>	<u>741,325</u>	<u>688,994</u>	<u>19,290</u>	<u>26,410</u>	<u>23,265</u>	<u>22,276</u>	<u>(12,424)</u>	<u>(13,479)</u>	<u>771,456</u>	<u>724,201</u>

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**For the period ended 31 March 2024**

**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>3 months ended</b>	
	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Insurance revenue</b>		
Amounts relating to changes in liabilities for remaining coverage		
- CSM recognised for the services provided	17	-
- Risk adjustment recognised for risk expired	138	-
- Expected insurance service expenses incurred in the period	(129)	-
- Other amounts including experience adjustments for premium receipts	1	-
Recovery of insurance acquisition cash flows	27	-
Contracts not measured under the PAA	94,595	121,828
Contracts measured under the PAA	<u>94,622</u>	<u>121,828</u>
<b>Insurance service expenses</b>		
Incurred claims and other expenses	(95,552)	(68,109)
Amortisation of insurance acquisition cash flows	(32,062)	(32,340)
Reversal of losses on onerous contracts	848	1,456
	<u>(126,766)</u>	<u>(98,993)</u>
<b>Allocation of reinsurance premium paid</b>	<u>(14,801)</u>	<u>(35,832)</u>
<b>Amounts recoverable from reinsurers for incurred claims</b>		
Amounts recoverable for incurred claims and other expenses	38,807	21,725
Reversal of loss recovery component, other than changes in fulfilment cash flow, for reinsurance contracts held	(621)	(2,444)
	<u>38,186</u>	<u>19,281</u>
<b>Insurance service result</b>	<u>(8,759)</u>	<u>6,284</u>

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**8. Investment income**

	<b>Current quarter</b>	
	<b>3 months ended</b>	
	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income:		
- Amortised costs financial assets	2,897	-
- FVTPL financial assets	114	111
- Bank balances	20	90
Share of investment income from Malaysian Motor Insurance Pool ("MMIP")	2,406	-
Dividend income:		
- FVTPL financial assets	961	2,546
	<b>6,398</b>	<b>2,747</b>

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

	<b>Current quarter</b>	
	<b>3 months ended</b>	
	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property and equipment	352	417
Depreciation of right-of-use assets	629	654
Amortisation of intangible assets	1,556	1,285
Allowance for/(Reversal of) impairment losses on insurance receivables and reinsurance assets	2,786	(569)
Realised (gains)/losses on disposal of:		
- property and equipment	-	6
- FVTPL financial assets	(407)	1,425
Net realised (gains)/losses	(407)	1,431
Fair value gains on FVTPL financial assets	(2,589)	(8,000)
Interest expense on lease liabilities	53	69
Gains on foreign exchange:		
- realised	(58)	(9)
- unrealised	(648)	(573)

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**Explanatory Notes Pursuant to MFRS 134**  
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**10. Taxation**

	<b>Current quarter</b>	
	<b>3 months ended</b>	
	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax expense	132	401
Deferred tax (benefits)/expense	(331)	226
	<u>(199)</u>	<u>627</u>
Effective tax rate	<u>5%</u>	<u>16%</u>

The Group's low effective tax rate is mainly due to no deferred tax assets being recognised on tax losses of the loss making entities.

**11. 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.

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

	<b>Current quarter</b>	
	<b>3 months ended</b>	
	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2024</b>	<b>2023</b>
(Loss)/profit attributable to ordinary equity holders (RM'000)	<u>(3,534)</u>	<u>1,974</u>
Number of ordinary shares in issues ('000)	753,641	751,760
Effects of dilution - LTIP - ESOS ('000)	-	-
	<u>753,641</u>	<u>751,760</u>
Basic and diluted (loss)/earning per share (sen)	<u>(0.47)</u>	<u>0.26</u>

The Group has no dilution in its (loss)/earning per ordinary share in the current and the preceding financial periods as there are no dilutive potential ordinary shares.

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**12. Share capital**

	<b>Share capital (Issued and fully paid)</b>	
	<b>Number of ordinary shares '000</b>	<b>Amount RM'000</b>
At 1 January 2022 / 31 December 2022	751,760	248,519
Ordinary shares issued pursuant to the LTIP - ESOS	500	237*
At 31 December 2023	752,260	248,756
Ordinary shares issued pursuant to the LTIP - ESOS	1,381	626*
At 31 March 2024	753,641	249,382

\* Includes capitalisation of LTIP - ESOS reserve of RM177,000 (2023: RM51,999).

During the period, 1,381,000 (2023: 500,000) new ordinary shares each fully paid were issued pursuant to the exercise of options granted the Company's LTIP - ESOS at the exercise price of RM0.37 (2023: RM0.37) per share.

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

**13. Dividends**

No interim dividend has been declared for the financial period ended 31 March 2024.

**14. Fair value measurement**

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.

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**Explanatory Notes Pursuant to MFRS 134**  
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**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:

	Date of valuation	<-- Valuation technique using -->			Total RM'000
		Quoted market price (Level 1) RM'000	Observable inputs (Level 2) RM'000	Unobservable inputs (Level 3) RM'000	
<b>Assets measured at fair value:</b>					
<b>31 March 2024</b>					
<b>Financial assets at FVTPL:</b>					
Unquoted debt securities in Malaysia	31 March 2024	-	5,051	-	5,051
Quoted unit trust funds in Malaysia	31 March 2024	426,187	-	-	426,187
		<u>426,187</u>	<u>5,051</u>	<u>-</u>	<u>431,238</u>
<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>

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.

**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.

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**Explanatory Notes Pursuant to MFRS 134**  
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**15. Capital commitments**

	<u>As at</u> <u>31 Mar</u> <u>2024</u> <u>RM'000</u>	<u>As at</u> <u>31 Mar</u> <u>2023</u> <u>RM'000</u>
<b>Capital expenditure:</b>		
Approved but not contracted for:		
Intangible assets	36,581	37,599
Property and equipment	2,507	2,317
	<u>39,088</u>	<u>39,916</u>

**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

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

	<b>Current quarter</b>	
	<b>3 months ended</b>	
	<b>31 Mar</b>	<b>31 Mar</b>
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Income/(expenses):</b>		
<b>AAB</b>		
Fee and commission expenses	(2,073)	(1,843)
Data management fee	-	(1)
<b>TGSB</b>		
Royalty fee	(1,680)	(1,588)
Rental and utilities charges	(406)	(392)
<b>SP&amp;G</b>		
Fee and commission expenses	(191)	(72)
<b>AirAsia Com Travel</b>		
Fee and commission expenses	(5)	(37)
<b>AirAsia X Bhd</b>		
Fee and commission expenses	(554)	-

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**

There were no significant events after the reporting period.



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**19. Performance review**

**19.1 Current quarter ("1Q24") against corresponding quarter in prior year ("1Q23")**

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	Current quarter 3 months ended									
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 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	79,614	101,925	14,980	19,903	28	-	-	-	94,622	121,828
Inter-segment	-	-	2,627	29	-	-	(2,627)	(29)	-	-
	<u>79,614</u>	<u>101,925</u>	<u>17,607</u>	<u>19,932</u>	<u>28</u>	<u>-</u>	<u>(2,627)</u>	<u>(29)</u>	<u>94,622</u>	<u>121,828</u>
<b>(Loss)/profit before tax</b>	<u>(2,350)</u>	<u>7,684</u>	<u>4,599</u>	<u>4,775</u>	<u>(6,515)</u>	<u>(7,538)</u>	<u>197</u>	<u>(1,116)</u>	<u>(4,069)</u>	<u>3,805</u>

**Group/Consolidated**

The Group's insurance revenue decreased from RM121.8 million in 1Q23 to RM94.6 million in 1Q24, a decrease of RM27.2 million or 22.3% as compared to the corresponding quarter last year, mainly due to decrease of RM22.3 million in general insurance segment and RM4.9 million in general reinsurance segment.

Profit before tax of the Group decreased from a profit of RM3.8 million in 1Q23 to a loss of RM4.1 million in 1Q24. The decrease of RM7.9 million in profit before tax was mainly due to decrease of RM14.9 million in insurance service result (net of insurance financial result), offset by decrease of RM5.7 million in net other operating expenses and increase of RM1.3 million in share of profits of an associate.

**General insurance**

Insurance revenue of this segment decreased by RM22.3 million in 1Q24, from RM101.9 million in 1Q23 to RM79.6 million in 1Q24, a decrease of 21.9% as compared to the corresponding quarter last year, mainly due to decrease in Fire, Personal Accidents, Marine and Cargo segments.

Profit before tax of this segment decreased by RM10.0 million, from a profit of RM7.7 million in 1Q23 to a loss of RM2.3 million in 1Q24. The decrease mainly due to the reduction of RM11.2 million in insurance service result (net of insurance financial results), offset by increase of RM1.2 million in realised and unrealised investment income.

**General reinsurance**

Insurance revenue of this segment decreased by RM2.3 million in 1Q24, from RM19.9 million in 1Q23 to RM17.6 million in 1Q23, due to mainly due to decrease in premium in Middle East market.

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

**19.1 Current quarter ("1Q24") against corresponding quarter in prior year ("1Q23") (cont'd.)**

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

Profit before tax of this segment decreased by RM0.2 million in this quarter, from RM4.8 million in 1Q23 to RM4.6 million in 1Q24, mainly due to decrease of RM1.4 million in insurance service result (net of insurance financial results) and decrease of RM0.8 million in realised and unrealised investment income, offset by decrease of RM2.0 million in net other operating expenses.

**19.2 Current quarter ("1Q24") against preceding quarter in prior year ("4Q23")**

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 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	79,614	39,263	14,980	3,751	28	53	-	-	94,622	43,067
Inter-segment	-	-	2,627	1,939	-	-	(2,627)	(1,939)	-	-
	<u>79,614</u>	<u>39,263</u>	<u>17,607</u>	<u>5,690</u>	<u>28</u>	<u>53</u>	<u>(2,627)</u>	<u>(1,939)</u>	<u>94,622</u>	<u>43,067</u>
<b>(Loss)/profit before tax</b>	<u>(2,350)</u>	<u>(20,233)</u>	<u>4,599</u>	<u>4,979</u>	<u>(6,515)</u>	<u>(7,541)</u>	<u>197</u>	<u>149</u>	<u>(4,069)</u>	<u>(22,646)</u>

**Group/Consolidated**

The Group's insurance revenue increased by RM51.6 million in 1Q24, from RM43.1 million in 4Q23 to RM94.6 million in 1Q24, due to increase of RM40.3 million in general insurance segment and RM11.3 million in general reinsurance segment.

Loss before tax of the Group decreased by RM18.5 million, from RM22.6 million in 4Q23 to RM4.1 million in 1Q24, mainly due to increase of RM16.3 million in insurance service results (net of insurance financial result) in 1Q24 and increases of RM2.0 million in realised and unrealised investment income.

**General insurance**

Insurance revenue of this segment in 1Q24 increased by RM40.3 million, from RM39.3 million in 4Q23 to RM79.6 million in 1Q24, a decrease of 14.7% as compared to the immediate preceding quarter, was mainly due to Perlindungan Tenang Vouchers ("PTV") impairment provision of RM43.6 million in 4Q23. Under MFRS 17, impairment provision is to be presented as part of the Insurance Revenue.

Loss before tax of this segment decreased by RM17.9 million, from RM20.2 million in 4Q23 to RM2.3 million in 1Q24, mainly due to the non-redemption of PTV impact of RM22.4 million in 4Q23.

**For the period ended 31 March 2024**

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

**19.2 Current quarter ("1Q24") against preceding quarter in prior year ("4Q23") (cont'd.)**

**General reinsurance**

Insurance revenue of this segment increased by RM11.9 million in 1Q24, from RM5.7 million in 4Q23 to RM17.6 million in 1Q24, mainly due to increase in net premium of Motor segment.

Profit before tax of this segment decreased by RM0.4 million, from RM4.9 million in 4Q23 to RM4.6 million in 1Q24. The decrease in profit before tax was mainly due to reduction of RM1.1 million in insurance service results (net of insurance financial result) and decrease of RM0.5 million in realised and unrealised investment income, offset by increase of RM1.2 million in net other operating expenses.

**20. Commentary on prospects**

The Group expects travel products to continue achieving healthy growth in the coming quarters, given the positive outlook in the travel industry locally and internationally, as well as the aggressive capacity growth plans announced by the Group's key airline partners for year 2024.

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 segment to the Group in the coming quarters.

Greater emphasis would also be placed on growing policies with higher profit margin to improve the underwriting results of the Group in the coming quarters.

The change in the Group's investment strategy continue to deliver 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 growth for the Group over the medium to longer term.

**21. Profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the financial period ended 31 March 2024.

**For the period ended 31 March 2024**

**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.

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.

**For the period ended 31 March 2024**

**23. 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 ("Appeal Decision").

MyCC applied for leave to apply for judicial review of the Kuala Lumpur High Court Decision ("Application"). TIMB and the other general insurance companies filed their affidavits on 03 January 2023 to oppose the Application. Hearing 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 the hearing of the Appeal on 22 May 2025.

**(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.

**For the period ended 31 March 2024**

**23. 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.

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 15 July 2024.

**For the period ended 31 March 2024**

**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 Counter claim 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 30 June 2024.

As at 31 March 2024, net impairment impact to the Group's 49% equity interest in TIPCL was RM8.5 million (as at 31 December 2023: RM8.5 million).

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

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

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**25. Rationale for entering into derivatives**

The Group did not enter into any derivative transactions during the period ended 31 March 2024 or the previous year ended 31 December 2023.

**26. Risks and policies for derivatives**

The Group did not enter into any derivative transactions during the period ended 31 March 2024 or the previous year ended 31 December 2023.

**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 March 2024 and 31 December 2023.

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

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.