



Tune Protect Group Berhad

Registration No. 201101020320 (948454-K)

Interim Financial Statements

For the Quarter and Nine Months Ended 30 September 2024

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

Condensed consolidated statement of comprehensive income
For the period ended 30 September 2024

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2024	2023	2024	2023
Note	RM'000	RM'000	RM'000	RM'000
Insurance revenue	100,207	106,941	290,241	331,072
Insurance service expenses	(82,174)	(86,654)	(291,062)	(229,846)
Insurance service result				
before reinsurance contracts held	18,033	20,287	(821)	101,226
Allocation of reinsurance premiums	(13,085)	(23,282)	(42,416)	(80,299)
Amounts recoverable from reinsurers for incurred claims	5,500	9,738	42,520	(3,821)
Net expense from reinsurance contracts held	(7,585)	(13,544)	104	(84,120)
Insurance service result	7	10,448	6,743	(717)
Investment income	5,032	1,872	15,418	8,895
Realised gains and losses	11,151	3,093	12,360	2,143
Fair value gains or losses	(8,167)	1,879	(3,382)	13,820
Total investment income	8,016	6,844	24,396	24,858
Insurance finance expenses for insurance contracts issued	(6,494)	(4,228)	(13,403)	(11,235)
Reinsurance finance income for reinsurance contracts held	2,147	2,643	5,995	9,681
Net insurance financial result	(4,347)	(1,585)	(7,408)	(1,554)
Other operating income	264	1,571	3,149	3,591
Other operating expenses	(5,416)	(3,987)	(19,926)	(18,541)
Other finance costs	(42)	(47)	(142)	(121)
Total other income and expenses	(5,194)	(2,463)	(16,919)	(15,071)
Share of results of an associate	376	(540)	(4,429)	362
Share of results of a joint venture company	30	39	73	116
Profit/(Loss) before tax	9	9,329	9,038	(5,004)
Income tax expense	10	(2,130)	(4,249)	(1,796)
Profit/(Loss) for the period		7,199	4,789	(6,800)
				19,141

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

Condensed consolidated statement of comprehensive income (cont'd.)
For the period ended 30 September 2024

	Current quarter		Cumulative quarters		
	3 months ended		9 months ended		
	30 Sept	30 Sept	30 Sept	30 Sept	
	2024	2023	2024	2023	
Note	RM'000	RM'000	RM'000	RM'000	
Other comprehensive income/(loss):					
<u>Items that will not be subsequently reclassified to profit or loss</u>					
Effect of post-acquisition foreign exchange translation reserve on investment in an associate and a joint venture company	(221)	(455)	(828)	(679)	
Other comprehensive loss for the period	(221)	(455)	(828)	(679)	
Total comprehensive profit/(loss) for the period	6,978	4,334	(7,628)	18,462	
Profit/(Loss) attributable to:					
Owners of the parent	5,862	3,757	(7,437)	15,249	
Non-controlling interests	1,337	1,032	637	3,892	
	7,199	4,789	(6,800)	19,141	
Total comprehensive income/(loss) attributable to:					
Owners of the parent	5,641	3,302	(8,265)	14,570	
Non-controlling interests	1,337	1,032	637	3,892	
	6,978	4,334	(7,628)	18,462	
Earnings/(loss) per share attributable to owners of the parent (sen per share)					
Basic	11	0.78	0.50	(0.99)	2.03
Diluted	11	0.78	0.50	(0.99)	2.03

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 30 September 2024

	As at	As at
	30 Sept 2024	31 Dec 2023
	RM'000	RM'000
Assets		
Property and equipment	2,880	3,353
Intangible assets	38,299	38,368
Right-of-use assets	5,446	6,913
Investment in an associate	28,427	33,689
Investment in a joint venture company	1,359	1,281
Goodwill	24,165	24,165
Investments	730,598	724,372
Deferred tax assets	1,407	468
Insurance contract assets	20,280	16,656
Reinsurance contract assets	345,298	340,440
Other receivables	72,063	58,443
Cash and bank balances	26,355	45,736
Total assets	1,296,577	1,293,884
Equity		
Share capital	249,382	248,756
Long Term Incentive Plan - Employee Share Option Scheme ("LTIP - ESOS") reserves	978	1,342
Foreign currency translation reserve	5,889	6,717
Other comprehensive income ("OCI") reserve	(363)	(363)
Other reserve	499	499
Retained earnings	258,780	266,217
Equity attributable to owners of the parent	515,165	523,168
Non-controlling interests	53,023	53,002
Total equity	568,188	576,170
Liabilities		
Insurance contract liabilities	660,905	649,555
Reinsurance contract liabilities	428	665
Lease liabilities	5,995	7,219
Other payables	61,061	60,275
Total liabilities	728,389	717,714
Total equity and liabilities	1,296,577	1,293,884
Net assets per ordinary share attributable to owners of the parent (RM)	0.68	0.70

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 changes in equity
For the period ended 30 September 2024

	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	LTIP - ESOS reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2024	248,756	(363)	499	1,342	6,717	266,217	523,168	53,002	576,170
Net (loss)/profit for the period	-	-	-	-	-	(7,437)	(7,437)	637	(6,800)
Other comprehensive loss for the period	-	-	-	-	(828)	-	(828)	-	(828)
Total comprehensive (loss)/profit for the period	-	-	-	-	(828)	(7,437)	(8,265)	637	(7,628)
Grant of equity-settled share options to employees	-	-	-	(188)	-	-	(188)	-	(188)
Issuance of shares pursuant to LTIP - ESOS	626	-	-	(176)	-	-	450	-	450
Decrease in non-controlling interest arising from reduction in interest in a subsidiary	-	-	-	-	-	-	-	(616)	(616)
At 30 September 2024	249,382	(363)	499	978	5,889	258,780	515,165	53,023	568,188
At 1 January 2023	248,519	199	343	-	9,645	267,164	525,870	51,810	577,680
Net profit for the period	-	-	-	-	-	15,249	15,249	3,892	19,141
Other comprehensive loss for the period	-	-	-	-	(679)	-	(679)	-	(679)
Total comprehensive (loss)/income for the period	-	-	-	-	(679)	15,249	14,570	3,892	18,462
Grant of equity-settled share options to employees	-	-	-	1,083	-	-	1,083	-	1,083
Issuance of shares pursuant to LTIP - ESOS	189	-	-	(42)	-	-	147	-	147
At 30 September 2023	248,708	199	343	1,041	8,966	282,413	541,670	55,702	597,372

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 cash flows
For the period ended 30 September 2024

	Cumulative quarters	
	9 months ended	
	30 Sept 2024	30 Sept 2023
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before taxation	(5,004)	25,817
Adjustments for:		
Non-cash items	14,949	8,349
Investment related income	(24,396)	(24,858)
Operating (loss)/profit before working capital changes	(14,451)	9,308
Net change in operating assets	(39,084)	82,145
Net change in operating liabilities	35,132	(93,883)
Cash used in operating activities	(18,403)	(2,430)
Net interest received	8,306	3,608
Net dividend received	1,002	5,071
Income tax paid	(579)	(292)
Net cash (used in)/generated from operating activities	(9,674)	5,957
Cash flows from investing activities		
Purchases of fair value through profit or loss ("FVTPL") financial assets	(382,761)	(535,180)
Proceeds from disposal of FVTPL financial assets	304,615	545,506
Movements in amortised cost financial assets	303,328	(2,849)
Proceeds from disposal of property and equipment	102	(320)
Purchase of property and equipment	(527)	(845)
Purchase of intangible assets	(8,927)	(14,081)
Net cash generated from/(used in) investing activities	215,830	(7,769)
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(1,806)	(2,042)
Proceeds from issuance of shares pursuant to ESOS	450	147
Cash paid to non-controlling interest of units cancelled in a subsidiary	(616)	-
Net cash used in financing activities	(1,972)	(1,895)
Net increase/(decrease) in cash and cash equivalents	204,184	(3,707)
Effect of exchange rate changes on cash and cash equivalents	(378)	(320)
Cash and cash equivalents at beginning of period	72,468	48,532
Cash and cash equivalents at end of period	276,274	44,505
Cash and cash equivalents comprise:		
Fixed and call deposits (with original maturities of less than three months) with licensed financial institutions	249,919	28,594
Cash and bank balances	26,355	15,911
	276,274	44,505

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)

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 June 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.

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 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.

Description	Effective for annual periods beginning on or after
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 30 September 2024.

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 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	
	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Period to date 30 September 2024										
Insurance revenue										
External	239,887	270,964	50,084	59,974	270	134	-	-	290,241	331,072
Inter-segment	-	-	7,423	3,283	-	-	(7,423)	(3,283)	-	-
	<u>239,887</u>	<u>270,964</u>	<u>57,507</u>	<u>63,257</u>	<u>270</u>	<u>134</u>	<u>(7,423)</u>	<u>(3,283)</u>	<u>290,241</u>	<u>331,072</u>
Profit/(Loss) before tax	<u>5,362</u>	<u>29,332</u>	<u>13,304</u>	<u>19,052</u>	<u>4,428</u>	<u>(13,282)</u>	<u>(28,098)</u>	<u>(9,285)</u>	<u>(5,004)</u>	<u>25,817</u>
Segment assets	<u>1,018,818</u>	<u>956,866</u>	<u>159,549</u>	<u>163,501</u>	<u>315,733</u>	<u>329,985</u>	<u>(197,523)</u>	<u>(190,901)</u>	<u>1,296,577</u>	<u>1,259,451</u>
Segment liabilities	<u>702,050</u>	<u>627,868</u>	<u>20,835</u>	<u>18,822</u>	<u>16,356</u>	<u>26,606</u>	<u>(10,852)</u>	<u>(11,217)</u>	<u>728,389</u>	<u>662,079</u>

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 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

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Insurance revenue:				
Amounts relating to changes in liabilities for remaining coverage				
- CSM recognised for the services provided	-	(1)	-	-
- Risk adjustment recognised for risk expired	(3)	3	14	5
- Expected insurance service expenses incurred in the period	(22)	27	116	45
- Other amounts including experience adjustments for premium receipts	135	39	6	64
Recovery of insurance acquisition cash flows	-	1	1	2
Contracts not measured under the PAA	110	69	137	116
Contracts measured under the PAA	100,097	106,872	290,104	330,956
	<u>100,207</u>	<u>106,941</u>	<u>290,241</u>	<u>331,072</u>
Insurance service expenses:				
Incurring claims and other expenses	(43,416)	(55,398)	(126,283)	(135,421)
Amortisation of insurance acquisition cash flows	(36,976)	(38,599)	(103,912)	(107,527)
Reversal of losses on onerous contracts	3,980	1,337	6,619	1,237
Changes to liabilities for incurred claims	(5,762)	6,006	(67,486)	11,865
	<u>(82,174)</u>	<u>(86,654)</u>	<u>(291,062)</u>	<u>(229,846)</u>
Allocation of reinsurance premiums	<u>(13,085)</u>	<u>(23,282)</u>	<u>(42,416)</u>	<u>(80,299)</u>
Amounts recoverable from reinsurers for incurred claims:				
Amounts recoverable for incurred claims and other expenses	3,612	8,964	20,751	28,986
Reversal of loss recovery component, other than changes in fulfilment cash flow, for reinsurance contracts held	(319)	(472)	(1,159)	(2,561)
Changes to amounts recoverable for incurred claims	2,207	1,246	22,928	(30,246)
	<u>5,500</u>	<u>9,738</u>	<u>42,520</u>	<u>(3,821)</u>
Insurance service result	<u>10,448</u>	<u>6,743</u>	<u>(717)</u>	<u>17,106</u>

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

8. Investment income

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	30 Sept 2024 RM'000	30 Sept 2023 RM'000	30 Sept 2024 RM'000	30 Sept 2023 RM'000
Interest income:				
- Amortised costs financial assets	2,926	-	8,902	-
- FVTPL financial assets	54	105	140	328
- Bank balances	34	291	83	483
Share of investment income from Malaysian Motor Insurance Pool ("MMIP")	729	709	3,135	2,972
Dividend income:				
- FVTPL financial assets	1,289	760	3,158	5,035
- Collective investment scheme		7		77
	5,032	1,872	15,418	8,895

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

	Current quarter 3 months ended		Cumulative quarters 9 months ended	
	30 Sept 2024 RM'000	30 Sept 2023 RM'000	30 Sept 2024 RM'000	30 Sept 2023 RM'000
Depreciation of property and equipment	233	614	952	1,459
Depreciation of right-of-use assets	914	402	2,513	1,677
Amortisation of intangible assets	1,792	750	4,975	3,275
(Reversal of)/Allowance for impairment losses on				
- insurance receivables and reinsurance assets	(5,471)	(8,106)	(4,887)	(7,751)
- intangible assets	-	-	2,984	-
Bad debts written off	1,485	5,969	1,485	5,969
Realised (gains)/losses on disposal of:				
- property and equipment	-	(938)	(102)	6
- FVTPL financial assets	(11,151)	(2,155)	(12,258)	(2,149)
Net realised gains	(11,151)	(3,093)	(12,360)	(2,143)
Fair value losses/(gains) on FVTPL financial assets	8,167	(1,879)	3,382	(13,820)
Interest expense on lease liabilities	42	47	142	121
Losses on foreign exchange:				
- realised	527	290	127	25
- unrealised	3,564	3,395	3,455	566

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

10. Taxation

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income tax expense	2,423	3,635	2,734	5,043
Deferred tax (benefits)/expense	(293)	614	(938)	1,633
	<u>2,130</u>	<u>4,249</u>	<u>1,796</u>	<u>6,676</u>
Effective tax rate	<u>23%</u>	<u>47%</u>	<u>-36%</u>	<u>26%</u>

The Group's high effective tax rate is mainly due to share of losses from an associate and losses from non-insurance entities.

11. Earnings/(Loss) per share

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

Diluted earnings/ (loss) per share is calculated by dividing profit/(loss) for the period, net of tax, attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period, adjusted for dilutive effects of potential ordinary shares under the LTIP - ESOS.

The following shows the computation of basic and diluted earnings/(loss) per share for the periods ended 30 September 2024 and 2023:

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2024	2023	2024	2023
Basic earnings/(loss) per share				
Profit/(loss) attributable to ordinary equity holders (RM'000)	<u>5,862</u>	<u>3,757</u>	<u>(7,437)</u>	<u>15,249</u>
Weighted average number of shares in issue ('000)	<u>753,358</u>	<u>752,110</u>	<u>754,567</u>	<u>751,904</u>
Basic earnings/(loss) per share (sen)	<u>0.78</u>	<u>0.50</u>	<u>(0.99)</u>	<u>2.03</u>

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

11. Earnings/(Loss) per share (cont'd.)

The following shows the computation of basic and diluted earnings/(loss) per share for the periods ended 30 September 2024 and 2023: (cont'd.)

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2024	2023	2024	2023
Diluted earnings/(loss) per share				
Profit/(loss) attributable to ordinary equity holders (RM'000)	5,862	3,757	(7,437)	15,249
Weighted average number of shares in issue ('000)	753,358	752,110	754,567	751,904
Effects of dilution - LTIP - ESOS in issue ('000)	249	186	240	138
Weighted average number of shares adjusted for the effect of dilution ('000)	753,606	752,296	754,807	752,043
Diluted earnings/(loss) per share (sen)	0.78	0.50	(0.99)	2.03

12. Share capital

	Share capital	
	(Issued and fully paid)	
	Number of	Amount
	ordinary shares	RM'000
	'000	RM'000
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 30 September 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.

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

12. Share capital (cont'd.)

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.

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

13. Dividends

No interim dividend has been declared for the financial period ended 30 September 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.

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

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	Ob-servable inputs (Level 2) RM'000	Unob-servable inputs (Level 3) RM'000	
Assets measured at fair value:					
30 September 2024					
Financial assets at FVTPL:					
Unquoted debt securities in Malaysia	30 September 2024	-	5,045	-	5,045
Quoted unit trust funds in Malaysia	30 September 2024	465,588	-	-	465,588
		<u>465,588</u>	<u>5,045</u>	<u>-</u>	<u>470,633</u>
31 December 2023					
Financial assets at FVTPL:					
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.

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

15. Capital commitments

	As at 30 Sept 2024 RM'000	As at 31 Dec 2023 RM'000
Capital expenditure:		
Approved but not contracted for:		
Intangible assets	29,546	25,981
Property and equipment	2,014	1,594
	31,560	27,575

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:

Name of company	Relationship
AirAsia Berhad ("AAB")	AAB is wholly-owned by Capital A Berhad, which is 12.14% owned by Tune Air Sdn Bhd ("TASB") and 11.96% owned by Tune Live Sdn Bhd ("TLSB") respectively. Both TASB and TLSB are owned by Tan Sri Anthony Francis Fernandes and Datuk Kamarudin bin Meranun who are major shareholders of the Company
AirAsia X Bhd ("AAX")	Person connected to major shareholders of the Company, Tan Sri Anthony Francis Fernandes and Datuk Kamarudin bin Meranun
Tune Group Sdn Bhd ("TGSB")	Major shareholder of the Company
SP&G Gallagher Insurance Brokers Sdn Bhd ("SP&G")	SP&G is a company 51.00% owned by Orion Asia Sdn Bhd which is 50.00% owned by Dato' Zakaria Bin Meranun, the brother of Datuk Kamarudin Bin Meranun, who is major shareholder of the Company
Move Travel Sdn Bhd (formerly known as AirAsia Com Travel Sdn Bhd) ("Move Travel")	Person connected to major shareholders of the Company, Tan Sri Anthony Francis Fernandes and Datuk Kamarudin bin Meranun

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

Explanatory Notes Pursuant to MFRS 134
For the period ended 30 September 2024

17. Related party transactions (cont'd.)

	Current quarter		Cumulative quarters	
	3 months ended		9 months ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income/(expenses):				
AAB				
Fee and commission expenses	(2,753)	(1,734)	(6,906)	(5,471)
Data management fee	-	2	-	-
AAX				
Fee and commission expenses	(504)	(377)	(1,523)	(1,045)
TGSB				
Royalty fee	(1,134)	(1,856)	(4,839)	(5,348)
Rental and utilities charges	(406)	(409)	(1,218)	(1,208)
SP&G				
Fee and commission expenses	(41)	(1,093)	(426)	(1,549)
Move Travel				
Fee and commission expenses	(12)	-	(28)	-

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.

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 period ended 30 September 2024

19. Performance review

19.1 Current quarter ("3Q24") against corresponding quarter in prior year ("3Q23")

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	Current quarter 3 months ended									
	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue										
External	79,429	82,399	20,536	24,459	242	83	-	-	100,207	106,941
Inter-segment	-	-	2,217	1,804	-	-	(2,217)	(1,804)	-	-
	79,429	82,399	22,753	26,263	242	83	(2,217)	(1,804)	100,207	106,941
Profit/(loss) before tax	10,078	10,210	3,674	5,522	18,513	3,461	(22,936)	(10,155)	9,329	9,038

Group/Consolidated

The Group's insurance revenue decreased from RM106.9 million in 3Q23 to RM100.2 million in 3Q24, a decrease of RM6.7 million or 6.3% as compared to the corresponding quarter last year, mainly contributed by a decrease of RM3.0 million in general insurance segment and RM3.9 million in general reinsurance segment. The reduction in insurance revenue was inline with the Group's continued effort in business portfolio review, to focus on more profitable segments.

The Group recorded a profit before tax of RM9.3 million in 3Q24, mainly contributed by RM6.1 million in insurance service result (net of insurance financial result) through better cost discipline and reversal of allowance for impairment losses on insurance receivables and reinsurance assets of RM4.0 million from both general insurance and reinsurance segments, realised and unrealised investment income of RM8.0 million, and partially offset by realised and unrealised foreign exchange losses of RM4.0 million due to strengthening of MYR against depreciation of USD in the general reinsurance segment.

In comparison, the Group's profit before tax of RM9.0 million in 3Q23 was partially contributed by the release in reserves of RM7.1 million for the Perlindungan Tenang Vouchers ("PTV") Personal Accident Scheme which has been discontinued by the Malaysian government and reversal of allowance for impairment losses on insurance receivables and reinsurance assets of RM2.1 million from both general insurance and reinsurance segments, offset by realised and unrealised foreign exchange losses of RM1.1 million due to strengthening of MYR against USD in the general reinsurance segment.

General insurance

Insurance revenue of this segment decreased by RM3.0 million in 3Q24, from RM82.4 million in 3Q23 to RM79.4 million in 3Q24, a decrease of 3.8% as compared to the corresponding quarter last year, mainly due to decrease in Marine Cargo and Offshore Oil Related segments, and the absence of premium of RM0.4 million from PTV under Personal Accidents segment in 3Q23.

Profit before tax of this segment maintained at RM10.0 million, mainly due to improvements of RM7.7 million in 3Q24 insurance service result (net of insurance financial result) viz-a-viz last year's PTV release in reserves of RM7.1 million in 3Q23.

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 period ended 30 September 2024

19. Performance review (cont'd.)

19.1 Current quarter ("3Q24") against corresponding quarter in prior year ("3Q23") (cont'd.)

General reinsurance

Insurance revenue of this segment decreased by RM3.5 million in 3Q24, from RM 26.3 million in 3Q23 to RM22.8 million in 3Q24, a decrease of 13.3% as compared to the corresponding quarter last year, mainly due to decrease in Motor segment.

Profit before tax of this segment decreased by RM1.8 million in this quarter, from RM5.5 million in 3Q23 to RM3.7 million in 3Q24, mainly due to decrease of RM1.6 million in insurance service result (net of insurance financial result), which include the impact of increase of RM2.9 million in realised and unrealised foreign exchange losses from strengthening of MYR against USD, partially offset by increase in reversal of allowance for impairment losses on insurance receivables of RM2.2 million.

19.2 Current year to date ("YTD 2024") against corresponding year to date ("YTD 2023")

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	Cumulative quarters 9 months ended									
	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue										
External	239,887	270,964	50,084	59,974	270	134	-	-	290,241	331,072
Inter-segment	-	-	7,423	3,283	-	-	(7,423)	(3,283)	-	-
	<u>239,887</u>	<u>270,964</u>	<u>57,507</u>	<u>63,257</u>	<u>270</u>	<u>134</u>	<u>(7,423)</u>	<u>(3,283)</u>	<u>290,241</u>	<u>331,072</u>
Profit/(loss) before tax	<u>5,362</u>	<u>29,332</u>	<u>13,304</u>	<u>19,052</u>	<u>4,428</u>	<u>(13,282)</u>	<u>(28,098)</u>	<u>(9,285)</u>	<u>(5,004)</u>	<u>25,817</u>

Group/Consolidated

The Group's insurance revenue decreased from RM331.1 million in YTD 2023 to RM290.2 million in YTD 2024. The decrease of RM40.9 million in insurance revenue was mainly resulted from the decrease of RM31.1 million in general insurance segment and RM5.8 million in general reinsurance segment.

The Group recorded a loss before tax of RM5.0 million in YTD 2024, mainly due to share of loss of an associate of RM4.4 million driven by the impairment losses of claims recovery in relation to RAOT, impairment losses on intangible assets of RM3.0 million from life insurance entity, realised and unrealised foreign exchange losses of RM3.5 million from strengthening of MYR against USD in general reinsurance segment, partially offset by reversal of allowance for impairment losses on insurance receivables and reinsurance assets of RM3.4 million from both general insurance and reinsurance 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 period ended 30 September 2024

19. Performance review (cont'd.)

19.2 Current year to date ("YTD 2024") against corresponding year to date ("YTD 2023") (cont'd.)

Group/Consolidated (cont'd.)

In comparison, the Group's profit before tax of RM25.8 million in YTD 2023 was mainly contributed by PTV release in reserves of RM20.9 million from general insurance segment, realised and unrealised foreign exchange gains of RM2.0 million from depreciation of MYR in general reinsurance segment and reversal of allowance for impairment losses on insurance receivables and reinsurance assets of RM1.8 million from both general insurance and reinsurance segments.

General insurance

Insurance revenue of this segment decreased by RM31.1 million in YTD 2024, from RM271.0 million in YTD 2023 to RM240.0 million in YTD 2024, mainly due to Personal Accident (impact of RM14.2 million from PTV) and Marine Cargo segments.

Profit before tax of this segment decreased by RM24.0 million, from a profit of RM29.3 million in YTD 2023 to RM5.3 million in YTD 2024. The decrease in profit before tax mainly driven by last year's PTV release in reserves of RM20.9 million and reduction of RM2.7 million in reversal of allowance for impairment losses on insurance receivables and reinsurance assets.

General reinsurance

Insurance revenue of this segment decreased by RM5.8 million in YTD 2024, from RM63.3 million in YTD 2023 to RM57.5 million in YTD 2024, mainly due to decrease in Motor segment of RM13.6 million offset by increase in RM8.0 million in Travel PA segment.

Profit before tax of this segment decreased by RM5.7 million in this period, from RM19.0 million in YTD 2023 to RM13.3 million in YTD 2024, mainly due to increase of RM5.5 million in realised and unrealised foreign exchange losses from strengthening of MYR against USD in current 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 period ended 30 September 2024

19. Performance review (cont'd.)

19.3 Current quarter ("3Q24") against preceding quarter in current year ("2Q24")

	General insurance		General reinsurance		Investment holding and others		Adjustments and eliminations		Consolidated	
	Current quarter 3 months ended									
	30 Sept 2024	30 Jun 2024	30 Sept 2024	30 Jun 2024	30 Sept 2024	30 Jun 2024	30 Sept 2024	30 Jun 2024	30 Sept 2024	30 Jun 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Insurance revenue										
External	79,429	80,844	20,536	14,568	242	-	-	-	100,207	95,412
Inter-segment	-	-	2,217	2,579	-	-	(2,217)	(2,579)	-	-
	79,429	80,844	22,753	17,147	242	-	(2,217)	(2,579)	100,207	95,412
Profit/(loss) before tax	10,078	(2,366)	3,674	5,031	18,513	(7,570)	(22,936)	(5,359)	9,329	(10,264)

Group/Consolidated

The Group's insurance revenue increased by RM4.8 million in 3Q24, from RM95.4 million in 2Q24 to RM100.2 million in 3Q24, due to increase of RM6.0 million in general reinsurance segment offset by decrease of RM1.4 million in general insurance segment.

Profit before tax of the Group increased by RM19.6 million, from loss of RM10.3 million in 2Q24 to profit of RM9.3 million in 3Q24, mainly due to increase of RM11.0 million in insurance service result (net of insurance financial result) contributed by stronger performance from the general insurance segment, lower of RM5.4 million in share of loss of an associate in current quarter, higher RM1.0 million in realised and unrealised investment income, and decrease of RM2.1 million in net other operating expenses, due to impairment losses on intangible assets of RM3.0 million from life insurance entity in 2Q24.

General insurance

Insurance revenue of this segment decreased by RM1.4 million in 3Q24, from RM80.8 million in 2Q24 to RM79.4 million in 3Q24, a decrease of 1.7% as compared to the immediate preceding quarter, was mainly contributed by Motor and Others segments.

Profit before tax increased by RM12.4 million, from loss of RM2.4 million in 2Q24 to profit of RM10.1 million in 3Q24, mainly contributed by improvements of RM11.6 million in insurance service result (net of insurance financial result).

General reinsurance

Insurance revenue of this segment increased by RM5.6 million in 3Q24, from RM17.1 million in 2Q24 to RM22.7 million in 3Q24 resulted from the growth in Travel PA segment.

Profit before tax of this segment decrease by RM1.3 million, from RM5.0 million in 2Q24 to RM3.7 million in 3Q24, in line with the decrease of RM1.6 million in insurance service result (net of insurance financial result).

For the period ended 30 September 2024

20. Commentary on prospects

With the Group's ongoing efforts to leverage the regional travel ecosystem along with its product innovation, the Group is optimistic that its travel insurance products will continue to grow positively in the coming quarters.

In line with the review of the Group's business portfolio, the Group will continue to focus on the more profitable segments of the business while maintaining cost discipline to ensure favourable underwriting results in the coming quarters.

The Group continues to maintain a conservative investment strategy to enhance its overall investment return. In the coming quarters, the Group will carry on with its rebalancing of investment into Low-Risk Unit Trust funds, with underlying investment predominantly in Malaysian Government Securities, Government Investment Issues, and Government Guaranteed Corporate Bonds.

The Group is cautiously optimistic 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 30 September 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.

For the period ended 30 September 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.)

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.

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").

For the period ended 30 September 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.)

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) 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.

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;

For the period ended 30 September 2024

23. Material litigation (cont'd.)

(b) Litigation between TIPCL with a foreign reinsurance broker (the "Broker") (cont'd.)

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.

TIPCL and CIS have agreed to settle the judgement sum of THB 79.2 million and all issues relating to the Judgment. TIPCL has received the full settlement sum as of 30 July 2024. The suit has been withdrawn and discontinued.

24. Disclosure of nature of outstanding derivatives

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

25. Rationale for entering into derivatives

The Group did not enter into any derivative transactions during the period ended 30 September 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 30 September 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 30 September 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.