Insurance Simplified

Tune Protect Group Berhad

Integrated Annual Report 2022

INSIDE THIS REPORT

COVER RATIONALE

The digital disruption has enabled great leaps forward for the financial services landscape. Financial Technology players continue to innovate and challenge the norms of product offerings, customer expectations and financial inclusion.

At Tune Protect, we aim to be a lifestyle insurer that everyone loves. Through our mobile-first approach, we ensure speedy access to our products and propositions to all our customers, no matter their background. Our range of coverage types help keep our customers secure through life's ups and downs, no matter the place, time or circumstance.

We encourage you to go paperless – opt for the digital version of this report that is available on our corporate website at **www.tuneprotect.com/corporate/group/investor-relations/reports-presentations** or through scanning the QR code.

GLOSSARY

Terms	
Bursa Malaysia or Bursa Securities	Bursa Malaysia Securities Berhad
Overseas Ventures	Tune Protect Commercial Brokerage LLC and Tune Insurance Public Company Limited
The Board or Board	Board of Directors
The Group	Tune Protect Group Berhad and its subsidiaries
Tune Protect or The Group and its Overseas Ventures	Tune Protect Group Berhad, its subsidiaries and Overseas Ventures
Tune Protect EMEIA or TPEMEIA	Tune Protect Commercial Brokerage LLC
Tune Protect Group, The Company or TPG	Tune Protect Group Berhad
Tune Protect Malaysia or TPM	Tune Insurance Malaysia Berhad
Tune Protect Re or TPR	Tune Protect Re Ltd.
Tune Protect Thailand or TPT	Tune Insurance Public Company Limited
Tune Protect Life or TPL	Tune Protect Ventures Sdn. Bhd.
White Label	White Label Sdn. Bhd.

Acronyms	
AGM	Annual General Meeting
AML	Anti-Money Laundering
ASEAN	Association of Southeast Asian Nations
B2B	Business-to-Business
B2B2C	Business-to-Business-to-Consumer
B2C	Business-to-Consumer
BNM	Bank Negara Malaysia
CG	Corporate Governance
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide equivalent, metric measure of emissions from all greenhouse gases based on their global-warming potential
CoC	Code of Conduct
CRMSA	Climate Risk Management and Scenario Analysis
CSR	Corporate Social Responsibility
EGM	Extraordinary General Meeting
EMEIA	Europe, Middle East, India and Africa
ESG	Environmental, Social and Governance
FY	Financial Year
GRI	Global Reporting Initiative
GWP	Gross Written Premiums
HQ	Headquarters
HR	Human Resources
IAR	Integrated Annual Report
LAT	Loss After Tax
LLC	Limited Liability Company
LTIP	Long Term Incentive Plan
MSWG	Minority Shareholders Watch Group
NEP	Net Earned Premiums
NPS	Net Promoter Score
NWP	Net Written Premiums
OR	Operating Revenue
PA	Personal Accident
PAT	Profit After Tax
PDPA	Personal Data Protection Act 2010
RM	Ringgit Malaysia
RRPT	Recurrent Related Party Transactions
SME	Small and Medium Enterprise
TCFD	Task Force on Climate-related Financial Disclosures
THB	Thai Baht
UAE	United Arab Emirates
UN SDG	United Nations Sustainable Development Goal
y-o-y	Year-on-year

REPORTING FRAMEWORK

Welcome to Tune Protect Group's IAR2022

REPORTING APPROACH

This is Tune Protect Group's IAR2022, prepared in accordance with the International <IR> Framework by the International Integrated Reporting Council ("IIRC"), consolidated into the International Financial Reporting Standards Foundation. Since 2021, we have commenced our integrated reporting journey to provide a more concise, connected and transparent reporting of our objectives, strategies and performance. We demonstrate how we create value for our stakeholders through efficient management of capitals and resources.

This IAR2022 outlines our unique business model, strategic focus and material matters. It also covers our progress in managing our Sustainability – reporting on our governance and management of the Economic, Environmental, and Social aspects of our business. We recognise that the process to fully integrate our report is both continuous and dynamic. Nevertheless, we continually strive for greater alignment to the <IR> Framework as we move towards a fully integrated report in the near future.

REPORTING PERIOD

This IAR2022 covers the period from 1 January 2022 to 31 December 2022 (FY End 2022) unless otherwise stated.

REPORTING SCOPE AND BOUNDARY

Integrated Annual Report

This IAR2022 covers the financial and non-financial performance of our operations in Malaysia, comprising Tune Protect Group, Tune Protect Malaysia, Tune Protect Re, Tune Protect Life and White Label; our Associate company, Tune Protect Thailand; our Joint Venture company, Tune Protect EMEIA.

Sustainability Statement

The Sustainability Statement section in this IAR2022 covers our operations in Malaysia, comprising Tune Protect Group, Tune Protect Malaysia, Tune Protect Re, Tune Protect Life and White Label. Our associate and joint venture entities outside of Malaysia are excluded in this reporting scope.

REFERENCES AND GUIDELINES

This IAR2022 was prepared and guided by referencing to the following frameworks and disclosure requirements:

Corporate Sections	Sustainability Statement	Corporate Governance	Financial Statement
• IIRC's International <IR> Framework • Bursa Malaysia's Main Market Listing Requirements ("MMLR") • Bursa Malaysia's Management Discussion & Analysis Disclosure Guide	• IIRC's International <IR> Framework • Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) • Global Sustainability Standards Board's GRI Standards • The Financial Stability Board's TCFD • Intergovernmental Panel on Climate Change ("IPCC")'s Guidelines for National Greenhouse Gas Inventories • Greenhouse Gas Protocol ("GHG Protocol")	• IIRC's International <IR> Framework • Securities Commission Malaysia's Malaysian Code on Corporate Governance ("MCCG") 2021 and Corporate Governance Strategic Priorities 2021-2023 • Companies Commission of Malaysia's Companies Act 2016 • Bursa Malaysia's Statement on Risk Management & Internal Control Guidelines for Directors of Listed Issuers	• Malaysian Accounting Standards Board's Malaysian Financial Reporting Standards ("MFRS") • International Accounting Standards Board's International Financial Reporting Standards ("IFRS")

NAVIGATION ICONS

This report employs the use of icons to link our strategy and material matters to our activities and outcomes.

THE CAPITALS

- F Financial Capital
- S Social & Relationship Capital
- I Intellectual Capital
- H Human Capital
- N Natural Capital
- M Manufactured Capital

THE STRATEGIC PILLARS

- Health
- Lifestyle
- SME

OTHERS

- Find more information inside this report
- Link to our offical website at **tuneprotect.com**

SUSTAINABILITY DISCLOSURES

Tune Protect Group has reported the information cited in the GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

Refer GRI Content Index on pages 286 to 290 of this IAR2022.

ASSURANCE

For balanced, meaningful, and accurate disclosures, information in the Sustainability Statement of this IAR2022 is subject to a limited assurance and have been validated by the Internal Auditor.

MEMBERSHIPS AND ASSOCIATIONS

The Group is a member of the following associations:

- General Insurance Association of Malaysia ("PIAM")
- Labuan International Insurance Association ("LIIA")

We welcome your feedback on our report. All feedback and enquiries can be directed to:

Address	:	Level 9, Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia
Tel	:	+603 2056 6200
Email	:	**ir@tuneprotect.com**
Sustainability-related	:	**sustainability@tuneprotect.com**

FTSE4Good

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Tune Protect Group Berhad has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong ESG practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FACTS AT A GLANCE

OUR VALUE CREATION IN PRACTICE

This marks the second consecutive year that we are publishing an Integrated Report, harnessing integrated thinking and reporting practices to provide a more holistic view of our operations.

Our Capitals are the stocks of value which we harness as inputs to our business model. These Capitals are interdependent and are transformed through our activities and operations to generate valuable outcomes for our stakeholders. Through holistic management and allocation of resources across all our Capitals, we aim to ensure the sustainability of this business model.

F H S I N M

F FINANCIAL CAPITAL

Our Financial Capital is the pool of funds available to our organisation for the provision of our services and products. Funds are generated through operations or investments.

HOW WE CREATE VALUE

Focusing on our three strategic pillars, we prioritise long-term business sustainability through cross-team collaborations and forming long-term partnerships.

TOTAL ASSETS

RM1.6
billion

FINANCIAL LEVERAGE

Zero Gearing

H HUMAN CAPITAL

For Tune Protect, Human Capital refers to our employees' capabilities, competencies, and experience. This includes their daily efforts to innovate in their work scopes and align outcomes to The Group and its Overseas Ventures' core strategies.

HOW WE CREATE VALUE

Engaging a vibrant, innovative workforce, we provide growth opportunities to all our employees through training, development and performance evaluations. Our flexible work arrangements provide independence and ease for employees across all walks of life.

EMPOWERED WORKFORCE

484
Employees across the Group

BEST IN-HOUSE CERTIFICATION PROGRAMME

Lean Ninja Programme
Human Resources Online's Employee Experience Awards 2022
(Gold Award)

S SOCIAL & RELATIONSHIP

Our Social & Relationship Capital refers to our connections to our communities, stakeholders, industry networks and global markets. Through engagements and relationship building, we contribute to the welfare and collective well-being of those around us.

HOW WE CREATE VALUE

Through engagements and relationship building, we contribute to the welfare and collective well-being of those around us.

COMMUNITY INVESTMENT

RM150,000 &
1,517 volunteer hours contributed via various charitable efforts

FINANCIAL INCLUSION

Approximately
30,000
Orang Asli received Personal Accident Cover via our collaboration with Jabatan Kemajuan Orang Asli (JAKOA)

FACTS AT A GLANCE

I INTELLECTUAL CAPITAL

Intellectual Capital for Tune Protect refers to our knowledge-based intangible assets, such as our organisational stuctures, frameworks, policies and procedures, intellectual properties and other tacit knowledge.

HOW WE CREATE VALUE

With our home-grown platforms and our unique reinsurance business model, we are able to provide solutions for B2B and retail customers across our global footprint.

DIGITISATION

First Malaysian Insurer
to host our core system on the cloud

PLATFORM FOR PARTNERS

Travel Portal
for Malaysian Business-to-Business partners

N NATURAL CAPITAL

Our Natural Capital consists of our environmental resources and processes, both renewable and non-renewable.

HOW WE CREATE VALUE

Through our digital transformation, we are paperless in our in-control processes, and are committed to phasing out our involvement in carbon-intensive industries.

ZERO COAL

By 2030
in our underwriting and investment portfolios

ZERO PAPER ORGANISATION

61.9% reduction
year-on-year paper consumption

M MANUFACTURED CAPITAL

Manufactured Capital refers to the manufactured physical objects, buildings, goods or services, equipment and infrastructure that are available to us for use in the delivery of our services.

HOW WE CREATE VALUE

As a digital-first organisation, we maintain 17 branches across Malaysia, (including our headquarters and new flagship lifestyle branch), Tune Protect Re's Labuan Office, and two local offices in Dubai and Bangkok.

FLAGSHIP LIFESTYLE BRANCH

Bukit Jalil, Kuala Lumpur
featuring an integrated cafe and open-concept layout

WHO WE ARE

Tune Protect Group is a financial holding company that provides underwriting and reinsurance services for non-life insurance products through its subsidiaries and Overseas Ventures.

Incorporated in 2011, the Company was listed on the Main Market of Bursa Malaysia in 2013. With its tagline 'Insurance Simplified', Tune Protect offers an array of affordable protection plans to suit individuals and SMEs' needs via its insurance, reinsurance and marketing arms in Malaysia, Thailand and the UAE.

OUR VISION

To be the lifestyle insurer that everyone LOVES

OUR MISSION

To simplify the consumer experience with best-in-class products and technology that complement the consumer's lifestyle needs

CORE VALUES

Make It Simple

We make things easy and uncomplicated.

Be Customer Obsessed

We listen to customers' needs and find a solution.

Better Together

We work to win as one cohesive team.

Be Curious & Bold

We continuously learn, test and explore. We know when to take risks and be empowered.

Please scan this QR code to find out more about the events and activities the Group and its Overseas Ventures organised and participated in during the year under review.

CORPORATE STRUCTURE

(as at 31 March 2023)

Tune Protect

Segment	Shareholding	Company
Tune Protect Re	100%	**Tune Protect Re Ltd.** *(General reinsurance and retakaful window business)*
Tune Protect Malaysia	83.3%	**Tune Insurance Malaysia Berhad**[1] *(General insurance business)*
Tune Protect Direct	100%	**Tune Direct Ltd.** *(Investment holding company)* → 100% **White Label Sdn. Bhd.** *(Technology solutions provider)*
Tune Protect Life	100%	**Tune Protect Ventures Sdn. Bhd.**[2] *(Digital life insurance business)*
Tune Protect Thailand	49%	**Tune Insurance Public Company Limited**[3]* *(General insurance business)*
Tune Protect EMEIA	49%	**Tune Protect Commercial Brokerage LLC**[4]^ *(Facilitator of online insurance)*

Notes:

[1] *The remaining 16.7% is owned by minority and unrelated shareholders.*

[2] *Established on 19 November 2021. Received conditional approval from Bank Negara Malaysia to participate in the Financial Technology Regulatory Sandbox on 31 October 2022.*

[3] *The remaining 51% is owned by various Thai shareholders.*

[4] *The remaining 51% is owned by a local company in the UAE.*

* *Associate company*

^ *Joint Venture company*

CORPORATE INFORMATION

THE BOARD

Dato' Mohamed Khadar bin Merican
(*Chairman, Independent Non-Executive Director*)

Tan Ming-Li
(*Non-Independent Non-Executive Director*)

Mohamed Rashdi bin Mohamed Ghazalli
(*Senior Independent Non-Executive Director*)

Aireen Omar
(*Non-Independent Non-Executive Director*)

Kelvin Desmond Malayapillay
(*Independent Non-Executive Director*)

Dr Grace Lee Hwee Ling
(*Independent Non-Executive Director*)

AUDIT COMMITTEE

Dr Grace Lee Hwee Ling
(*Chairperson*)
Tan Ming-Li
Mohamed Rashdi bin Mohamed Ghazalli
Kelvin Desmond Malayapillay

RISK MANAGEMENT COMMITTEE

Kelvin Desmond Malayapillay
(*Chairman*)
Tan Ming-Li
Mohamed Rashdi bin Mohamed Ghazalli
Dr Grace Lee Hwee Ling
Dato' Mohamed Khadar bin Merican

NOMINATION COMMITTEE

Mohamed Rashdi bin Mohamed Ghazalli
(*Chairman*)
Tan Ming-Li
Kelvin Desmond Malayapillay

REMUNERATION COMMITTEE

Mohamed Rashdi bin Mohamed Ghazalli
(*Chairman*)
Tan Ming-Li
Kelvin Desmond Malayapillay

INVESTMENT COMMITTEE

Aireen Omar (*Chairperson*)
Mohamed Rashdi bin Mohamed Ghazalli
Dato' Mohamed Khadar bin Merican

LTIP COMMITTEE

Aireen Omar (*Chairperson*)
Rohit Chandrasekharan Nambiar
Yap Hsu Yi
Mohamed Rashdi bin Mohamed Ghazalli

SENIOR INDEPENDENT DIRECTOR

Mohamed Rashdi bin Mohamed Ghazalli

COMPANY SECRETARY

Norhana binti Othman
(MACS 01597)
(SSM Practising Certificate
202008001519)

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA)
& AF 0039
Chartered Accountants
Level 23A, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia
Tel : +603 7495 8000
Fax : +603 2095 5332

REGISTERED OFFICE

Level 9, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia
Tel : +603 2056 6200
Email : **hello.my@tuneprotect.com**
Website : **www.tuneprotect.com**

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
[Registration No. 199601006647 (378993-D)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel : +603 7890 4700
Fax : +603 7890 4670

PRINCIPAL BANKER

HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Stock Code : 5230
Stock Name : TUNEPRO

(Listed since 20 February 2013)

INVESTOR RELATIONS

As Malaysia transitioned to the endemic phase of COVID-19 on 1 April 2022, virtual meetings were still the preferred mode of engagement. To this end, the Investor Relations team continued to innovate and be flexible with its engagement strategy. Given the sizeable retail investor base, we ramped up our outreach en masse by leveraging on technology and social media channels (i.e., YouTube and Facebook) to live-stream selected investor events. The main narrative of our communications programme was to consistently update investors on the progress of our three-year strategic plan (2021-2023). The year under review was an unprecedented one for us in terms of investors outreach. We engaged with over 230 individuals in 38 meetings, including group and one-on-one meetings, webinars, conferences and Corporate Days. The investor events recorded on our social media platforms have garnered more than 3,000 views as of 31 December 2022.

Investor Relations Calendar

Date	Details	Venue	Type
26 January 2022	Corporate Day 2022	Kuala Lumpur	Live streaming
25 February 2022	4Q2021 Analyst Briefing	Kuala Lumpur	Teleconference
30 March 2022	Stockbit webinar: Ramping Up for Economic Recovery	Kuala Lumpur	Live streaming
25 April 2022	CLSA Corporate Access	Kuala Lumpur	Teleconference
19 May 2022	1Q2022 Analyst Briefing	Kuala Lumpur	Teleconference
2 June 2022	KenTrade by Kenanga webinar: Spearheading a Tech-led Insurance Proposition	Kuala Lumpur	Live streaming
27 June 2022	Fully virtual 11th AGM	Kuala Lumpur	Live streaming
27 June 2022	EGM	Kuala Lumpur	Live streaming
25 August 2022	2Q2022 Analyst Briefing	Kuala Lumpur	Teleconference
21 September 2022	RHB Research Corporate Wednesday	Kuala Lumpur	Live streaming
13 October 2022	Live Chat with Tune Protect Group: Insurance Simplified and What Does It Mean for Investors	Kuala Lumpur	Live streaming
1 November 2022	Analyst Briefing on Tune Protect Life Sandbox Approval	Kuala Lumpur	Teleconference
25 November 2022	3Q2022 Analyst Briefing	Kuala Lumpur	Teleconference
30 November 2022	Tech-Focused Corporate Day	Kuala Lumpur	Hybrid

Annual General Meeting and Extraordinary General Meeting

Our 11th AGM was held fully virtual utilising a Remote Participation and Voting system for the third consecutive year. This practice is in keeping with the Malaysian Code on Corporate Governance ("MCCG") guidance 13.5, which states that the Board and the Chairman should ensure that the conduct of a virtual general meeting supports meaningful engagement between the Board, senior management and shareholders.

The AGM was chaired by our Chairman, Dato' Mohamed Khadar Bin Merican. Our Group CEO, Rohit Nambiar, provided our shareholders an update on the progress of our strategic plan and 2021 financial performance. This was followed by a Questions-and-Answers session. Our management team, with the support of our Chairman addressed live questions from our shareholders as well as questions submitted prior to the AGM.

INVESTOR RELATIONS

An EGM was held on the same day to seek our shareholders' approval for the proposed establishment of a LTIP.

All resolutions tabled at the AGM and EGM were duly passed and the results were announced to Bursa Malaysia and published on our Investor Relations webpage on the same day. The minutes and the responses to all questions received from our shareholders were also subsequently published in a timely manner on our Investor Relations webpage.

11th AGM live stream in progress

Analyst Briefings

For each financial quarter end of 2022, an analyst briefing via teleconference was conducted immediately after the release of our quarterly financial results to Bursa Malaysia. In line with good CG practices, our analyst briefings are held on the same day the Board approves the financial statements. These briefings provide a platform to share our quarterly performance and initiatives updates, including addressing any queries from the analysts.

Briefing materials, which include the financial statements, analyst presentation, and press releases are circulated to the analysts prior to our teleconferences. The same materials are made publicly available on our Investor Relations webpage.

A special analyst briefing was held on 1 November 2022, a day after a material announcement was made to Bursa Malaysia regarding the conditional approval from BNM for Tune Protect Life (a wholly owned subsidiary of Tune Protect Group) to participate in the financial technology regulatory sandbox.

Investors and Analysts Meetings, Conferences and Events

While virtual meetings were by and large investors' preferred mode of engagement in 2022, the gradual lifting of restrictions on physical interactions saw a shift in some investors' preference towards face-to-face meetings. We adopted a flexible approach to cater to both, depending on investors' preference. For instance, we hosted our first ever hybrid thematic Corporate Day which provided investors and analysts the option of attending physically, virtually or if they are occupied, they could view the recording when convenient. Our proactive measure is meant to democratise the participation for all types of investors in such events which in the past had been restricted to analysts, fund managers and institutional shareholders.

	Number	Total attendees	Accumulated online views
One-on-one/group meeting	26	75	-
Analyst briefing	5	52	-
Webinar	4	-	2,485
Corporate Day	2	97	528
Corporate access	1	8	-

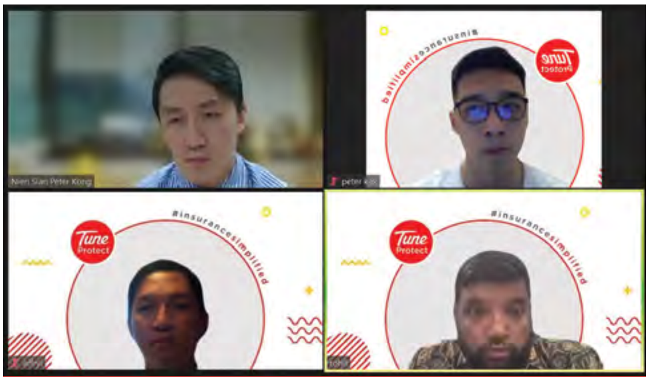
INVESTOR RELATIONS

We successfully organised two Corporate Days in 2022. The first was fully virtual during which we provided key updates on our three-year strategic plan. The second was a hybrid thematic event titled 'Embedded Insurance, Simplified by Tech' where we showcased our technology and mobile application capabilities. The event included a panel discussion and a mobile application demonstration.

Corporate Day 2022 (fully virtual)

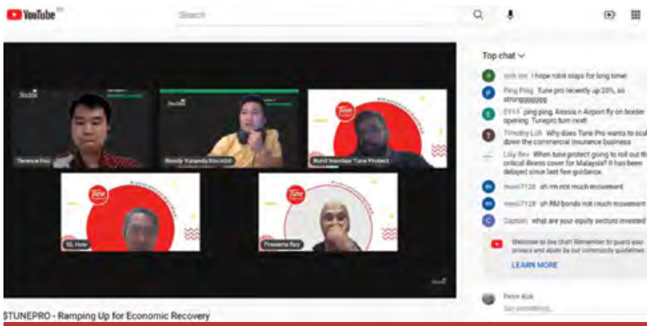
Panel discussion at our hybrid Tech-Focused Corporate Day

For the second consecutive year, Tune Protect Group was invited by CLSA to participate in their Corporate Access Day. It provided a platform for us to share our story with analysts and fund managers from both Malaysia and Singapore.

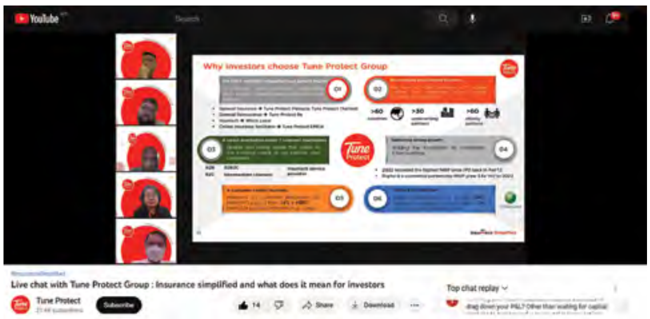


CLSA Corporate Access

Retail investors form an integral part of our outreach effort. We co-hosted three online webinars with Stockbit, Kenanga and RHB, respectively, by leveraging on their sizeable retail base and self-organised our first ever YouTube live webinar. Such platforms allowed retail investors to pose questions to senior management which in the past would have been confined to only the AGM. We also made recordings of these webinars available on YouTube and Facebook.



Stockbit webinar: Ramping Up for Economic Recovery



Self-organised webinar: Live Chat with Tune Protect Group: Insurance Simplified and What Does It Mean for Investors

INVESTOR RELATIONS

Investor Relations Webpage

Our Investor Relations webpage hosts archives of our annual reports, financial statements, analyst presentations as well as investor information, interactive stock charts and details of upcoming Investor Relations events.

Shareholders can subscribe to our mailing list via our Investor Relations webpage whereby they will receive our latest corporate announcements. Our Investor Relations webpage is kept up-to-date and any feedback and queries on investor related matters can be directed to **ir@tuneprotect.com**.

Other Channels

We leverage our YouTube presence to disseminate information with the aim to reach out to a wider investor audience.

Our Group CEO Rohit Nambiar address to shareholders on our three-year strategic plan (2021-2023)

Other than recordings of our webinars, we also upload videos of our Group CEO, Rohit Nambiar's address to shareholders on our official YouTube channel.

Research Coverage

We are actively covered by the following research houses.

Research Houses	Analysts
KAF Equities	Nurzulaikha Azali
TA Securities	Kelvin Tan Kong Jin

Credit Ratings

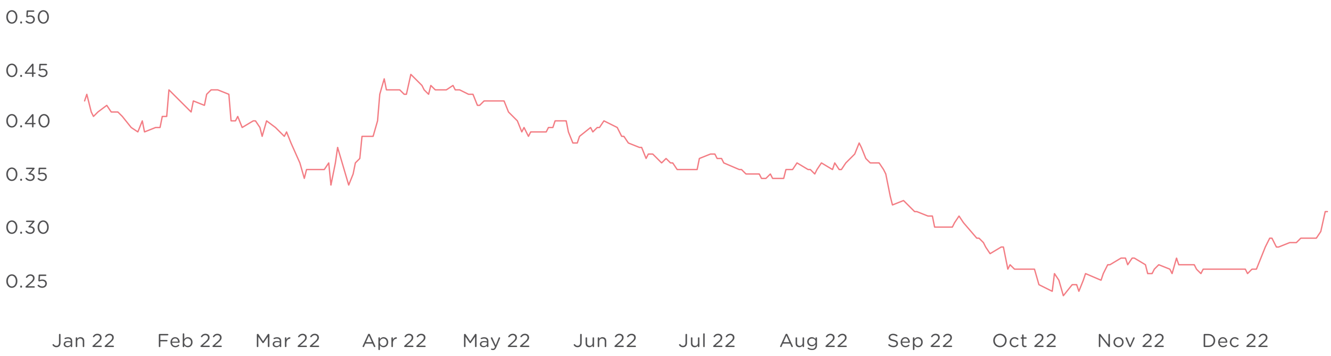
Tune Protect Group's outlook was revised by RAM Ratings to 'Stable' from 'Negative' in 2022, reflecting the Group's improving business profile.

Rating Agency	RAM RATINGS
Rated Entity	Tune Protect Group
Rating Classifications: Long-term Corporate Credit Rating Short-term Corporate Credit Rating	 A_2 P1
Outlook	Stable
Date	8 August 2022

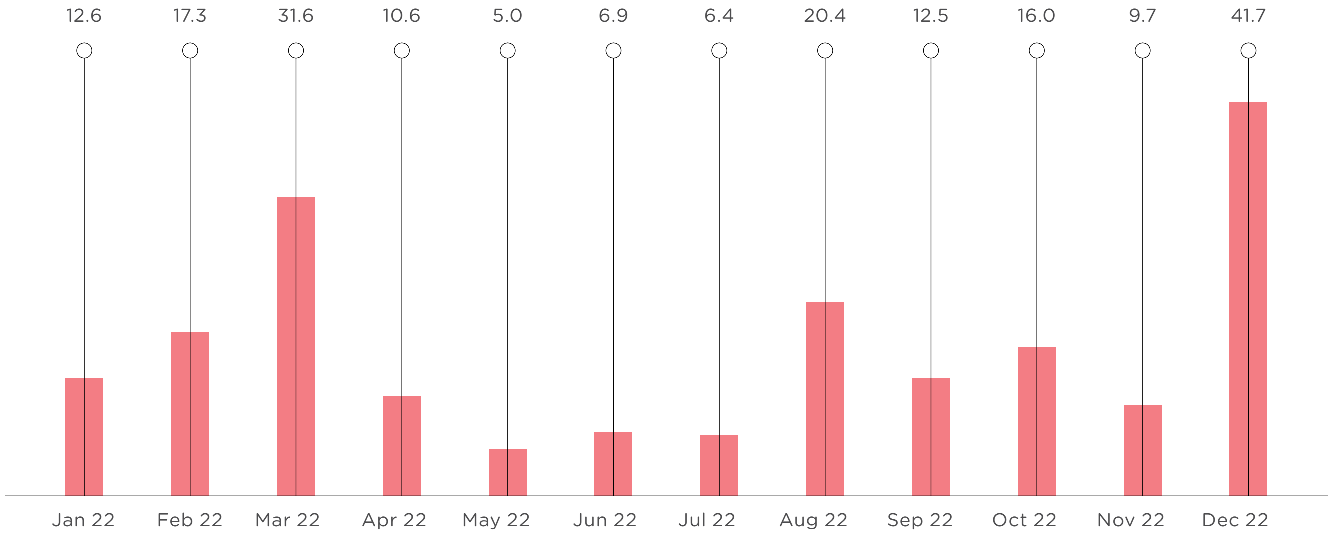
Rating Agency	AM BEST
Rated Entity	Tune Protect Re
Rating Classifications: Best's Financial Strength Rating Best's Issuer Credit Rating	 B++ bbb
Outlook	Stable
Date	11 November 2022

SHARE PRICE AND VOLUME TRADED

Share Price (RM)

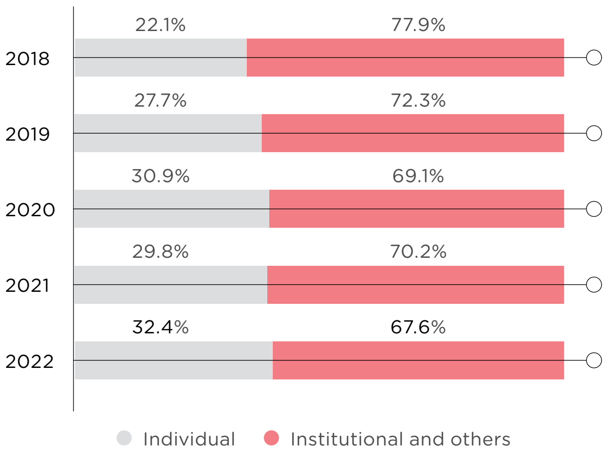


Volume Traded (mil)

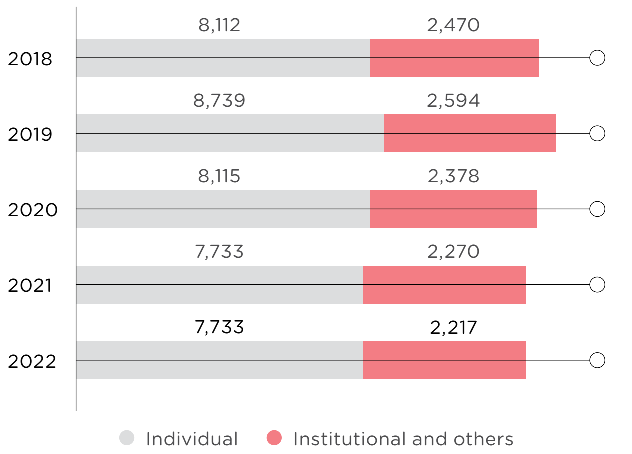


SHAREHOLDERS BASE

Shareholding Percentage (%)



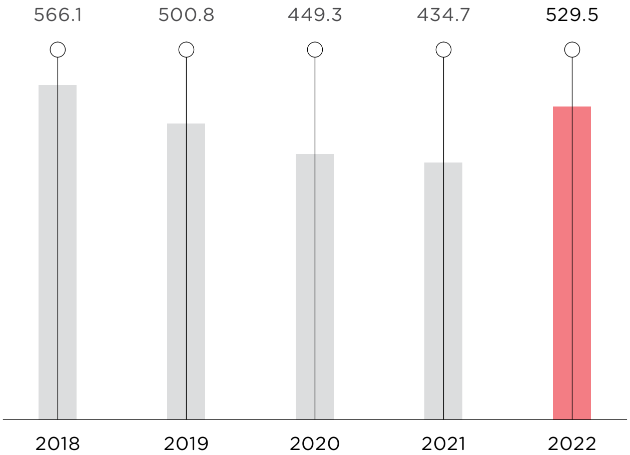
Number of Shareholders



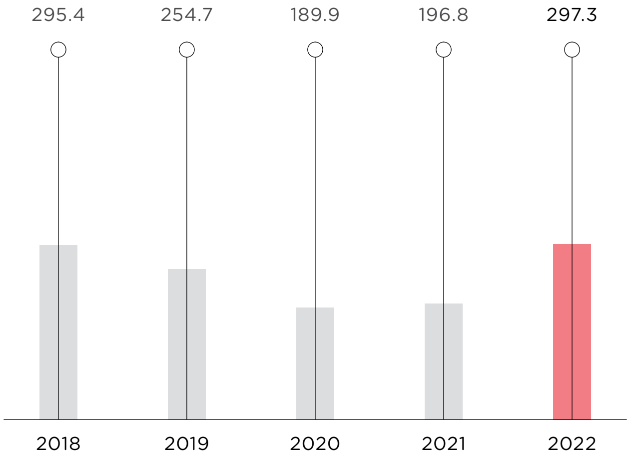
FINANCIAL HIGHLIGHTS

TUNE PROTECT GROUP

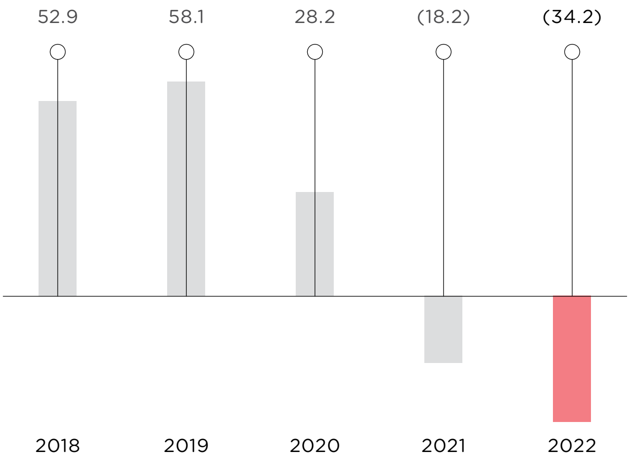
Operating Revenue (RM mil)



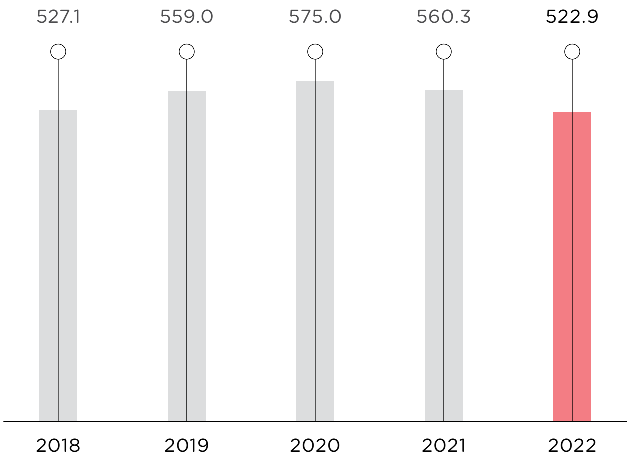
Net Earned Premiums (RM mil)



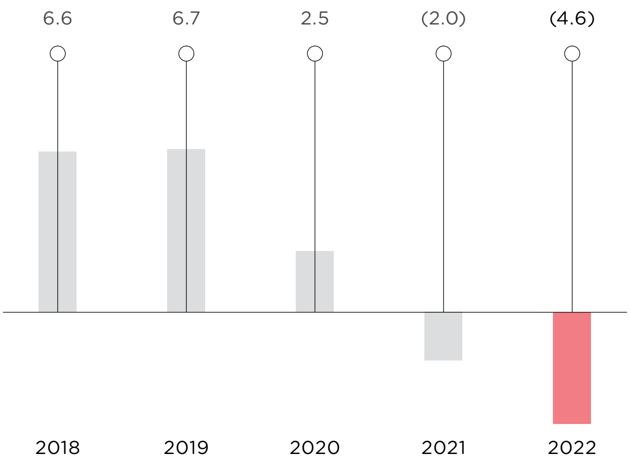
Profit/Loss After Tax (RM mil)



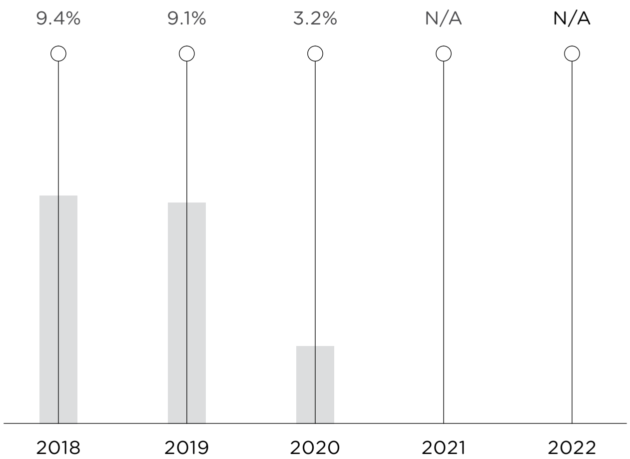
Shareholders' Equity (RM mil)



Earnings Per Share (sen)

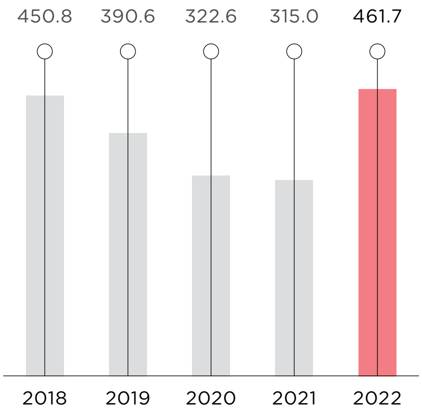


Return On Equity (%)

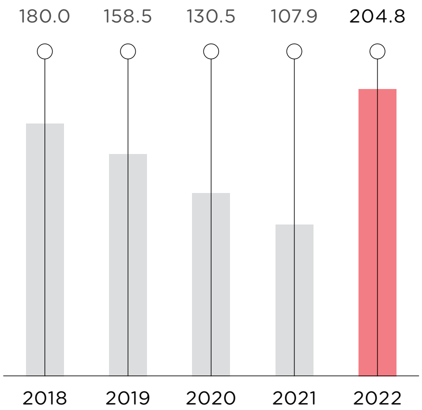


TUNE PROTECT MALAYSIA

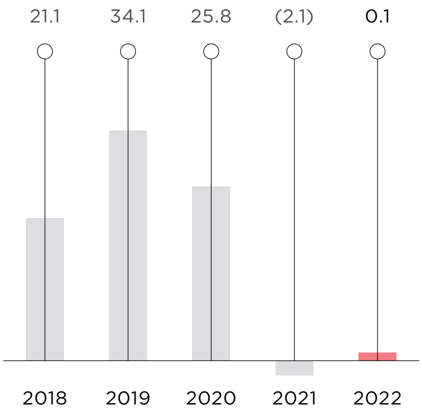
Gross Written Premiums (RM mil)



Net Earned Premiums (RM mil)

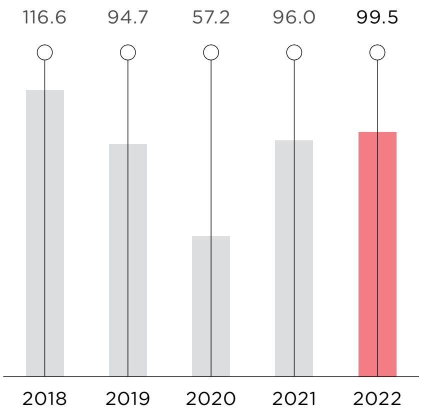


Profit/Loss After Tax (RM mil)

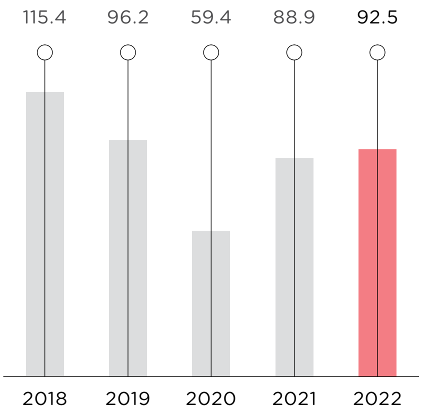


TUNE PROTECT RE

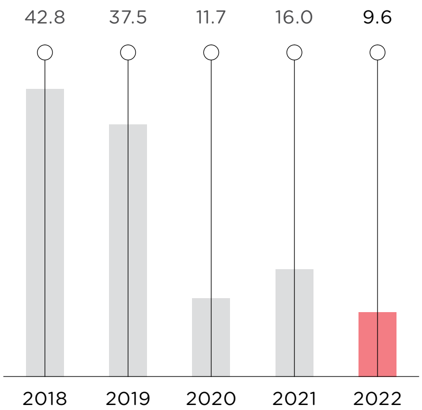
Gross Written Premiums (RM mil)



Net Earned Premiums (RM mil)

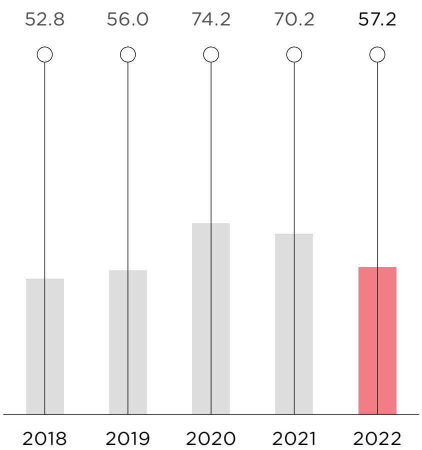


Profit/Loss After Tax (RM mil)

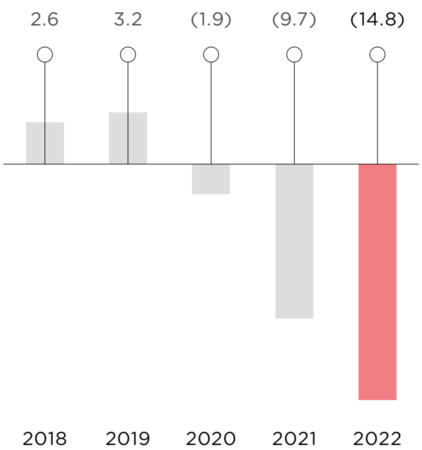


TUNE PROTECT THAILAND

Gross Written Premiums (RM mil)

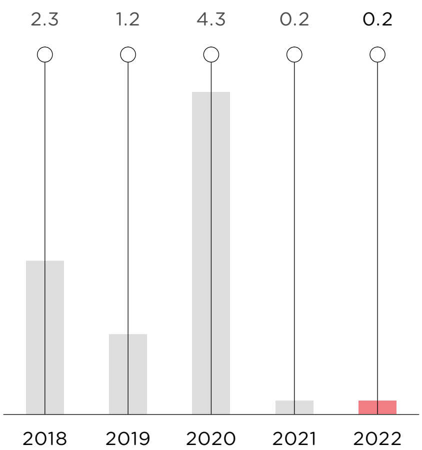


Share of Results* (49%) (RM mil)



TUNE PROTECT EMEIA

Share of Results* (49%) (RM mil)



* *Tune Protect Thailand and Tune Protect EMEIA's numbers have been converted to Ringgit Malaysia*

OUR BUSINESS MODEL

Customer

- Individuals
- SMEs

Purchase of policy

Distribution Channel

- Business-to-Consumer
- HQ & branches
- Insurance Agents
- Business-to-Business Agents[1]
- Brokers
- Affinity partners[1]

White Label

Provides in-house dedicated digital technology support
- Open Application Programming Interface (API) for partnership activation
- Business-to-Consumer web and mobile application
- Integration with partner application/platform

Tune Protect Re markets White Label's digital capabilities that could be offered to potential underwriting and affinity partners. Flexibility of reinsurance arrangement, payment-per-policy model or a combination.

General Insurance underwritten by

- Tune Protect Malaysia
- Tune Protect Thailand
- 29 local underwriters across 49 markets[4]

Digital Life Insurance[2] underwritten by

- Tune Protect Life[3]

Lifestyle premiums (primarily travel) are reinsured to Tune Protect Re[5]

Tune Protect Re (Labuan Offshore)

Unique reinsurance business model:
- Brings to bear product innovation capabilities
- Gives access to underwriting partners
- Offers technology capabilities

Footnotes:

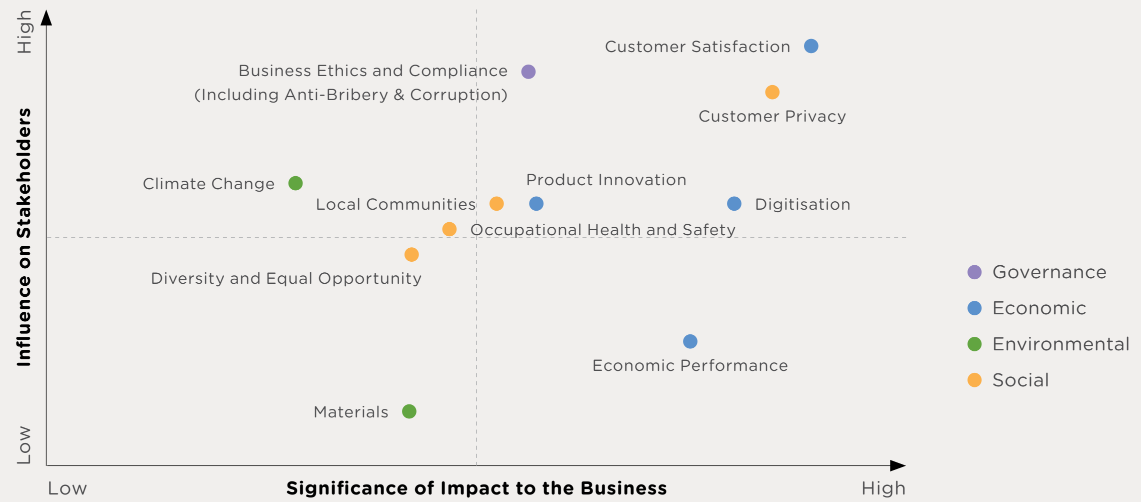
1 *Including those facilitated by Tune Protect EMEIA*
2 *Distribution channels for digital life premiums are Business-to-Consumer, Brokers, Intermediaries and Affinity partners as of April 2023*
3 *Subject to Bank Negara Malaysia's regulatory requirements within the ambit of the Financial Technology Regulatory Sandbox*
4 *Including inbound markets*
5 *Lifestyle premiums (primarily travel) are reinsured to Tune Protect Re, while other premiums (including those underwritten by Tune Protect Life) are reinsured to various third-party reinsurers based on the level of risk tolerance*

MATERIAL MATTERS

Our material matters are issues that impact the Group's performance and ability to create long-term value for our stakeholders. We place significant emphasis on our materiality assessment process to ensure that the Group is kept abreast of and can act in a timely manner on the issues that can impact us the most. These insights guide the Group in developing the appropriate responses to the relevant sustainability risks and opportunities that matter the most to the stakeholders.

We conduct a biennial Materiality Assessment, and annually review the relevance of the material topics identified. In 2022, to ensure our material matters reflect evolving market trends - which is crucial to supporting our management approach - our Sustainability Committee ("SuCom") affirmed and validated an in-depth review of the Group's sustainability material topics. The annual review confirmed the continued relevance of the material topics identified and materiality matrix as developed in 2021. We will conduct a full Materiality Assessment in 2023.

TUNE PROTECT GROUP'S MATERIALITY MATRIX



OUR MATERIALITY ASSESSMENT PROCESS

Identification of Material Topics

We identify and assess the materaility and impact boundaries of sustainability related topics on our business, considering industry benchmarks and other inputs such as stakeholder feedback

Collecting Stakeholder Input

Through a biennial survey, we gather inputs from our internal and external stakeholders

Prioritisation

The results of the biennial surveys are tabulated into a Materiality Matrix

Validation

The outcomes of the Materiality Assessment are validated by the Sustainability Commitee and presented to the Board for endorsement

In 2021, we assessed the materiality of 11 topics, including two new topics of Climate Change and Customer Privacy. Our internal and external stakeholders were then engaged via an online stakeholder engagement survey to determine the degree of importance of the 11 material topics to the Group. We received 361 responses from our stakeholders in 2021 and affirmed that the two new identified material topics and the existing nine material topics remained relevant and important to the Group.

Subsequently, the prioritisation of the material topics was deliberated by SuCom and were presented to the Board in November 2021 for their endorsement.

STAKEHOLDER ENGAGEMENT

MATERIAL TOPIC	DESCRIPTION
Customer Satisfaction	Evaluating and ensuring customers' satisfaction on the products and services offered
Customer Privacy	Ensuring personal and sensitive data of customers, employees and business partners are safeguarded
Business Ethics & Compliance (including Anti-Bribery & Corruption)	Organisation's CoC which includes prohibition from any form of bribery across the organisation
Climate Change	Managing our carbon emissions through underwriting and investment
Diversity and Equal opportunity	Building and retaining a diverse workforce which practices equal treatment without any form of discrimination or prejudice

	1 EXPECTATIONS & CONCERNS	2 OUR RESPONSE
CUSTOMERS	• Business Ethics & Compliance (Including Anti-Bribery & Corruption) • Customer Privacy • Customer Satisfaction • Digitisation • Product Innovation	• Complying with BNM/PIAM regulatory requirements, as well as adherence to the Company's CoC and Code of Business Conduct for Third Parties ("CoBC"). • Privacy Policy in place. • Measuring customers satisfaction through NPS surveys for customer, partner and employee experience ("CX", "PX", "EX") and Transactional NPS for touchpoints such as Claims, Sales and Contact Centre. • One stop customer portal. • Offering varieties of products & services to suit customers' needs (bite-sized products), and conducting customer focused group discussions to gain forward thinking insights on customers' preference.
REGULATORS AND GOVERNANCE BODIES	• Business Ethics & Compliance (Including Anti-Bribery & Corruption) • Customer Satisfaction • Climate Change • Customer Privacy • Local Communities	• Maintaining and reinforcing our governance measures to ensure ethical behaviours are embedded within our work culture. • Consistently reviewing our operations for compliance to prevailing regulatory requirements.
SHAREHOLDERS, INVESTORS AND ANALYSTS	• Strategic direction • Financial performance • Digitisation initiatives • Governance • Shareholders' returns • ESG	• Actively engaging with shareholders, investors and analysts. • Ensuring timely and comprehensive updates on the financial results, new initiatives and any material events. • Focused on providing updates on the progress of our three-year strategic plan (2021-2023). • Integrating ESG considerations into business decisions.

STAKEHOLDER ENGAGEMENT

MATERIAL TOPIC	DESCRIPTION
Digitisation	Utilising digital technologies to provide convenient and sustainable solutions for stakeholders and leveraging digital channels for a better overall customer experience
Product Innovation	Creating offerings & solutions in line with customers' evolving needs & provide innovation through partnerships & collaboration
Materials	Resources Consumption - Conserving materials used such as adopting paperless across in-control processes
Local Communities	Engaging local communities through CSR programmes and initiatives
Economic Performance	Maintaining a healthy financial and capital position to foster a sustainable business whilst delivering long-term value for our shareholders
Occupational Health & Safety	Maintaining a healthy and safe workplace environment

3

METHOD & FREQUENCY OF ENGAGEMENT	IMPACT ON TUNE PROTECT
• **Customer Service Centre** – Location and operating hours available on the corporate website • **Customer Satisfaction Survey (Customer NPS Survey)** – Bi-annual • **Digital platforms, i.e. mobile application, B2C and B2B2C** – 24/7 • **Social media platforms** – 24/7 • **Email** – As and when • **Online survey (sustainability survey)** – Biennnial	Customers play a central role in our business success. Through our focus on customer-centricity, we seek to understand and deliver our customers' expectations on products and services which build brand loyalty and exceptional services to meet our aspirational promises of our 3-3-3 commitment. For more information on our 3-3-3 commitment, please refer to our disclosures on Customer Satisfaction in the Sustainability Statement on page 46.
• **Regulatory reporting** – Monthly, Quarterly, Bi-annual, Annually • **Correspondence and monitoring via letters, emails and calls** – As required • **Face-to-face meetings and review** – Scheduled/Ad hoc basis • **Online survey (sustainability survey)** – Biennnial	Strong relationships with governance and regulatory bodies will help provide up to date information on emerging regulations while ensuring we operate within compliance requirements.
• **AGM (Annual Reports, Shareholders' Circulars and CG Report)** – Annually • **Analyst briefings (analyst presentation slides, interim financial statements and press releases)** – Quarterly • **Regular dialogues (one-on-one and group meetings, webinars, conferences, roadshows and Corporate Days)** – Ad hoc basis • **Investor Relations webpage** – 24/7 • **Online survey (sustainability survey, analysts, institutional and retail investors' feedback)** – Ad hoc basis, Biennial	The investment community contributes towards the market valuation of our share prices.

STAKEHOLDER ENGAGEMENT

	1 EXPECTATIONS & CONCERNS	2 OUR RESPONSE
EMPLOYEES	• Business Ethics & Compliance (Including Anti-Bribery & Corruption) • Customer Privacy • Customer Satisfaction • Digitisation • Occupational Health & Safety	• Ensuring that all employees are well cared for, respected and valued through fair compensation and benefits, and providing an inclusive workplace. • Managing and empowering our employees via access to training and personal development. • Engaging our employees via enriching engagement activities and volunteerism.
AGENTS AND INTERMEDIARIES	• Customer Satisfaction • Customer Privacy • Training & Education	• Providing training to Agents on products, the PDPA and AML, ensuring Agents meet the required Continuing Professional Development (CPD) hours. • Communicating with sales force to get feedback in order to understand the needs from the sales teams and Agents.
LOCAL COMMUNITIES	• Business Ethics & Compliance (Including Anti-Bribery & Corruption) • Customer Privacy • Economic Performance • Occupational Health & Safety • Local Communities	• Conducting engagements with community partners to enhance their reach and enable us to reach out to the unserved, underserved and underprivileged through sponsorships and direct employee volunteerism.
MEDIA	• Climate Change • Customer Privacy • Customer Satisfaction • Digitisation • Local Communities	• Leveraging on various media channel platforms, ensuring that the media is kept abreast of our achievements and progress to disseminate key corporate and consumer information to the public.
BUSINESS PARTNERS	• Business Ethics & Compliance (Including Anti-Bribery & Corruption) • Customer Privacy • Customer Satisfaction • Digitisation • Product Innovation	• Aligning business partners with our organisation's CoC by ensuring disciplined business and well-managed customer privacy. • Offering products in line with customers' evolving needs through partnership and collaboration by leveraging on digital technologies to provide convenient and sustainable solutions to business partners for a better customer experience.

3

METHOD & FREQUENCY OF ENGAGEMENT	IMPACT ON TUNE PROTECT
• **CoC Month activities** – Annually • **Internal engagement activities (including onboarding workshops, in-house webinars, town halls, team building, social media platform on Workplace by Facebook)** – Monthly, Quarterly, Ad hoc basis • **Performance reviews** – Ongoing • **Policies and procedures** – via Corporate intranet • **Employee Engagement Survey (Employee NPS Survey)** – Bi-annual • **Online survey (sustainability Survey)** – Biennial	Employees are the backbone of our operations. A skilled, high performing and engaged workforce drives value creation while executing business strategy.
• **Training and awareness** – Annually • **Online survey (sustainability survey)** – Biennial	Agents and intermediaries are responsible for liaising sales and managing claims.
• **Community activities** – Scheduled/Ad hoc basis • **Community partnerships** – Scheduled/Ad hoc basis • **Online survey (sustainability survey)** – Biennial	Engaging with local communities' concerns is our responsibility to cultivate long-term and mutual trust.
• **Media engagements** – As required • **Media interviews and press releases** – Twice per quarter • **Company/Corporate events** – Quarterly • **Online survey (sustainability survey)** – Biennial	Robust media relationships ensure efficient dissemination of information on our unique value proposition and ensure brand recognition.
• **Meetings (face-to-face/virtual, and group meetings)** – Scheduled/Ad hoc basis • **Due Dilligence** – Onboarding and upon renewal • **Partner Satisfaction Survey (Partner NPS Survey)** – Bi-annual • **Online survey (sustainability survey)** – Biennial	Long-term strategic partnerships to leverage each other's unique strengths for sustainable growth and continuous value creation.

TOP RISKS & HOW WE MANAGE THEM

TYPE OF RISK	CAUSES AND CONSEQUENCES OF THE RISK	CONTROL/MITIGATION PLAN
Operational Risk - Availability of capable resources	Management is aware that multiple long-term projects running in the Group (e.g., MFRS 17 and New Core System) have stretched the team. Turnover was high for some departments such as the Information Technology and Finance Departments. Whilst the turnover rate has stabilised towards end of 2022, there are still key positions that are vacant.	Whilst the search for capable resources is ongoing, Management has put in place various initiatives including talent management programmes. Long-term incentive schemes for critical roles are put in place to attract talents to join the Group and also retain existing talents.
Technology Risk - Cybersecurity/ Cyber threats - Information System	We face challenges such as the early detection of cyber threats within our IT environment and responding to those threats. Visibility of the said threats is crucial in providing immediate preventive measures and responses to minimise any potential impact to business operations. Unauthorised access and data losses from our Business Applications also pose risks to our operations which involve confidential data, particularly that of our customers, employees and business partners. We face the threat of unplanned downtime of Tune Protect's systems which will lead to business disruption and an inability to operate at an optimal level.	To combat and mitigate technology risks, we implement various control measures. Our Security Operation Centre is in place to provide 24/7 security monitoring of servers and network devices as well as early detection of potential threats. We have long established and consistently review our User Access Matrix for our systems; while incident response and management to contain damage, eradicate attackers' presence and restore the integrity of the network and systems are in place and tested regularly. To mitigate unplanned downtime risks or during a Cyber incident, we ensure there is continual business operations via our Disaster Recovery Plans which are tested annually. Annual penetration tests and vulnerability assessments are performed on newly implemented digital initiatives to ensure any identified weakness are remediated prior to launch.
Compliance	We will be exposed to legal penalties, financial forfeiture and material loss should the Group fail to act in accordance with industry laws and regulations, internal policies or prescribed best practices.	As part of our compliance risk management and mitigation measures, we conduct ongoing compliance awareness training sessions for all employees; regular monitoring of adherence to regulatory requirements is in place; and we perform regular gap analysis on applicable regulatory requirements with applicable action plans to mitigate these gaps.
Financial	We are exposed to financial risks such as concentration risk and credit risk.	Our exposure to financial risks is managed through diversification of our business portfolio to reduce reliance and dependency on a limited number of business partners. We also maintain capital above the regulatory requirement by establishing internal target levels that act as early warning indicators to ensure financial soundness.

TOP RISKS & HOW WE MANAGE THEM

TYPE OF RISK	CAUSES AND CONSEQUENCES OF THE RISK	CONTROL/MITIGATION PLAN
Transformation Project	We have experienced delays in some of our key transformation projects which are mainly due to prioritisation challenges and limited resources.	Management is closely monitoring the project plans we have put in place, while project managers are appointed to ensure projects are completed in a timely manner.
Core System Replacement Project	This is a major project for us that is taking place in the largest subsidiary of the Group to replace the existing core system which will be hosted on the cloud. We have obtained regulator approval for the partners who will assist us in implementing this system as well as conditional approval for the core system to be hosted on the cloud.	This is a key risk for us as the project involves significant investment of resources. Phase 1 of the project went live in the fourth quarter of 2022, from the initial plan of launch in the third quarter of 2022. Strategically this has impacted some other initiatives on simplification and efficiency, and has also caused further strain on resources. Management is closely monitoring the project plan we have put in place and have incorporated this into the KPI's for key management of the largest subsidiary of the Group.
Climate Change	Our home markets are experiencing increased frequency of flooding due to the effects of Climate Change.	Climate Change is one of the risks managed at the enterprise level, and the Management is kept abreast of the physical and transition risks related to Climate Change through the Sustainability Committee. We have incorporated scenario analyses for flood risks into our underwriting and reinsurance operations as well as to determine the capital adequacy of the Company.
New & Emerging Risk - Strategic risk in meeting shareholder commitments in light of 2023 market condition	We have recorded unexpected increases in costs – e.g., reinsurance costs, adjuster fees, service provider fees, and etc.	Management continues to monitor unexpected increases in costs. Repricing initiatives need to take place for selected products to even out the impact on higher reinsurance rates.
New & Emerging Risk - Natural catastrophe	In 2022, the occurrence of landslides in several states of Malaysia claimed lives and property, sending shock waves across the country. There were also massive floods ravaging the northeastern states of Kelantan, Terengganu and Pahang as well as other states like Johor, Perak and Sabah. This risk is not only due to Climate Change but various other factors such as deforestation and movement of water underground. The Organisation for Economic Co-operation and Development (OECD) has also remarked that the underlying factors of risks have changed (e.g., pathogen resistance, weather patterns), thus we are exposed to higher severity claims.	Although the Group has its internal process to accept risks from the aforementioned areas, what cannot be established or determined is where exactly the next catastrophic event will occur, and how it will impact the lives of people including employees and loss or damages to property. This risk will also be monitored systematically moving forward with the implementation of the CRMSA Policy issued by BNM.

OUR VALUE CREATION MODEL

OUR INPUTS TO THE CAPITALS

F FINANCIAL CAPITAL

- Market capitalisation as at 31 December 2022: RM236.8 million
- Total assets of RM1.6 billion
- Zero gearing
- Credit rating:
  - Tune Protect Group (RAM Ratings): A_2, P1
  - Tune Protect Re (A.M. Best): bbb
- Capital adequacy ratio and solvency of the Company and its subsidiaries ranges between 2x-6x above regulatory minimum

H HUMAN CAPITAL

- 484 diverse employees operating across the Group
- Investment in training and development for the Board and employees
- Positive relationship with trade unions
- 81.6% Lean certified workforce with eight newly recognised scrum masters

S SOCIAL & RELATIONSHIP CAPITAL

- Access to over 150 million customers (own and via partners)
- Global footprint in 49 countries* and a network of 29 local underwriting partners
- Diversified list of partners (73 digital partners including six exclusive airline partners)
- 1,226 insurance agents in Malaysia
- Circa 2,000 B2B agents in the Middle East, Bangladesh and India
- Annual CSR contribution of up to RM350,000 or 0.5% of Group PAT, whichever is lower

I INTELLECTUAL CAPITAL

- Home-grown, scalable Travel, Health and Lifestyle protection platforms
- PUMP, our digital healthtech platform to track health and reward customers via the Tune Protect Mobile Application
- Unique reinsurance business model
- Integrated 13 robotic process automations into 41 progressive internal processes
- Launched B2B travel portal in Malaysia
- New core system being rolled out - Phase 1 launched in 2022
- Currently hosting a portion of our core system on the cloud
- Strong CG framework with robust policies and procedures

N NATURAL CAPITAL

- Exclusions for coal, weapons and tobacco manufacturers embedded across our underwriting practices
- Paperless in our in-control processes
- Developing required climate action and environmental protection initiatives to conserve energy, paper and water

M MANUFACTURED CAPITAL

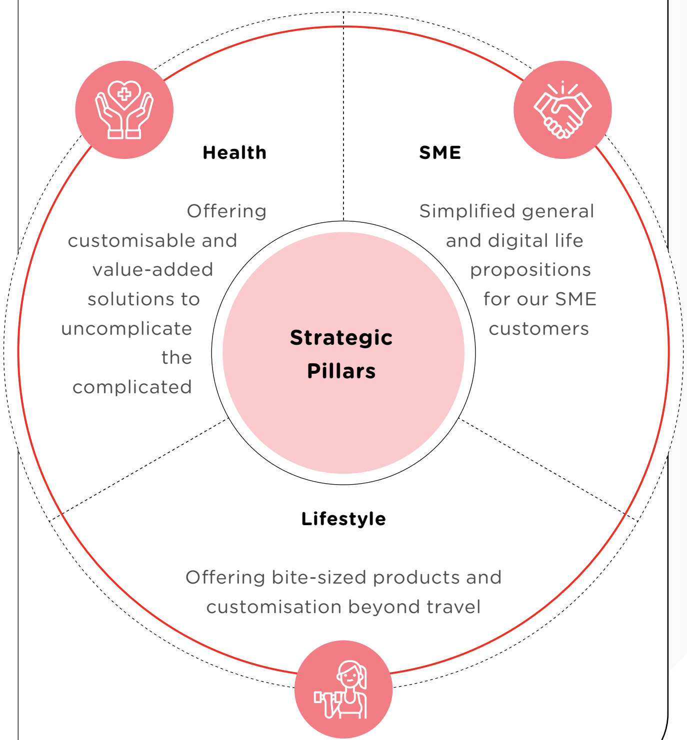
- Tune Protect Malaysia's 17 branches (including our headquarters and new flagship lifestyle branch in Bukit Jalil, Kuala Lumpur)
- Tune Protect Re Labuan's registered office
- Two local offices in Dubai and Bangkok

Including inbound markets

Tune Protect

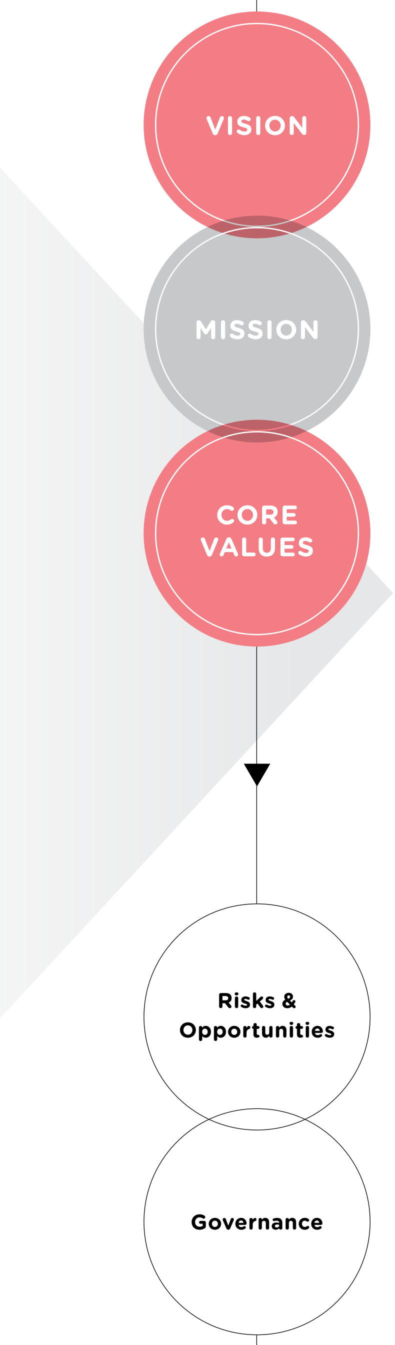
Strategic Direction:

1. **Build an insurance company that everyone LOVES**
2. **Leverage AirAsia ecosystem to increase revenue**
3. **Build an ASEAN-based insurer**



How Success is Defined by 2023:

- ✔ Retention upwards towards 70.0% in all Lines of Business
- ✔ More efficient organisation on a ratio basis
- ✔ To evolve our tech arm into a profit centre
- ✔ To grow our ASEAN presence
- ✔ Mobile-first company
- ✔ To be among NPS leaders in our preferred market
- ✔ To be an employer of choice among insurers for millennial talents
- ✔ To be inducted as a FTSE4Good constituent



The Key Differentiators

- Well capitalised. The Company and its subsidiaries' solvencies are well above the minimum local regulatory requirements
- Broad & diversified geographical reach, distribution partners and product offerings (including COVID-19 coverage)
- 'Better together' culture; skilled, diverse and agile workforce
- Balanced workforce gender composition
- Digitalised and simplified insurance processes & customer experience
- Products & services created with mobile-first value
- Increased customer acquisition from preferred segments

For more information, refer to:
1. Internal Policies, pages 128 - 130.
2. Sustainability Statement, pages 40-89.

OUR 2022 KEY OUTCOMES

S1 EMPLOYEES

- Flex working arrangements prioritising work-life balance, health and safety
- Employer of choice with NPS of +26% (+52% increase since baseline, established in April 2021)
- Achieved an average of 34.2 training hours per employee
- 8.2% of our new hires came from our internship pool, with 16.4% of all new hires being zillennials
- Close to half of our employees are millennials and zillennials
- HR Online Awards 2022 - Best In-House Certification Programme

S2 CUSTOMERS

- Focus on customer-centricity via our customer pledge and 3-3-3 commitment
- CXP Best Customer Experience Awards 2022 - Excellence in Customer Experience
- Insurance Asia Award 2022 - Travel insurance Initiative of the Year and Insurance Administrator of the Year - Malaysia
- Finalist of The World's Digital Insurance Award 2022 - Insurer Transformation Category
- Global Banking & Finance Review 2022 - Best Online Insurance Company and Best Travel Insurance Product (iPass) - Thailand
- Customer NPS of +39% (+55% growth since baseline, established in April 2021)
- Growth of 2.7x y-o-y in Tune Protect Mobile Application installations (Malaysia only) and 3.8x y-o-y growth in transaction volume via mobile application
- 92%** of flood claims were paid to our customers within 3 workings days after the 2022 flooding in Terengganu

S3 SHAREHOLDERS & INVESTORS

- Retention ratio in our preferred lines are currently above the 70% target
- Inducted into the FTSE4Good Bursa Malaysia Index since December 2021, the only insurer on the Index and have improved our score from 3.3 to 3.6 in the year under review
- 10.5% ESG investments funds mix
- Partnered with Indonesian insurtech start-up, Qoala - extending our online medical plan offerings

S4 REGULATORS AND GOVERNANCE BODIES

- Top 17 public listed company for CG Disclosure by MSWG
- Highest ranked insurance company on the Top 100 Companies for CG Disclosure by MSWG
- MSWG-ASEAN CG Awards 2021 – Excellence Award for CG Disclosure
- Complied with regulatory requirements

S5 BUSINESS PARTNERS & INTERMEDIARIES

- Our Group-wide partner NPS was +63%
- Launched our B2B travel portal for our partner travel agencies in Malaysia
- Conducted two SME-focused CEO networking workshops and in early 2023 launched the SME EZY product under the BNM Financial Technology Regulatory Sandbox

S6 COMMUNITIES

- Invested 1,517 employee volunteerism hours in community investment projects
- Embedded charity element in all new applicable B2C products. With the exception of Travel and PA, for every B2C policy sold, RM6 was channelled towards charitable causes
- RM150,000 was contributed towards CSR initiatives

** *For claims below RM20,000.*

CHAIRMAN'S REVIEW

DEAR VALUED SHAREHOLDERS,

I am pleased to report that despite it having been yet another challenging year, Tune Protect Group has continued to advance its business strategies and sustainability agenda to create future value for our stakeholders. We are turning the corner and moving closer than ever to achieving our 2023 goals, while doing so in a responsible and sustainable manner.

Dato' Mohamed Khadar bin Merican
Chairman, Independent Non-Executive Director

NAVIGATING A CHALLENGING OPERATING ENVIRONMENT

Globally, inflationary headwinds persisted longer than expected, especially in the United States; while uncertainties in Asia Pacific's equity market, in particular China – weighed on Tune Protect's investment income. However, our conservative positioning in the domestic bond market shielded and stabilised us amidst the volatility arising from the relentless upward drive in the US Federal Fund Rates, as interest rates increased by a cumulative 4.25% in 2022. Tune Protect's investment portfolio rebounded in the fourth quarter of 2022 and ended the year on a breakeven note.

In the insurance industry, we witnessed motor claims normalising to pre-COVID-19 levels and growth in the motor, PA and fire segments in Malaysia. This contributed to the Malaysian general insurance industry's Gross Direct Premium growth of 10%[1] in 2022, while in Thailand there was a rise in COVID-19 claims, which tailed off towards the end of the year, as the pandemic subsided.

FINANCIAL PERFORMANCE

Tune Protect made a LAT of RM34.2 million for the year. Despite taking on losses, we are buoyed by the positive indicators seen in our business performance. For the fourth quarter of 2022, we turned around with a profit after tax of RM2.2 million[2]. The Group is close to reaching our retention ratio of 70.0%, attributable to a solid year-on-year growth across all our preferred lines of business. Our FY2022 results indicate that our growth plans are moving in the right direction as we experience more efficiency on a ratio basis, given that the rate of growth of our NWP continues to outpace expenses.

[1] *Source: Persatuan Insurans Am Malaysia (PIAM)*
[2] *Quarterly figures are unaudited, however, are in-line with quarterly disclosures to the public and regulatory bodies.*

IMPROVING PERFORMANCE

RM2.2 million

profit after tax in the fourth quarter of 2022

MANAGEMENT PERFORMANCE

We are pleased with the performance of our management team. We have made positive strides in our eight key strategic commitments to realise our three-year strategy (2021-2023), especially on the technological and digital front. Notably, we are the first insurer to be given approval by BNM to re-platform our existing insurance core system onto the cloud. We also launched new health features via our mobile applications in both Malaysia and Thailand, delivering interactive benefits such as tracking an individual's fitness and wellness, and a rewards system for adopting a healthy lifestyle. Significantly, we have also made our first foray into the digital life insurance market, following approval to participate in the financial technology regulatory sandbox by BNM.

As a result of our efforts in delivering value to our stakeholders, we have been recognised with several awards. In Malaysia, we were pleased to receive the Insurance Asia Awards 2022 for Insurance Administrator of the Year and Travel Insurance Initiative of the Year; while in Thailand, we bagged the Global Banking & Finance Awards 2022 for the categories of Best Online Insurance Company and Best Travel Insurance Product.

Our focus on customer centricity has enabled our NPS to rise significantly over the past two years and we are edging ever closer to global industry NPS averages.

As a testament to our persistent efforts to elevate customer satisfaction, the Group is proud to report that in Malaysia, we were also recognised for our Excellence in Customer Experience, as we received the CXP Best Customer Experience Awards 2022, and have been listed among the Top 16 companies across various industries for customer service.

SUSTAINABILITY

Sustainability is a fundamental differentiator that is now a key part of the business, and the Group keeps a close tab on new developments to enhance best practices. To stay focused on our commitments, we identified six areas back in 2021 which guide us in our sustainability journey as we continue to align our ESG agenda with the UN SDGs and other best practices.

KEY HIGHLIGHTS

50% of our board members are women. 38.2% of our leadership team are women.

In 2022, we donated a total of RM30,000 to Madhya's Gift.

Environmentally, we are focused on reducing our impact through our zero-paper commitment for in-control processes. We also collaborate with various parties that can assist us in realising our goals to preserve the planet. Among these efforts were our partnerships with the Malaysian Nature Society and the Free Tree Society, which saw us planting tree saplings around Kuala Lumpur in our bid to work towards a greener earth.

In the Social aspect, we are particularly proud of our progress in Diversity and Inclusion, which highlights the advancement of women and gender parity in our organisation. 50% of our board members are women. 38.2% of our leadership team are women, just short of our target of 50%. An Unconscious Bias Workshop was also held for people managers to foster a more inclusive workplace. These milestones motivate us to continue to appreciate and nurture women and diversity in our workforce.

We also fulfil our social advocacy through CSR activities as we continue to invest and support the unserved, underserved and dependent communities. Yayasan Chow Kit ("YCK") continues to be our CSR partner for the year. Madhya's Gift, a children's healthcare fund managed by YCK, receives RM6 for every online policy sold, other than for Travel and PA products. In 2022, we donated a total of RM30,000 to Madhya's Gift through this mechanism.

From the governance perspective, we continue to strive for good governance practices across the organisation, from Board members to employees and all third parties engaged with our operations. In 2022, 100% of employees completed the Code of Conduct refresher training.

Our sustainability achievements have earned us various awards. In 2022, we were acknowledged by The Edge Malaysia ESG Awards 2022 – GOLD award for the Most Improved Performance over 3 Years (Market Capitalisation of less than RM300 million). We remain the only insurer on the FTSE4Good Bursa Malaysia Index and have been awarded the MSWG-ASEAN Corporate Governance Award 2021 – Industry Excellence Award (Financial Services). We are also pleased to have been recognised for upholding transparency in our corporate reporting practices, having received the Best Annual Report (small cap) award from the Investor Relations Magazine for our Integrated Annual Report 2021.

IR Magazine South East Asia Awards 2022 - Best Annual Report (small cap) Award

MSWG-ASEAN Corporate Governance Award 2021 – Industry Excellence Award (Financial Services)

A PROACTIVE AND OPEN INVESTOR RELATIONS APPROACH

The Group remains keenly aware of the growing interest in what we do, how our business works and how we are creating value. In that context, we adopt a proactive investor relations approach that is aimed at democratising the participation of investors from all walks of life. The year under review was unprecedented in that sense as we engaged with over 230 individuals in 38 meetings, including group and one on-one meetings, webinars, conferences and Corporate Days.

We successfully organised two Corporate Days in 2022, where we provided key updates on our three-year strategic plan in the first, and showcased our technology and mobile application capabilities in the second. We also co-hosted three online webinars with Stockbit, Kenanga and RHB, respectively, by leveraging on their sizeable retail base, and self-organised our first ever YouTube live webinar.

OUTLOOK

Looking ahead, BNM has forecast Malaysia's Gross Domestic Product (GDP) to grow between 4.0% and 5.0% and inflation to average between 2.8% and 3.8% in 2023. We are hopeful that economic activities will continue to flourish especially, in the travel sector. We have taken steps to isolate, as much as possible, the volatilities of the bond and equity markets. Against this backdrop, I believe that we must stay consistent and focused on our strategies and plans as they had been developed for the long term growth of the Group. The main focus will be on further fortifying and scaling our capabilities through partnerships for business growth while at the same time ensuring better cost efficiencies. We look forward to growing our insurtech arm, White Label, and the successful debut of Tune Protect Life, our digital life insurance company.

I am also confident that our products and strategic collaborations will continue to strengthen our expansion in our three pillars of Lifestyle, Health and SME, and support our commitments to close the protection gap with easy and affordable policies for the underserved and unserved markets.

ACKNOWLEDGEMENTS

I am grateful for all the support we have garnered from our stakeholders towards the Group's business throughout the years. To our shareholders, your unwavering confidence in our company has enabled us to pursue our vision and achieve our goals for the best interest of stakeholders.

I also extend my heartfelt appreciation to our Board Members for their guidance, our efficient and effective management team, trusted business partners and our loyal employees for their hard work, dedication, and commitment towards the success of our organisation. All your efforts have enabled us to navigate through challenging times and achieve our objectives.

My special appreciation goes to our regulators, whose continuous support and guidance, have allowed us to grow in the direction we have chosen.

Our stakeholders' support will always be essential in ensuring that we continue to make a positive impact on the communities we serve. Thank you for standing by us and for being an integral part of Tune Protect's success.

GROUP CEO'S MESSAGE

FINANCIAL HIGHLIGHTS

NET WRITTEN PREMIUMS - HEALTH

RM23.2 million

NET WRITTEN PREMIUMS - LIFESTYLE

RM285.0 million

NET WRITTEN PREMIUMS - SME

RM33.0 million

Net Written Premiums - Commercial
RM5.8 million
(full exit by FY2023)

DEAR VALUED SHAREHOLDERS,

I am pleased to present our IAR2022 for the Group which details our business performance and communicates the context of our operating environment. Given that we are now more than halfway through our three-year strategic plan (2021-2023), this report is also a timely opportunity for me to provide you updates on where we are now and how close we are to achieving our goals.

Rohit Chandrasekharan Nambiar
Group Chief Executive Officer,
Tune Protect Group

REMAINING FOCUSED ON THE ENDGAME

As we conclude the second year of our three-year strategy, it is an opportune time to look back at what we have achieved, take stock and then ready ourselves for the final push. In that sense, it is also pertinent for me to revisit the context of our thinking behind this strategy and what we had set out to achieve.

Firstly, when I came on board in October 2020, it was clear that the Group's growth had stagnated, our expense ratios were at unacceptable levels and customers did not enjoy their interactions with us. We also had an overreliance on the travel business, and we were not making enough investments into technology. The three-year strategy was created to overcome these challenges and we put in place eight commitments that would guide us to achieve our goals.

It is important to note here that this is where my thinking departs from the market, in that, I really am looking at the endgame. In my view, there will always be ups and downs in any business, which are generally reflected in quarterly results, but the ultimate focus should always be on what are we doing to successfully cross the finish line.

Broadly, I am pleased to report that we have indeed moved the needle significantly in 2022 across most of our eight commitments. Most significantly, the Group recorded its highest topline[1] since listing and recorded our best ever customer experience scores. In addition, we have diversified ourselves beyond the travel business, added even more digital partners from around the world and begun our journey into the insurtech space. With a year left to go, we look to be in relatively good shape.

There were however, as to be expected, some parts of our journey that we could have done better, which is mainly to do with the losses we incurred this year. Some of these losses were expected as our topline grew tremendously and therefore drove expenses higher, which in the insurance industry, have to be booked immediately whereas premiums have to be earned over time.

In other areas of the business, we took in losses on the COVID-19 Health product from Thailand as well as investment paper losses in equity portfolios amid a volatile investment market in 2022 that similarly affected anyone invested in these markets. Motor claims also outpaced our efforts at repricing our policies during the year, but we believe that we have mitigated this factor that only came about because of economic activities returning to normal. Meanwhile, resources directed into our new digital life business could not yield results as early as we would have liked given that we had to wait for regulatory approvals.

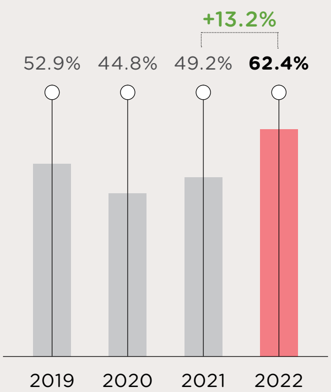
GOOD RETENTION AND GROWTH MOMENTUM

In 2022, we have inched closer towards the goal of achieving 70.0% retention ratio. With the exception of the SME pillar, both the health and lifestyle pillars are already significantly above 70.0%, while our overall retention ratio for 2022 was 62.4%, as the deliberate exit from our least preferred commercial business started to take effect. Our NWP grew by an impressive 72.5% led by growth in the foreign worker segment of the Health pillar; PA, motor and travel via digital partners as well as our ecommerce platform in the Lifestyle pillar; and fire insurance in the SME pillar. To sustain growth, we have continued forging new digital partnerships with a range of businesses here, in Southeast Asia and the Middle East.

FY2022 ANALYSIS

Retention Ratio

Retention ratio of 62.4% on track to meet our 70.0% target.

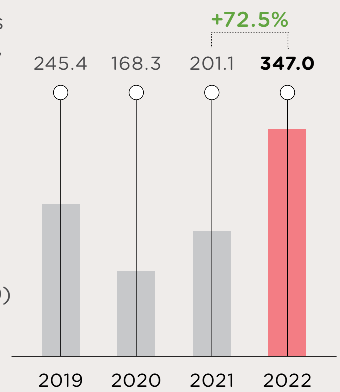


Net Written Premiums growth of 72.5% y-o-y is a **company record**

Net Written Premiums (RM mil)

FY22 Net Written Premiums grew:-

- 1.4x vs FY19 (Pre-COVID-19)
- 2.1x vs FY20



[1] *Topline refers to our total Net Written Premiums.*

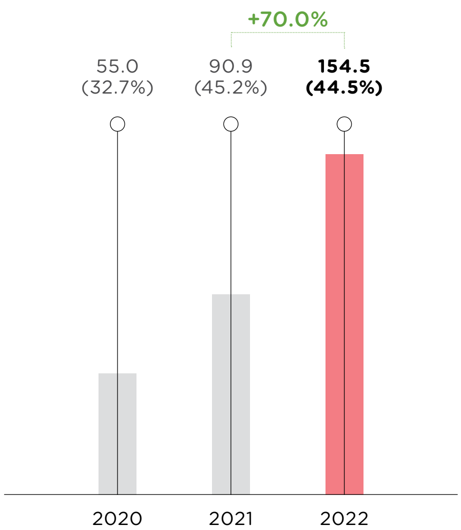
	Health	Lifestyle	SME
Retention Ratio	-0.2%	+7.7%	-4.3%
2021	98.2%	80.0%	71.2%
2022	**98.0%**	**87.7%**	**66.9%**
Net Written Premiums (RM mil)	+55.6%	+85.6%	+35.0%
2021	14.9	153.5	24.4
2022	**23.2**	**285.0**	**33.0**
Key Drivers	Foreign workers & new Health segments	AirAsia Travel, Personal Accident & Motor	SME Fire

Our focus in 2023 is to grow profitable motor with regular monitoring of the portfolio and increase motorcycle mix, penetrate top travel agents in each city and grow our SME and Health lines.

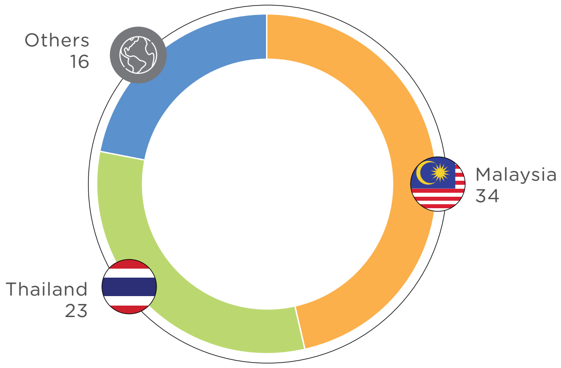
DIGITAL PARTNERSHIP & ECOMMERCE - A GROWING SEGMENT AND A SIGNIFICANT CONTRIBUTOR

73 Digital Partners which includes
6 Exclusive Airline Partners

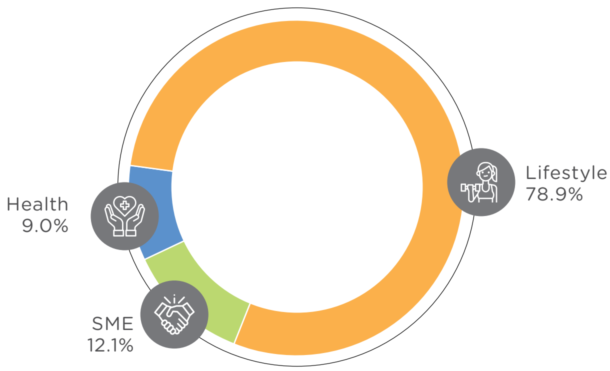
Digital partnership & ecommerce Net Written Premiums (RM mil) (% of Digital partnership & ecommerce Net Written Premiums over total Net Written Premiums)



Number of digital partners by country



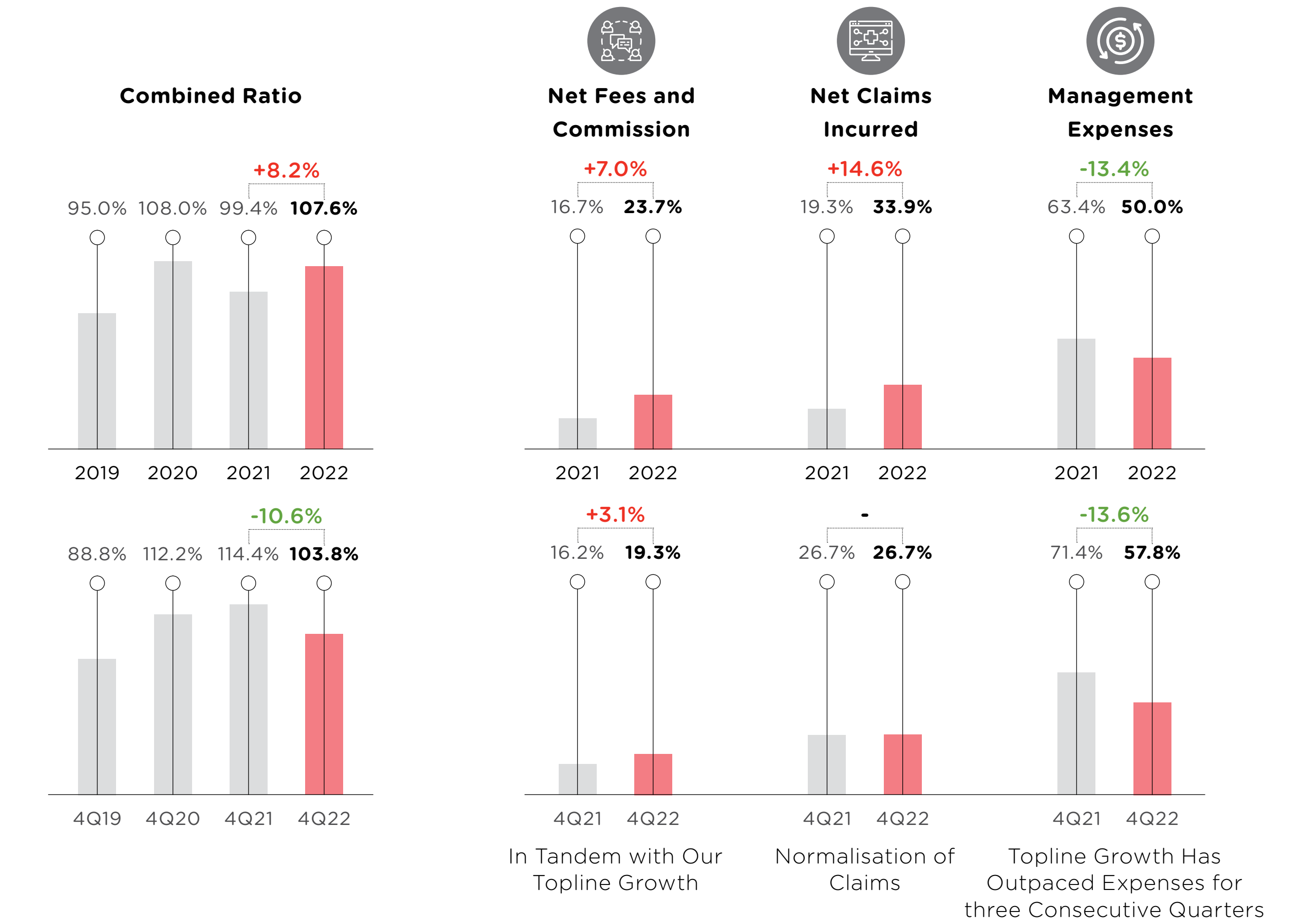
Pillar breakdown (by Net Written Premiums)



IMPROVING RATIOS

Our management expense ratios which had been a legacy issue have definitely improved. The Combined Ratio was slightly above the 100% threshold, a result of premiums trailing expenses and higher motor loss ratios. Our aim is to achieve a positive Combined Ratio position by the end of 2023.

IMPROVED 4Q22 COMBINED RATIO AS PREMIUMS STARTING TO FLOW THROUGH FROM NET WRITTEN PREMIUMS TO NET EARNED PREMIUMS*



* *Quarterly financial figures disclosed in this infographic are unaudited, however are aligned to figures disclosed to our investors and analysts*

CUSTOMERS EMBRACING INSURANCE SIMPLIFIED

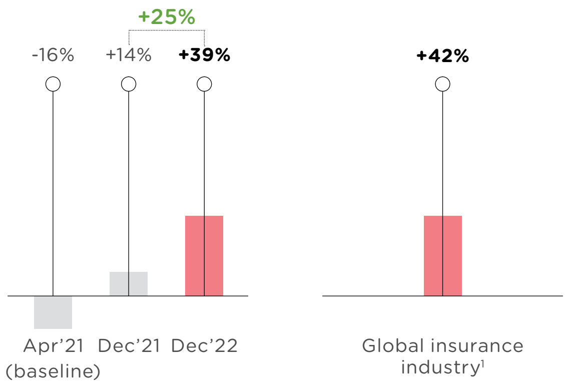
Our efforts to deliver simple yet effective insurance solutions alongside excellent customer service have certainly gained traction this year. From what was a negative Customer NPS of -16% in April 2021, it has swung to +39% at the Group level and +48% for Malaysia alone in 2022, indicating that we are truly meeting our customer needs and expectations. In the year under review, we have further improved the customer experience, added new digital offerings and sped up approvals of own damage motor claims below RM3,000 to within two hours, in line with our 3-3-3 commitment.

OUR ASPIRATIONAL PROMISE TO CUSTOMERS

* *Applicable to enquiries received on business days via all channels*
** *Applicable for online products only upon approval, excluding flood claims which are upon acceptance of offers*

Our progressive efforts in enhancing the customer experience earned us the CX Award: CXP Best Customer Experience Awards 2022, at Customer Experience Asia's regional awards for excellence in customer experience and we ranked within the Top 16 companies in Malaysia across different sectors.

Customer Net Promoter Score



The Group has benefited from the reopening of the economy and travel recovery post-COVID-19 related restrictions, as our unique customer count increased by almost twofold from 1 million in the first quarter of 2022 to 1.9 million in the fourth quarter. Another positive indicator for the Group was customer vintage, or duration of customer retention since first policy, which recorded steady growth throughout the year. In terms of age composition, the Group's customers are predominantly 20 to 45 year-olds, comprising 60.5% of the mix. This demonstrates that the Group is focusing on the right segment through our various lifestyle brand and marketing campaigns, as well as the offering of products and services that are appealing to this market segment.

MOBILE FIRST APPROACH

A key part of why we have been able to deliver products and services that meet market needs is our mobile first approach that enables us to roll out innovative, simple and intuitive mobile first applications. It is also a critical enabler of business growth. In 2022, we added new functionalities such as a health tracking tool and a claims submission module. Our flagship health tracking tool, known as PUMP, was introduced in December 2022 and enables users to track their health via wearable devices that tracks steps and sleeping patterns, and offers rewards for adopting a healthy lifestyle. Downloads of our mobile application in Malaysia and Thailand have increased 5.7x in the past year.

EMPLOYER OF CHOICE AMONG MILLENNIALS

This year, we have definitely prioritised both employee engagement and talent recruitment to strengthen our workforce. We recognise that the younger generation comprising millennials and zillennials will be the ones driving consumer trends and consequently, our business. In 2022, about 16.4% of our total recruitment were zillennial candidates, an increase from 10.7% in 2021. Our Employee Engagement Survey revealed that overall, employees rated their experience as satisfactory for nine out of 11 key dimensions, covering leadership effectiveness, working processes and personal well-being.

Our commitment to developing our people was acknowledged by the industry as we were awarded Gold for the Lean Ninja programme at the Human Resources Online's Employee Experience Awards 2022 in the category of Best in-house Certification Programme.

Customer Tracking Metrics[2]

	Unique active customer count (mil)	Average active policy per customer[3]	Average product per customer[4]	Customer vintage (years)[5]	Average premium per active customer (RM)[6]
1Q22	1.0	1.4	1.2	5.3	335.8
2Q22	1.7	1.3	1.2	5.5	220.8
3Q22	1.9	1.3	1.1	5.6	202.3
4Q22	1.9	1.3	1.1	5.7	204.2

[1] *Source: ClearlyRated*
[2] *Inclusive of Tune Protect Re, Tune Protect EMEIA, Tune Protect Malaysia and Tune Protect Thailand*
[3] *Number of active policy/unique active customer*
[4] *Number of product by nature/unique active customer*
[5] *Duration of active customer been with us since its first policy*
[6] *Total Gross Written Premiums/active customer base*

PAVING THE WAY FORWARD WITH INSURTECH

We have made a significant stride forward in evolving our insurance technology expertise into a revenue generator for the Group with evolution of the Group's tech arm, White Label, moving away from being just a support function. With White Label, we are able to provide an insurtech platform for our partners to distribute their insurance propositions and solutions. While we have since acquired three clients for this platform, it has proven challenging to scale up this business further due to the difficulty in obtaining and retaining tech talent this past year, coupled with recruiting resources being directed to the parts of our business that were really growing. As such, there is still some way to go before White Label becomes a significant revenue generator.

I am also pleased that we obtained approval from BNM in 2022 to migrate our core system onto the cloud, making us the first insurer to obtain approval to host our core system on the cloud. With this, we will be able to achieve greater speed-to-market and introduce more innovative products and services to our customers.

Our ability to punch above our weight in the insurtech space was most certainly recognised as we emerged as a finalist competing against the likes of insurance giants such as AIA, Ping An and Zurich for The World's Digital Insurance Awards 2022 – Insurer Transformation Category organised by The Digital Insurer.

ADVANCING SUSTAINABILITY

The Group has continued to make considerable progress in its sustainability journey. Guided by our sustainability framework, we remain true to our commitments to Zero Coal in underwriting and investments by 2030, ensuring the inclusion of elements of charity in our online products, investing 6,000 hours in CSR programmes from 2022 to 2024 and achieving 50% women leadership by 2023 as well as identifying 50% of successors for critical roles from internal talent.

This year, we updated our underwriting procedures and guidelines as well as investment policies to incorporate coal exclusions. We also launched two new products with an element of charity namely Critical Safe+, an online critical illness insurance policy and Bike Easy, an affordable motorcycle insurance providing coverage for loss/damage to motorcycles due to accident or theft/fire.

OUTLOOK

Looking ahead, we will continue to stay the course with regards to our eight commitments and our three-year strategy, in order to achieve our 2023 goals. Although we may have already attained some of the targets under our commitments in 2022 itself, we are still focused on ensuring that our performance remains intact going forward and that we bring the ship home safely. As of now, I believe the only two commitments which may require more time to achieve is turning the White Label platform into a significant revenue generator and our expansion into the Southeast Asia region.

For the wider insurance industry, there remains significant opportunities across the three pillars of Lifestyle, Health and SME. Our pilot digital life product, as a start, is specifically designed for the SME segment, while the post-pandemic environment continues to drive demand in the Lifestyle and Travel segment. In line with this, the Group will focus on increasing digital adoption via our mobile first approach and strengthen our commitment to improving the customer experience further.

ACKNOWLEDGEMENT

I take this opportunity to thank all employees for their loyalty to the organisation, your commitment and resilience continues to inspire me to be a progressive leader. I am also grateful for my management team who have done an outstanding job in ensuring that our strategies are effectively executed, paving way for continuous growth. The Board has played an instrumental role in giving us their sound counsel and foresight which guided us to achieve sustainable growth and value creation for our stakeholders.

I also express my appreciation to various stakeholders including our customers, partners and relevant authorities for their support towards Tune Protect. It is with your trust that we advance forward to better serve your needs.

I also warmly welcome Jubin Mehta as the newly appointed CEO of Tune Protect Malaysia who joined us in May 2022. With his wealth of experience accumulated over two decades from the banking industry and most recently in the financial technology field, I look forward to his leadership in bringing our general insurance arm to greater success.

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

The year 2022 was a year of recovery as the world fully transitioned into the endemic phase of the COVID-19 health crisis. With high vaccination rates and a decline in infections, governments relaxed movement restrictions and restored travel through the reopening of international borders. At the global level, prices of goods and commodities increased due to the Russia-Ukraine war which disrupted supply chains, coupled with stronger consumer demand in line with the return to normalcy. Central banks responded with tighter monetary policy that impacted investment markets and dampened the economic growth outlook. Domestically, Malaysia saw a strong increase in economic and business activities given that the borders gradually reopened, demand for insurance remained healthy coupled with the various policy initiatives meant to alleviate the burden of the people post COVID-19.

KEY HIGHLIGHTS

NET WRITTEN PREMIUMS

RM347.0

million

RETENTION RATIO

62.4%

for the year

LOSS AFTER TAX

(RM34.2)

million

TOTAL ASSETS

RM1.6

billion

PERFORMANCE OVERVIEW

Despite the broader global economic uncertainties, 2022 was a reasonably steady year for Tune Protect as we continued to advance our business strategies and started to see what success looks like in some of our focus areas.

This is due to our product innovation and diversification beyond our travel business. In boosting our preferred segments, we have launched products that fulfil the needs of the market, in particular our targeted millennial and zillennial consumers.

This is further supported by the strengthening of our digital and technological capabilities as we continue to position ourselves as the leading insurtech player in Malaysia and the ASEAN region. Our investments into our technological growth will remain a key enabler for our preferred pillars, i.e., Lifestyle, Health and SME, and act as an accelerator of our transformation journey.

We also continue to collaborate with partners globally, providing insurance solutions via our digital platforms. In the year under review, we strategically increased the number of partnerships to cover diverse industry backgrounds to further reinforce our business presence, expand consumer touchpoints and, in time, yield greater revenues.

FINANCIAL PERFORMANCE

The year 2022 saw a strong financial performance by the Group as we delivered record topline growth and our highest GWP and NWP since our initial public offering in 2013. Y-o-y, GWP increased 36.0% from RM409.0 million in FY2021 to RM556.1 million in FY2022. Simultaneously, NWP increased by 72.5% from RM201.1 million to RM347.0 million for FY2022. Most significantly, the fourth quarter of 2022 was also Tune Protect's first profitable quarter since the third quarter of 2021.

We attribute this performance to our robust strategy and the focus on our preferred segments of Lifestyle, Health and SME, in which we have heavily invested in the past year. We also saw the broader effects of our gradual planned exit from the Group's commercial business, especially with retention ratios reaching 62.4% for the year, indicating that we are on track for the 70.0% target by the end of 2023.

Despite the record performance by Tune Protect, we reported a LAT of RM34.2 million in FY2022, compared to the LAT of RM18.2 million in FY2021. The increase in LAT was mainly due to an increase in the share of losses in our Thai associate and a decrease in underwriting profits due to normalisation of claims, particularly in the general insurance segment.

Notwithstanding the challenges, Tune Protect continued to remain resilient and focused on strengthening the organisation. During the year under review, we leveraged technology to improve efficiency and enhance customer experience to sustain its competitive advantage.

FINANCIAL POSITION AND LIQUIDITY

Total assets for the Group was RM1.6 billion, whereas total liabilities stood at RM1.1 billion as at 31 December 2022. Net assets per ordinary share attributable to owners of the parent decreased from RM0.75 as at 31 December 2021, to RM0.70 as at 31 December 2022, mainly attributable to net loss incurred during the year. The Group and its Overseas Ventures maintain zero gearing in 2022 and will continue to exercise prudent fund management in order to maintain a sound financial position in relation to the needs of our ongoing strategic initiatives.

CAPITAL AND RESOURCES MANAGEMENT

The Group and its Overseas Ventures maintain a solid capital base through our effective and prudent capital management in order to achieve business sustainability. In complying with the capital adequacy and solvency requirements, both of our insurance and reinsurance subsidiaries have healthy levels of capital solvency, coupled with an adequate set of monitoring mechanisms and controls in place. There were no requirements for additional capital resources and our capital structure remained the same in FY2022.

DIVIDEND

Our operations are supported and financed by dividends upstreamed from our respective subsidiaries and the amount of dividend is highly dependent on the performance of the subsidiaries. We remained conservative, despite the country's economic rebound, due to uncertainties caused by global events and channelled our resources into expanding our business through diversification beyond the travel business. There was no dividend distributed in 2022 as the Company's priority was to direct our funds toward investments for growth. In doing so, we were able to further enhance our product offerings, expand our presence in new markets and weather uncertainties to overcome challenges.

HOW WE HAVE CREATED VALUE

PARTNERSHIPS

In 2022, we continued to form collaborations that complement Tune Protect's business. We now have 73 partners on board with us, including new digital partners and six exclusive airline partners that will assist us in expanding our customer reach. Our digital partnerships and ecommerce NWP grew 70.0% y-o-y, with the Lifestyle pillar taking the lead, contributing 78.9% to the overall NWP, followed by SME at 12.1% and Health at 9.0%.

With the reopening of travel borders and the increase in tourism traffic, we continued to invest in our Lifestyle pillar by adding seven new organisations to our list of travel partners namely Cover Genius (for an online travel agent), Langkawi Tourism Association, Thai Airways, Fincrew, Mayflower, AXSS Insurance, and VNPay. Through these partners, we were able to extend the various Travel protection solutions under our belt such as inbound and outbound Travel PA as well as travel protection with COVID-19 coverages to their customers.

Expanding on our long-standing partnership with AirAsia, we launched the airasia Super App Travel Insurance to more than 700 domestic and international airline brands flying to more than 3,000 destinations that are available on the airasia.com website. This exclusive partnership is in line with airasia Super App's aspiration of being an Online Travel Agent offering services and travel deals outside of AirAsia's network.

Closer to home, we enhanced the AirAsia Travel Protection product to include COVID-19 coverage for more comprehensive protection. The COVID-19 enhancements include medical expenses for Stage 3 to Stage 5 COVID-19 infections, emergency overseas evacuation and repatriation, hospital income and bereavement allowances, compassionate visit for a relative or friend, and trip cancellation due to COVID-19.

We have also made our online travel, motor and home contents products available on the MyDigi app and portal, which belongs to one of the top telecommunication companies in Malaysia, in addition to extending our Home protection via partners such as Instahome and Bjak.

For our Middle East market, we have secured FlyArna, the Armenian low-cost carrier which we will work with for B2B2C Travel initiatives. FlyArna, our sixth airline partner, is a joint venture between the Armenian National Interests Fund (ANIF) and AirArabia Group. We also partnered with AXSS Insurance for our UAE market, utilising their AI-powered insurtech platform for our Travel PA policies. Our successful penetration into Vietnam's travel market was marked by the launch of our instant claims notifications and payment services in partnership with a leading e-wallet provider, Momo via our local Vietnam insurance partner, Bao Viet. We have also finalised two new insurance partners in Vietnam with our provision of reinsurance training, product development services and technology, in exchange for their healthcare and lifestyle portfolio.

We also explored the B2B travel segment and formed partnerships that will boost our business presence. In Malaysia, we have formed partnerships with travel agencies and launched our B2B travel portal in their agencies and in our branches nationwide. The portal will be introduced next in Thailand. The portal has extended B2B travel to all distribution channels, including AirAsia, broking agencies and partnerships.

Under our Health pillar, we partnered with Indonesian insurtech start-up, Qoala which has recently expanded its offerings to include health insurance. Qoala is an insurance and takaful products aggregator for cars and motorcycles, PA, property and travel. With Qoala, we extended our online medical plan offerings to customers, who can now apply online with a minimum premium of RM400 per annum.

OUR KEY PILLARS OF GROWTH

LIFESTYLE

Our Lifestyle segment has added new and innovative products and initiatives to its portfolio in 2022. Staying true to our tagline 'Insurance Simplified', we focused on launching and enhancing our products and services to meet the needs of our customers, especially in providing a fast turnaround time and a seamless customer experience.

The 3-3-3 commitment is our promise to customers to deliver the purchase of online products within three minutes, have a response time of within three hours via any of our channels, and pay out claims within three working days after the claims are approved. In 2022, we brought our 3-3-3 commitment to our customers with the Motor Comprehensive Private Own Car Damage policy through the Tune Express Claim Module. Customers are able to receive their claims within two hours for amounts below RM3,000 in the event of a self-accident without any third party involved, where no police or adjuster's reports are required.

In serving our customers who are motorcycle riders, our Bike Easy policy was launched to provide affordable motorcycle insurance which covers loss/damage to motorcycles due to accidents, theft or fire. Customers also received other benefits such as a 10% online discount on top of the No Claim Discount (NCD), coverage for towing, third-party liabilities and legal costs.

The Travel Smart Delay product was launched for our EMEIA market and offers coverage for flight delays. Customers will receive instant claims notifications when booked flights are delayed, with all submissions completed online without the need for supporting documents.

In support of the government's Perlindungan Tenang programme, we collaborated with Jabatan Kemajuan Orang Asli (JAKOA) to offer our Tenang PA Care to approximately 30,000 Orang Asli (Indigenous People Groups) across Malaysia. Tenang PA Care was introduced in February 2022 and we have since worked with digital partners to distribute the product on their platforms.

OUTLOOK AND PROSPECTS

With the encouraging performance indicators coming out of our three-year business strategy, Tune Protect will be continuing the momentum by focusing on the efficient execution of our eight key areas of commitment. Barring unforeseen circumstances, we are on track to achieving the targets for the majority of our key areas and will be concentrating on boosting three commitments: evolving our tech arm, White Label, into a profit centre, becoming a more efficient organisation on a ratio basis and growing our ASEAN presence further.

Although Malaysia's Gross Domestic Product (GDP) growth will ease to around 4.0% to 5.0% in 2023 (as forecast by BNM) compared to the 8.7% growth registered in 2022, the Group is optimistic about the growth opportunities within the Lifestyle, Health and SME segments. Apart from winning new clients and gaining market share, we will be actively exploring more ways to expand our services and

HEALTH

In response to the increasing importance of health and well-being, the Group launched our first critical illness health insurance, Critical Safe+ in Malaysia. The policy is an affordable online health insurance which covers advanced stages of critical illnesses with flexible options for our millennial and zillennial target audiences. Critical Safe+ is a flexible critical illness protection plan that gives the option to customers to choose between the top 2, top 5 and up to 39 critical illnesses with a sum insured from RM30,000 up to RM200,000. It helps customers cope financially when diagnosed with a critical illness and enables them to focus on recovery. Our 3-3-3 commitment is also applicable for this policy and if the claim is not received within three days of the approval date, Tune Protect will compensate 1% of the sum insured.

In Thailand, we launched Bao Wan, a diabetes protection plan that covers, among others, diabetic coma, loss of vision, severe illnesses due to diabetes (coronary heart disease, limb amputation, organs transplant, diabetic nephropathy), and PA. The plan also grants complimentary access to the Dfit Program where customers can reach out to personal health coaches and have blood tests done at affiliated hospitals at any time. There are four different plans to choose from to suit our customers' budget for a sum insured between THB250,000 up to THB2,000,000.

Our new PUMP platform, which promotes healthy lifestyle and well-being, is now activated within the Tune Protect Mobile Application. Users can track and monitor physical activities, mental wellness and nutrition via lifestyle wearables. The free platform is also filled with content and challenges to enable users to earn free rewards.

SME

The rise of digital skillsets as a critical knowledge during the pandemic helped many businesses survive the challenges of COVID-19. To assist our SME clients to rebuild and enhance their businesses, we worked with the AirAsia Academy (formerly known as the Redbeat Academy) to enrol employees of our SME clients into the two-day specialised BINA Digital programme. BINA Digital is a specially curated programme that upskills and equips our SME clients with digital knowledge and techniques. Conducted online, the programme is a structured introduction and guide for SMEs in building business plans and includes online productivity tools.

We also launched our Business Shield Programme and engaged the SME segment by hosting two SME industry roundtables. The session was attended by over 60 industry leaders and we were able to gather insights and identify touchpoints with SME customers. We developed a user-friendly sales kit targeting profitable segments or industries to reduce our portfolio volatility and plan to diversify distribution channels to be digital-ready for SME B2C channels and partnerships.

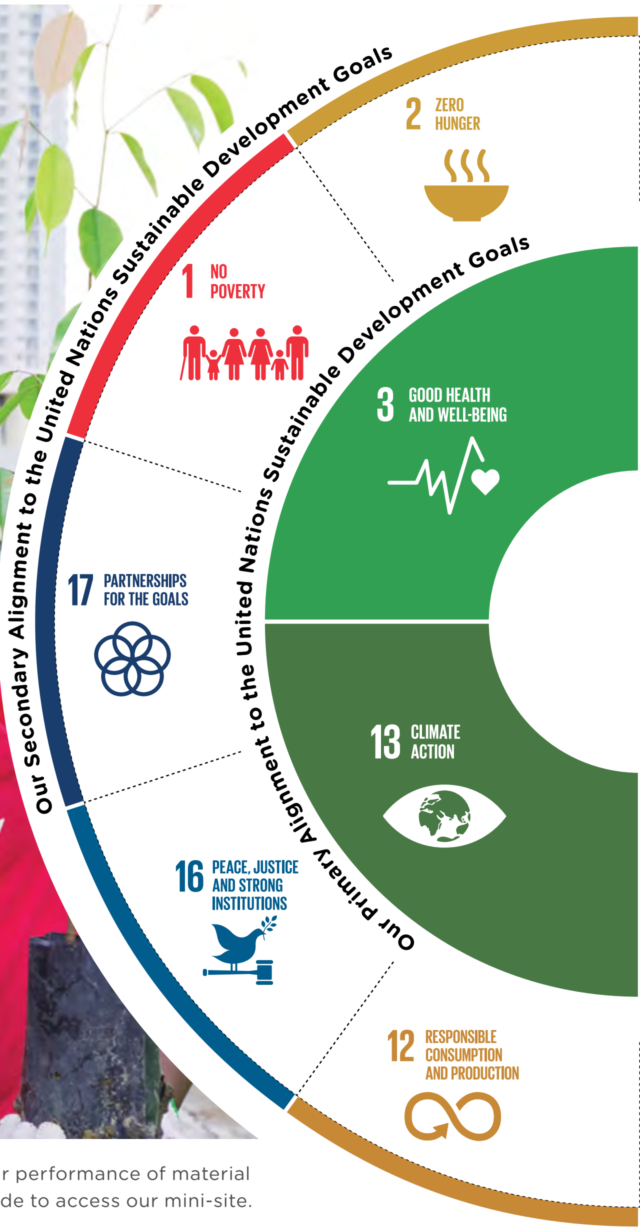
offerings together with our partners. By leveraging White Label, we will be able to offer broader and deeper collaborations with our partners.

Tune Protect is also anticipating a further rebound in the Travel segment as tourism, including business travel, starts to pick up. We are confident that our products under our preferred segments will be able to drive demand for our Travel segment, aided by our presence via our strategic partnerships in various countries.

To develop our competitive advantage in digital and technology, we have kickstarted initiatives that are stepping stones to new opportunities, including our potential foray into the life insurance market, following the approval from BNM to participate in the digital life insurance sandbox. We will also continue to work with our partners to further strengthen our market presence in the respective countries to provide easy access and tech assets to both business partners and our customers.

We have embarked on our large-scale branding exercise with the launch of T.P. the Thumb as our new mascot in October 2022. **Click the link** to find out more.

SUSTAINABILITY STATEMENT



We are pleased to present our ESG Insights, which consolidates our performance of material matters and sustainability performance indicators. Scan the QR code to access our mini-site.

OUR GOVERNANCE

- Business Ethics & Compliance (Including Anti-Bribery & Corruption)

✔ **100%** employees completed the CoC refresher month training and certification

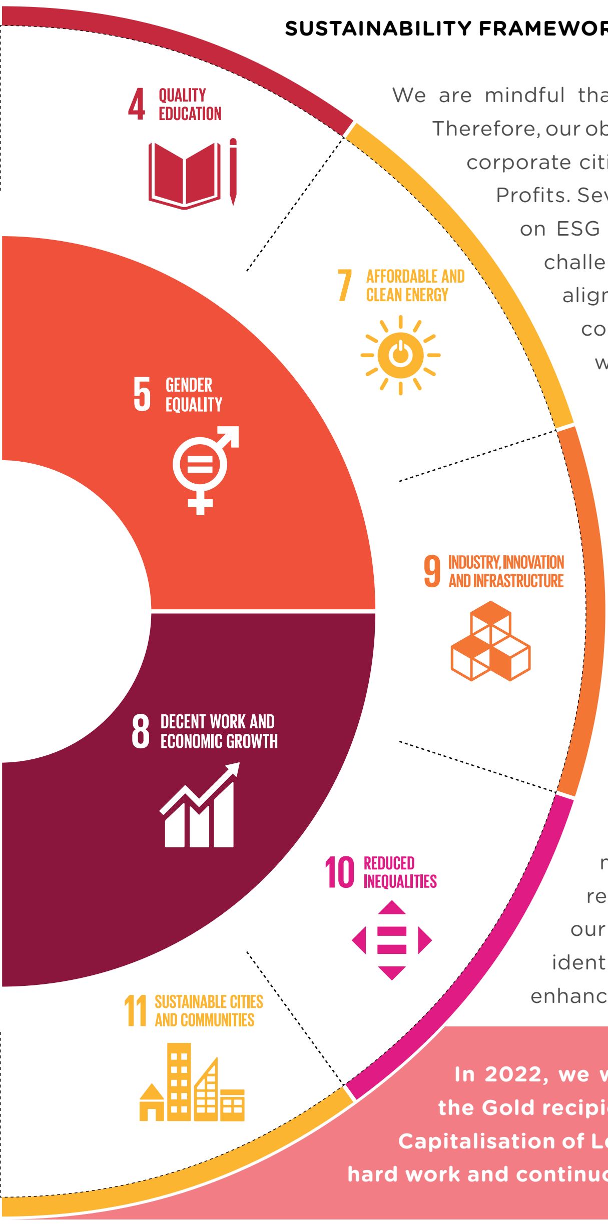
OUR BUSINESS

- Customer Satisfaction
- Digitisation
- Economic performance
- Product Innovation

✔ First Malaysian insurer to host **core system on the cloud**

✔ Integrated **13 Robotic Process Automation ("RPA")** technologies into **41 progressive internal processes**

✔ Overall CNPS achieved exponential growth with a score of **+39%**



SUSTAINABILITY FRAMEWORK

We are mindful that our decisions and actions have profound impacts on our stakeholders. Therefore, our objective goes beyond financial performance, as we believe in being a responsible corporate citizen that prioritises the very foundation of sustainability - People, Planet and Profits. Several studies have provided empirical evidence that organisations are focusing on ESG aspects, to surpass their peers and also to be more resilient in the face of challenges such as COVID-19. Our sustainability framework ensures that our strategy aligns with our ESG objectives in ensuring long-term growth for our business. We continuously look to the future and aim to direct our sustainability journey in line with our new sustainability tagline, 'In Tune for a Better Tomorrow'.

The Tune Protect Group Sustainability Framework is underpinned by four key pillars – Our Governance, Our Business, Our Environment, and Our People & Community. Each pillar contains material topics focused on the voice of our stakeholders and the environment, as well as our own values and ambitions. The framework also makes sure that we are able to continually improve our sustainability performance over time. Our Sustainability Committee ("SuCom") and the Board evaluate all material topics annually to ensure their continued relevance and to determine whether new material topics need to be included.

Our Sustainability Framework is rooted in the core principles outlined in our Governance pillar, which reflects our commitment to environmental, social and economic pillars. Each material issue is then divided into four major pillars and aligned to the relevant UN SDGs. In the year under review, we assessed our alignment with the UN SDGs and identified our primary and secondary contribution areas. This allows us to identify the key areas of impact and strategically deploy initiatives and enhancements to maximise our positive contributions.

In 2022, we were recognised by The Edge Malaysia ESG Awards 2022 as the Gold recipient for the Most Improved Performance Over 3 Years (Market Capitalisation of Less than than RM300 Million). This award is a reflection of our hard work and continuous push to embed sustainability at the core of what we do.

OUR ENVIRONMENT

- Climate Change
- Materials (Resource Consumption)

✔ **Established coal, weapon and tobacco industry exclusions** in the Group Underwriting Policy and Tune Protect Malaysia's Underwriting Guidelines

✔ **Established coal exclusions** for direct mandates in the Group Investment Policy

OUR PEOPLE & COMMUNITY

- Diversity & Equal Opportunity
- Local Communities
- Customer Privacy
- Occupational Health & Safety

✔ Women occupy **50%** of our Board seats

✔ Employees volunteered **1,517 hours** for community investment

SUSTAINABILITY GOVERNANCE

Sustainability Committee Governance Structure

SuCom, our management level sustainability oversight committee, drives the strategic management of material sustainability matters to assist the Board. The Board, in turn, oversees the incorporation of sustainability considerations into the strategy and operations of the Group. As part of its commitment to this strategy, the Group has been anticipating and addressing material ESG risks and opportunities, working towards developing best practices across its business models.

In its role as the highest governance body, the Board is responsible for providing strategic guidance and oversight to the management. Additionally, the Board is required to oversee and monitor the Group's fiduciary obligation to its shareholders. On top of that, the Board monitors the Group's sustainability strategy, priorities and targets by reviewing key sustainability related matters and all major disclosures. In order to align the Board with the business strategy and its sustainability objectives, it is essential for the Board to ensure both internal and external stakeholders are informed on the Company's sustainability strategy, priorities, targets as well as key performance indicators.

As part of our commitment to transparency, accountability and reporting, Tune Protect Group established SuCom in 2017 to focus on all sustainability related matters across the Group. SuCom members consist of selected senior management team members and is chaired by the Group Chief Financial Officer. SuCom has the primary role of reviewing material sustainability matters on an annual basis.

A full materiality assessment is conducted at least once every two years. This enables the dynamic management of sustainability matters that align with the identified material topics. SuCom convenes every two months and reports to the Board on a quarterly basis.

As the SuCom's Secretariat, the Investor Relations, Sustainability, Mergers & Acquisitions ("IRSMA") department serves as a liaison between SuCom, the Sustainability Working Group ("SWG") and business units. The duties of the Secretariat include:

- Managing all sustainability-related aspects, including tracking deliverables and reporting, as well as acting as a project management office, liaising with various internal stakeholders to drive and deliver commitments made
- Being the primary point of contact for external stakeholders including analysts, investors, and the media, who are keen to learn more about the Group's long-term strategic direction and commitments; and
- Providing timely updates to SuCom on the Group's developments and presenting relevant proposals for deliberation

The Group's SWG is a cross-functional working group with the objective of supporting IRSMA in driving and managing the performance of sustainability initiatives across the Group. The SWG comprises representatives from various business and functional units, who manage the data disclosed in our sustainability report as well as the implementation of related initiatives.

OUR GOVERNANCE

Aligning with the UN SDGs

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Mapping to Our Capitals

F I H S

Sustainability Material Matters

Business Ethics & Compliance (Including Anti-Bribery & Corruption)

Why It Matters

- To adhere to the Financial Services Act 2013, Companies Act 2016 and all applicable laws and regulations including BNM policy documents and Bursa Malaysia's Main Market Listing Requirements ("MMLR").
- To implement the best practices recommended in Bursa Malaysia's Corporate Governance Guide and Securities Commission Malaysia's Malaysian Code on Corporate Governance ("MCCG") and Corporate Governance Strategic Priorities 2021-2023.
- As a steward of shareholders' capital, it is vital for the Company to do business ethically while upholding transparency and integrity throughout our business relationships.

BUSINESS ETHICS & COMPLIANCE (INCLUDING ANTI-BRIBERY & CORRUPTION)

The Group strives to uphold the highest standards of business ethics, transparency, integrity and accountability to prevent any violations to laws and regulations as unethical practices would bring about financial and reputational risks to our Group and even result in fines and potential incarceration of those found guilty. To this end, we prioritise integrity and honesty in all that we do and expect the same conduct from our existing and future employees and third parties which we have and will engage.

Upholding Ethical Business Practices

The Group has in place a CoC and Code of Business Conduct for Third Parties ("CoBC"), which places emphasis on how we expect our Directors, Management, employees and partners to conduct themselves. Besides that, these documents include a comprehensive List of Misconduct that explicitly states what acts are considered unacceptable, and is aligned with our Group Anti-Bribery and Corruption Policy ("Group ABC Policy"), Group Whistleblowing Policy and Group CG Policy. Our CoC is available in both English and Bahasa Malaysia and are both available for viewing on our corporate website. The CoC has also been translated to Thai for Tune Protect Thailand's operations.

ABC Training session for incoming Directors (TPM & TPG)

Online ABC workshop for new joiners

Engaging Employees to Embed Ethics and Integrity

All employees are mandated to complete a Group-wide CoC online training module during the Annual CoC Month campaign, with a multiple-choice questionnaire-based assessment at the end of the training pertaining to the CoC, ABC and Whistleblowing. Employees are required to obtain a minimum passing mark of 80% to receive the e-Certificate of Completion. In 2022, 100% of our employees attended and completed this training module, with an average of score of 88.2% across all entities.

In addition to expanding on our expected workplace behaviors, the CoC online training touches on ABC, Whistleblowing, Conflict of Interest, Information and Communications Technology, and more.

CoC Training Topics in 2022

Respect in Our Workplace	Respect for Our Business Partners	Respect for Our Shareholders	Administration and Reporting	
a. Diversity & Inclusion b. Anti-Harassment (incl. Sexual Harassment) c. Anti-Discrimination d. Anti-Violence e. Safety & Health	a. Conflict of Interest b. Anti-Bribery & Corruption c. Anti-Money Laundering d. Business Gifts & Entertainment	a. Maintaining Accurate Business Records b. Confidential Information c. Insider Trading d. External Communication e. Intellectual Property f. Internet, Email & Information Systems	a. Investigation b. Disciplinary Action c. Annual Review of the Effectiveness of the CoC	**List of Misconduct which outlines the do's and don'ts**

Since October 2022, an additional mandatory CoC training programme for new joiners, contractors and vendors has also been conducted online through our e-learning platform.

ZERO TOLERANCE Against Bribery & Corruption

Tune Protect has a ZERO TOLERANCE stance Against Bribery and Corruption. We stand very firmly against all forms of bribery, corruption, fraud, money laundering and abuse of power in line with the United Nations Convention Against Corruption. The Group's ABC Policy is implemented through the four key themes of prevention, detection, monitoring and response. In addition, the policy also emphasises the Group's perspective on the giving and receiving of gifts, acts of hospitality, entertainment, donations, sponsorship and political contributions.

We adhere to the Group's Whistleblowing Policy & Procedures and in 2022, we enhanced our Whistleblowing Investigation Team to investigate the veracity of information provided by whistleblowers and to provide rapid responses to any reports raised. Information on our whistleblowing channels via the Whistleblowing Policy & Procedures is publicly available on our CG website for anyone to report bribery, corruption, money laundering, fraud, abuse of power and misconduct.

We have in place a No Gift Policy clause under the Group ABC Policy, which prevents employees from receiving gifts above RM300 and requires receivers of gifts that were presented under exceptional circumstances* to fill out a declaration form that would be submitted to the recipient's line manager, Head of Department and the People & Culture and Compliance departments.

In addition to this, we conduct an annual Conflict of Interest Declaration & Integrity Pledge for directors and personnel of all entities. Collectively, these initiatives are important given the amendments to the Corporate Liability Provision Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 which clearly states that a company is liable for acts of bribery committed by associated persons such as employees, directors and even service providers.

* *Including internal or official Group events, corporate collaterals below RM300, gifts received at third party official events or functions*

ABC Training & Awareness

We conduct regular face-to-face and/or virtual ABC workshops for new recruits including consultants, contractors, vendors and interns soon after they join or start their engagement with Tune Protect. Topics covered also include an overview of our CoC. In 2022, 211 new joiners received ABC and CoC training via these workshops.

Other workshops and training on ethical business practices included an ABC Training session for incoming directors from Tune Protect Group and Tune Protect Malaysia, as well as an ABC Training session for Tune Protect EMEIA - these programs form part of the 'T.R.U.S.T. Adequate Defenses' action plan to communicate our Group ABC Policy, which also covers the legal provisions of Section 17A of the MACC Act. The Governance team also attended a refresher ABC Training course in December 2022, while selected personnel attended external trainings on ABC and AML. We created awareness regarding our zero-tolerance stance via notices located at the entrances of all our offices as well as on every employee's computer screen savers.

For more information on our Corporate Governance, please see the Policy Disclosures on **our website**.

Data Governance and Cybersecurity

It is essential to safeguard the data of our customers to protect them against security breaches such as identity theft, fraud such as phishing, among others, and the misuse of personal information. Tune Protect upholds the highest standards of customer privacy protection to gain our customers' trust and to increase their confidence in us. We remain guided by our Personal Data Customer Confidentiality and Information Asset Risk Management Policy which is in compliance with BNM's Policy Document in Management of Customer Information and Permitted Disclosures as well as the PDPA. Our Privacy Policy is also available in Bahasa Malaysia, to expand access to our policies and underscore our commitment to uphold data privacy.

Moreover, we have a Head of Data Analytics, who is tasked with overseeing the data team and managing the Company's data and information assets, underpinned by strong security and data governance. We ensure alignment to BNM's Policy Document on Risk Management in Technology with proper governance of our technology and data analytics initiatives.

Upholding Human Rights

Tune Protect is dedicated to upholding the highest standards of human rights in its operations and those of its subsidiaries. We are guided by our CoC, which is aligned with internationally recognised human rights frameworks, including the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the International Labor Organization (ILO). Our commitment to these principles is unwavering and we have zero tolerance towards child and forced labour as well as modern slavery. We also adhere to all relevant domestic laws that govern the rights of workers and human rights. In the year under review, we did not record any instances of non-compliance with labour standards.

CG Awards & Recognition

Since December 2021, we have been a constituent of the FTSE4Good Bursa Malaysia Index. We are currently the only insurer on the Index and have improved our score from 3.3 to 3.6 in the year under review.

For the third consecutive year, the Group was recognised by the MSWG at the MSWG-ASEAN CG Awards 2021 - receiving the Industry Excellence Award for CG Disclosure. We were also the highest ranking insurance company - 17th on the List of Top 100 Companies for CG Disclosure 2021. This strengthens and upholds our history of responsible CG. In 2020 and 2019, we were awarded the Excellence Award for CG Disclosure (market capitalisation above RM100 million to RM300 million) and the Industry Excellence Award (Financial Services) and were ranked 12th (2020) and 31st (2019) on the list of top 100 companies recognised for CG disclosure respectively. A total of 864 public listed companies ("PLCs") were independently assessed in 2021, based on the ASEAN CG Scorecard, to grade the company's implementation of good CG practices. Only 44 trophies were awarded to a total of 34 PLCs.

Additionally, we were also recognised for our efforts towards upholding transparency in our corporate reporting practices. We received the Best Annual Report (small cap) Award from the Investor Relations Magazine in the annual IR Magazine South East Asia Forum and Awards for our IAR2021.

OUR BUSINESS

Aligning with the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

Mapping to Our Capitals

F I S

Sustainability Material Matters

- Customer Satisfaction
- Digitisation
- Economic Performance
- Product Innovation

Why It Matters

- To establish a stable business environment to maintain healthy working capital, assets, liabilities and cash flow to strengthen our financial positioning and create long-term value for our shareholders.
- To build an insurance company that is loved by all.
- To be a NPS leader in our market of choice.
- To be the top employer for millennial talents in the insurance industry.

CUSTOMER SATISFACTION

In 2022, we rolled out a significant initiative known as our 3-3-3 commitment. This initiative was organised to improve our customer experience, with a three-pronged approach:

Three minutes to buy our online products	**Three hours** to service you on a business day via any channel	**Three working days*** to receive claims payout upon approval

CXP Best Customer Experience Awards 2022

As a testament of our persistent efforts to elevate customer satisfaction, the Group is proud to report that in Malaysia, we were recognised for our Excellence in Customer Experience, as we received the CXP Best Customer Experience Awards 2022 and were listed among the Top 16 companies across various industries for customer service. Going forward, we will continue to strengthen our efforts to improve overall customer satisfaction.

* *Applicable to online products only*

Customer Experience Governance

Our customers are the focal point of our business as we aim to foster a customer-centric organisational culture in our commitment to achieve customer excellence. To help us achieve this, we have in place customer service procedures and charters that meet our ambition to provide our valued customers the convenience of a one-stop service centre, while delivering top-notch customer experience.

Standard Operating Procedures for Contact Centre	Complaints Handling Procedures	Internal Service Level Agreement	Customer Service Charter	Treat Customer Fairly Charter
Provide guidelines for our dedicated team to serve our customers and assist them with any requests or inquiries.	Outline procedures on how to handle customer complaints and help build insights into areas for improvement.	Ensures proper elements and commitments are in place to provide customers with consistent and up-to-date information.	Outlines our level of commitment to providing quality service and gives our customers references by which our performance can be evaluated.	Specifies our commitment to providing the highest standards of fairness in our dealings with customers.

We are guided by our four key service pillars and four principles in reinforcing our efforts for reliable services, good financial results and fair customer treatment.

CUSTOMER SERVICE CHARTER

1. Insurance made accessible
2. Knowing our customers
3. Delivering timely, transparent and efficient service
4. Ensuring a fair, timely and transparent claims settlement process

Click here to read our Customer Service Charter.

TREAT CUSTOMER FAIRLY CHARTER

1. Embed fair dealing in our institution's corporate culture and core values
2. Ensure that customers are provided with fair terms
3. Ensure that customers are provided with clear, relevant and timely information on financial services and products
4. Ensure that our staff, representatives and agents exercise due care, skill and diligence when dealing with customers

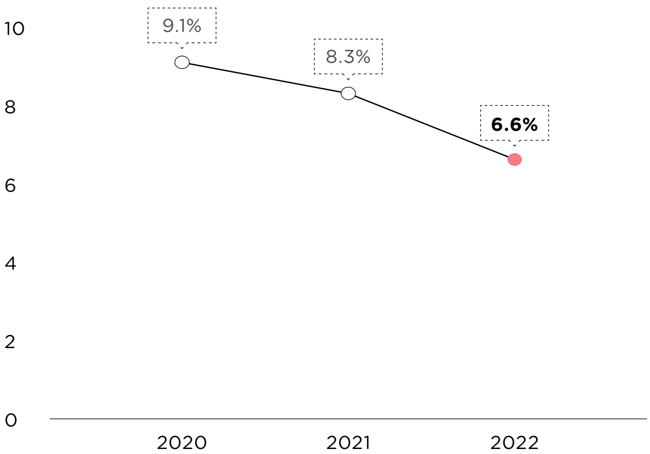
Click here to read our Treat Customers Fairly Charter.

Keeping our Customers Engaged Through our Multichannel Approach

We provide various touchpoints to constantly engage and manage our customer relationships. We can be reached via our customer service hotline on our corporate website, email, social media, live chat and our 17 Tune Protect branches (including our headquarters) across Malaysia.

In our commitment to always be customer-focused and to ensure our customers have quick and responsive service, we implemented a live chat function that is integrated with our social media since 2021, via linking Facebook Messenger with our B2C website. Aside from that, we have the Tune Protect Travel AirAsia product live chat that has been supporting our customers since its launch in 2019. Customers that utilise the live chat platforms will be connected to a representative from our Customer Experience team or our ecommerce personnel. We observed a reduction of our enquiries through Live Chat in 2022, indicating customer's ability to resolve enquiries via automated responses and Frequently Asked Questions.

Percentage of No. of Enquiries Received via Live Chat (%)



During the period of limited business operations and movement due to the Malaysian Movement Control Order ("MCO"), we also established a dedicated COVID-19 webpage to inform customers on information such as product notices, operations updates and contact information to provide assurance to our customers on our business operations during this period. During the year in review, the webpage was retired as the MCO was formally lifted and Malaysia moved into the endemic phase of COVID-19.

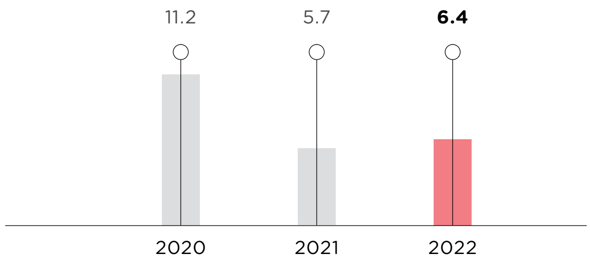
In 2022, we also introduced a feedback link to SENTRY, our enquiry management system to enable our customers to share their views on how we can improve our service.

Optimising Complaints Management

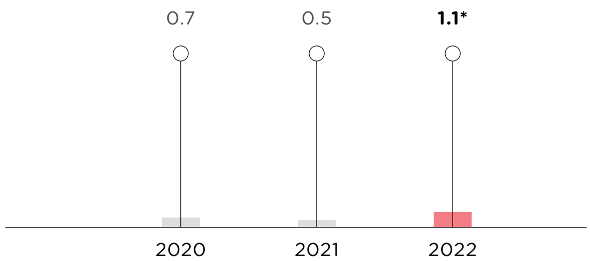
We strive to resolve complaints quickly to enhance customer satisfaction and increase customer loyalty. This requires us to promptly address any complaints or issues, while keeping track of the time taken to resolve cases. Depending on the nature and complexity of cases, we continue to ensure that all issues are settled within the stipulated industry standard service level agreement of 14-days upon receipt of all relevant supporting information and/or documents. For complex cases, a thorough investigation may be conducted to identify the root cause and establish remedial action plans.

Average Monthly Complaints Processing Time

General Insurance (days)



Tune Protect Travel AirAsia (days)



* *Monthly processing time for all enquiries in 2022*

In 2022, our complaints processing time increased, given an unprecedented surge in sales, which is our highest since listing. Nevertheless, our complaints processing time remains below the 14 days service level agreement, which reflects our continued efforts to improve our customers' overall experience and interactions with us. Moving forward, we will maintain our efforts to efficiently handle complaints to increase customer satisfaction.

Gauging Customer Experience & Satisfaction Levels

Our customers are the reason our business exists. Since 2020, we have adopted the globally recognised NPS to evaluate customer satisfaction and conducted bi-annual Customer NPS ("CNPS") surveys to gauge the probability of our customers recommending Tune Protect to others on a scale of 0 to 10. As part of our commitment to becoming an NPS leader in our preferred market, CNPS has been included as a Key Performance Index ("KPI") on our employees' performance scorecards, influencing Group-wide decisions on bonuses, increments and promotions.

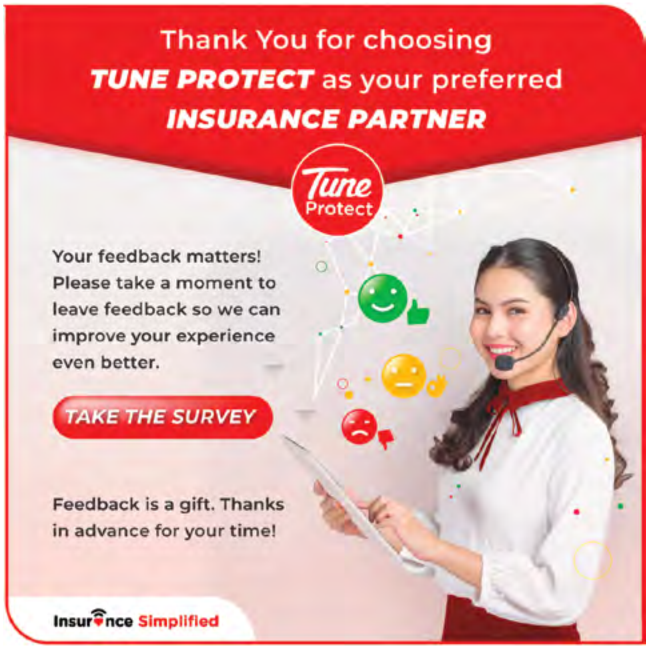
In a baseline study that was conducted in 2021, we carried out a maturity assessment and action planning workshop to identify strengths and improvement areas to boost the experience of our employees, customers and partners. As part of the NPS focus, a special working group called X-Factor (formerly named the Experience Tribe) was established in 2021 to centralise promotion, tracking and implementation of policies and culture relating to NPS across the Group.

A further study was conducted in June 2022 via the first of our bi-annual CNPS Surveys to identify areas for further improvement. These encompassed areas such as Claims, Product Features, Purchase Journey, Customer Support, Renew Journey and Policy Endorsement. The survey was carried out through our interactions with website users, app users and email.

The findings were used to establish several CNPS enhancements in 2022 applicable to Malaysia and Thailand.

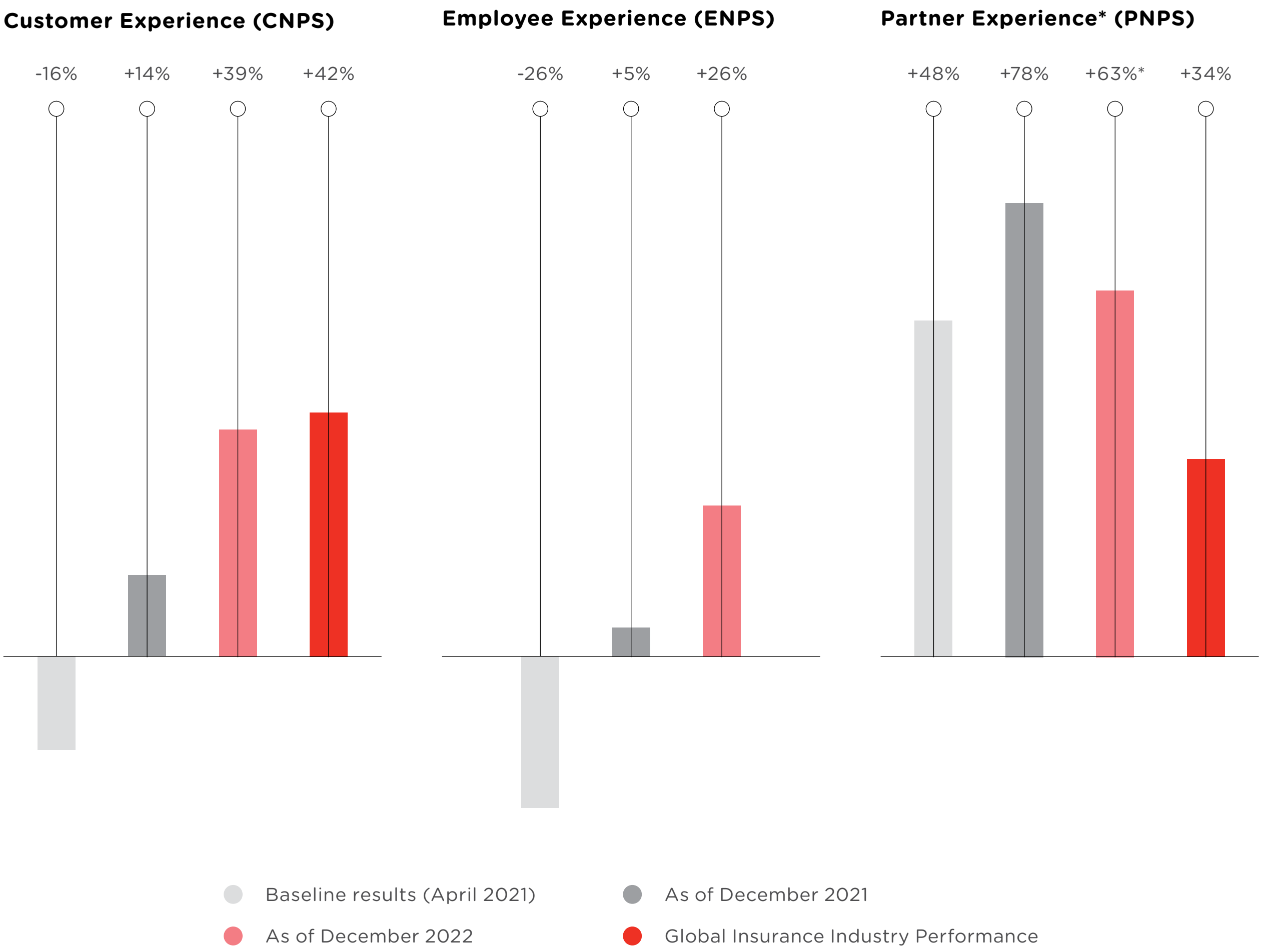
In Malaysia, our on-going CNPS improvement plan encompasses focus areas such as:

- Claims status transparency
- Customer Portal – allowing B2C customers to perform digital submissions of documents via our mobile application or website
- Customer Experience ("CX") Tracking or Transformation to improve response times for claims
- Renewal – enabling push notifications to alert customers on coverage renewals
- Product features – new product development with emphasis on more lifestyle products
- Customer support to enhance live chat and enhance response time efficiency



Apart from that, we initiated Transactional NPS ("TNPS"), to measure customer satisfaction within specific touchpoints or channel compared to overall customer or brand satisfaction. Moving forward, we will implement TNPS together with our bi-annual NPS surveys to evaluate overall satisfaction of customers through our various touchpoints including our mobile application and B2C website.

NET PROMOTER SCORE PERFORMANCE



* Data for PNPS in 2022 included responses from all partners across Tune Protect Group Berhad and its Overseas' Ventures, while baseline and 2021 data represented TPEMEIA Partners only

** Aggregate scores from various customer touchpoints are used to calculate the overall Net Promoter Score, which ranges from -100% to +100%. Net Promoter Score is computed by subtracting the percentage of detractors from the percentage of promoters. Based on global standards, a score of more than 0 is considered 'good', a score of more than 50 is considered 'excellent' and a score of 70 or higher is considered 'world-class'

Through these efforts to prioritise excellent customer service and experience, we have achieved positive NPS across two Group-wide assessments in 2022.

As of December 2022, our overall CNPS achieved exponential growth with a score of +39%, which reflects that we are delivering value to what matters most to our customers. Customers in Malaysia also rated us highly, which is reflected in the Malaysia CNPS of +48%. Based on survey findings, our products are valued for their affordability, flexibility and wide-ranging benefits as well as an insurance policy that is easy to understand, exemplifying our tagline 'Insurance Simplified'.

Going forward, we will continue to obtain feedback and collect NPS responses from our various touchpoints to strengthen customer relationships consistently.

DIGITISATION

Transforming Operations through Digitisation

As we move forward, we aspire to future-proof our business through various significant initiatives to enhance our operations and performance. In 2021, we became the first insurer in Malaysia to obtain the official approval from BNM to host our insurance core system on the cloud and in the year under review began hosing a portion of our core system on the cloud.

We have invested in the digitisation of our business processes by integrating RPA technologies into 41 progressive internal processes within Claims, Human Resources, Finance, Agency, Policy Processing, and Partnership. This allowed manual processing time to be reduced by 80,658.4 hours and human error to be minimised, while simultaneously increasing efficiency and productivity of our employees.

As a result, our employees were able to shift their focus on other value-added initiatives. During the year, the various departments and functions have applied RPA including:

Lana (Policy processing)

- Tenang PA Care
- Motor Processing Cancellation
- MiCare, Medident & TuneSihat

71,661.2 hours saved

Jojet (Claims automation)

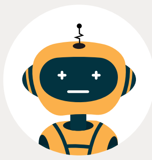
- Auto uploading of travel claims registration
- Reserve adjustment & payment voucher creation
- Payment voucher approval

3,599.0 hours saved

Autocon (White Label)

- Personal Accident Conversion, various products
- Receipt Generation

1,580.8 hours saved



Mitra (Partnership)

- Certificate of Insurance (COI) declaration generation

1,192.8 hours saved

Jolteon (Finance Automation)

- Bank master payment validation
- E-Payment profile creation

696.9 hours saved

Betsy (HR Automation, Malaysian Entities)

- Generation of performance letters for individual employees
- Voucher code email notification
- Net Promoter Score Pre-Notification Email generation

497.5 hours saved

MiniBot (Transformation)

- ✓ Tracking Paper Consumption

239.9 hours saved

Junny (Claims, Tune Protect Thailand)

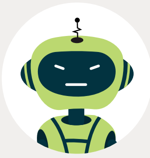
- ✓ Claims Notifications

420.2 hours saved

Jarvis (Compliance)

- ✓ Daily uploading of anti-money laundering data
- ✓ Monthly anti-money laundering reporting

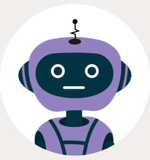
323.1 hours saved



Flamingo (Finance, Tune Protect Thailand)

- ✓ Premium Collection

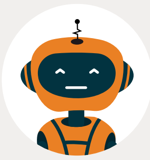
209.2 hours saved



Caramel (Broking)

- ✓ Endorsement for Permodalan Negeri Selangor Berhad (PNSB) Insurance Brokers Sdn. Bhd.

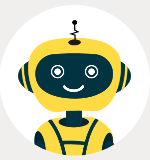
31.2 hours saved



Tbot (HR Automation, Tune Protect Thailand)

- ✓ Generation of performance letters for individual Employees

11.6 hours saved



Bumblebee (Underwriting)

- ✓ Renewal Notice Listing

Launched at end of December 2022, hours saved will only be reflected in 2023

Olive (Customer Experience)

- ✓ Transational NPS

195.0 hours saved

ACHIEVEMENTS

41
progressive internal processes deployed

13*
virtual colleagues supporting manual tasks

1,591,470
transactions completed

80,658.4
hours saved

Estimated over **400**
trees saved since 2021

STAKEHOLDER FEEDBACK

Simplifying the **life of claims handler** and **finance team to meet 3-3-3**

"Jolteon & Jojet
You make it look easy"

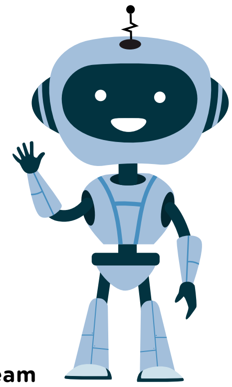
"Love Jolteon & Jojet,
You guys rock!"

Removing manual tasks to make the workflow more efficient

"I'm so delighted with Autocon. Thanks guys!"

"Without the Support from Lana & General Insurance System, we wouldn't have achieved the mission in within the short timeframe and **met our 3-3-3 commitment**

Policy Processing & Partnership team



Feedback from stakeholders posted on our internal Communication Platform @ Workplace

* *Excluding Bumblebee, launched at the end of December 2022 and thus did not contribute to the annual total hours saved.*

Enhancing Digital Operations

With our focus on being a digital-first organisation, we looked inwards to enhance our operations through digitisation where possible. Our Human Resources Management System ("HRMS"), conceptualised before the COVID-19 pandemic, was rolled out in a timely manner during the pandemic and allowed us to manage Work From Home ("WFH") operations effectively in 2020 and 2021. We continue to utilise the HRMS system and have introduced modules such as performance management and claims throughout the year in review.

The option of working remotely has driven many organisations to become operationally technology-savvy and we have risen to the occasion by implementing digital technology tools and platforms to facilitate the WFH practice. At the same time, we also ensured that our sustainability commitments are upheld by advocating zero-paper practices through various digital tools and document editing modules.

Adobe Sign provides a secure, auditable and verifiable electronic signatures feature that also permits sending and tracking of documents

E-procurement allows us to do without paperwork in raising purchase requisitions and purchase orders

E-claims all submissions of claims are able to be conducted online and managed electronically, eliminating manual processing

E-learning tool offers our employees a wide range of courses to upskill or reskill themselves

We are working on enhancing the HRMS to assist in data collection for the measurement of our Indirect Carbon Emissions (Scope 3).

For more information on our Climate Change performance, see pages 59 to 65.

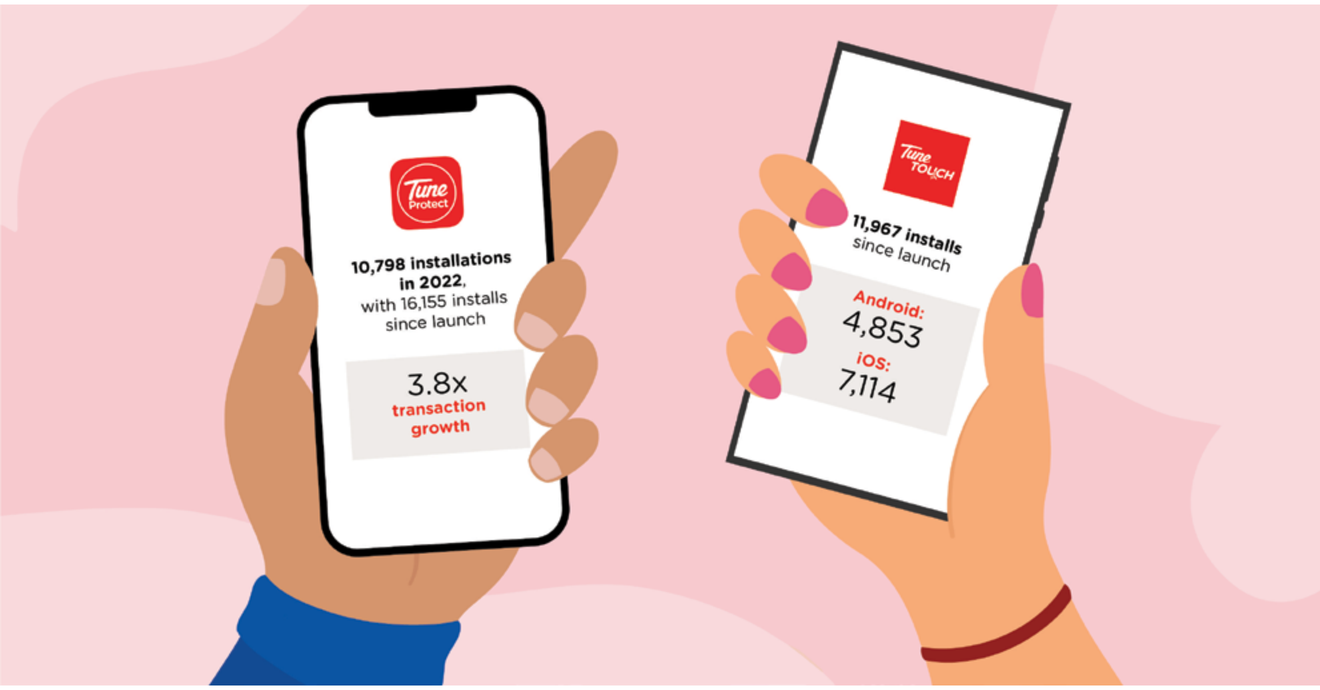
Improving Customer Experience through Digitisation

In our efforts to appeal to our youth target market such as millennials and zillennials, we have readily embraced digitisation, even more so now that digital devices are widely used as an extension of an individual's persona. We take a mobile-first approach and prioritise the platform in our product development, ensuring our products are accessible on mobiles where possible. With this rationale, we launched the Tune Protect Mobile Application in September 2020 to offer an alternative distribution channel. This application enables customers to purchase and manage policies as well as submit the necessary documents for claims at anytime and anywhere.

	Tune Protect Mobile Application (Malaysia)		
	2020	2021	2022
No. of Installations	1,373	3,984	**10,798**
Total transactions made (count)	80	332	**1,250**

We also launched our Customer Portal under our mobile application for Malaysia. In Phase 1 of the launch, we introduced our Digital Roadside Assistance for motor claims. The feature comes with an SOS Button for customers to click and connect to Auto Assist, together with claim guides and submission modules. We target to roll out further enhancements in 2023.

We achieved approximately 3.8x growth in transaction volume in meeting the digital needs of our customers. In March 2022, we launched TuneTOUCH for iOS and Android to cater to our Thai market segment. TuneTOUCH is a user friendly, convenient and simple to manage mobile application that provides access to policies, enables purchases, transactions, submissions and checking of claims status. Customers are also given access to medical services such as the myEliteDoctor for second medical opinions and Health2GO for telemedicine consultations. TuneTOUCH has garnered a total of 11,967 user installations in 2022 alone.



ECONOMIC PERFORMANCE

Purchasing and Procuring Responsibly

To efficiently manage our procurement processes and ease business transactions with our diverse suppliers, we established a dedicated Procurement team in 2021. The Procurement team is responsible for centralising, streamlining and managing the purchasing and procurement processes whilst also ensuring improvements and savings.

We are guided by the Group Procurement Policy and Procedures for our procurement practices and are mandated to support local businesses where relevant. As at December 2022, the procurement from local businesses supports at least 93.7% of our business.

In working with registered third parties, our vendors and suppliers must adhere to our CoBC. The CoBC outlines the standards of business conduct covering areas such as integrity, anti-bribery and corruption, disclosure of conflict of interest and confidentiality as well as health, safety and environment. All third parties are required to acknowledge our CoBC and confirm their compliance before we officially engage their products and services. There were zero records of CoBC breaches reported in the year under review.

Curating a Responsible Portfolio

We have in place the Board-level Investment Committee who has oversight of our investments and assists our Board in discharging its obligations and responsibilities in investments management.

In 2022, we updated our Group Investment Policy to exclude investments in coal-based businesses for future private mandates, in line with our Zero Coal by 2030 commitment, and as guidance for our investment practices across the Group moving forward. This is expected to mitigate the impact of our portfolio on the environment. We also exclude the tobacco and arms manufacturing industries in our underwriting policies. Our exclusion of the tobacco industry reflects our ethical commitment as a health insurer while the impacts of the arms manufacturing industry are at odds with our commitment to responsible capitalism, and is in contrast with our accountability in business conduct.

Our external fund managers are obligated to incorporate ESG considerations in the decision-making process of our investment funds to ensure sustainability. Three of our fund managers are also signatories to the United Nation's Principle of Responsible Investment. We adhere to our Group Investment Policy which details our objectives, guidelines and framework for sustainable investments and allocate investments of up to 10% in ESG-related funds. In 2022, 10.5% of our total investments were in ESG-focused equity and fixed income assets.

For more information on how we are adapting our portfolios to the low carbon economy, see our TCFD aligned reporting on pages 59 to 65.

PRODUCT INNOVATION

Making Products Accessible

Innovation is crucial in helping us to maintain our competitive advantage. We advocate innovation amongst our employees so they can continue to creatively grow in various aspects. We are receptive and attentive to market demands and shifting consumer trends, as these findings allow us to create products that fulfil the needs of consumers. Apart from economic gains, our Product Development Policy ensures that our new product offerings are incorporated with sustainability elements.

Digitalisation is one of the key methods used to incorporate environmentally friendly aspects such as paperless policy issuance, product enhancement and digital marketing. Apart from new products launched in 2022 which use digital platforms, we also utilised SMS for policy renewal notification, as well as upsell or cross-sell of products or campaign messages via Electronic Direct Mail (eDM).

To increase the awareness on the importance of insurance, we are constantly working towards providing access to financial products and services that are required by customers. The development of our three-year strategic plan (2021-2023) takes ESG considerations into account by offering innovative products that focus on our preferred segments of:

A HEALTH

- **Critical Safe+**
  Our newly launched affordable online critical illness insurance policy helps our customers to cope financially when diagnosed with critical illnesses such as cancer, heart attack or kidney failure. Policyholders can choose from three affordable options with sum insured as high as RM200,000 or enhanced with add-ons such as Early Stage covers. Apart from fast claims, customers can also enjoy a 15% discount online. Under our 3-3-3 commitment, customers who purchased the Critical Safe+ plan are entitled to an additional 1% penalty of the sum insured for claims not received within three days of approval date.

- **Bao Wan Diabetes Protection plan**
  In Thailand, we launched our diabetes protection plan which covers diabetes related complications, including diabetic comas, loss of vision, severe illnesses due to diabetes (coronary heart disease, limb amputation, organs transplant, diabetic nephropathy), and PA. Bao Wan also grants complimentary access to the Dfit Program, linking customers to personal health coaches and blood test at panel hospitals at any time. Four different plans are available to suit our customers' budgets.

B LIFESTYLE

- **Bike Easy**
  Our newly launched Bike Easy policy is an affordable motorcycle insurance providing coverage for loss or damage to motorcycles due to accident, theft or fire. Key benefits for customers include a 10% online discount on top of No Claim Discount, coverage for towing, third party liabilities and legal costs, applicable to all riders.

- **Motor Express Claim Module**
  Under our Tune Express Claim Module, customers with the Motor Comprehensive Private Own Car Damage policy will receive their claims within two hours for amounts below RM3,000. In the event of a self-accident without any third party involved, no police or adjuster's reports are required.

- **PUMP**
  PUMP is a free membership platform to monitor health and physical activities. The platform, which is activated within the Tune Protect mobile application, is loaded with content and challenges that enable subscribers to earn free awards with every activity tracked. Subscribers can track physical activities, mental wellness and even nutrition via their mobile device or lifestyle wearables.

B LIFESTYLE

- **Travel Insurance**

  As travel borders reopened together with the relaxation of policies in Southeast Asia, travel insurance with medical coverage is no longer mandatory. However, the demand for COVID-19 coverage remains consistent and in 2022, we launched a Duo Plan for AirAsia Comprehensive products for all markets.

  The Duo Plan, consisting of Travel Easy COVID Plus and COVID Lite Plans provide COVID-19 coverage for international travel, including medical expenses, quarantine allowance, trip cancellation and other perils. Meanwhile, the COVID Travel Pass+ Insurance is an inbound travel insurance for non-Malaysian tourists visiting Malaysia and is airline agnostic. The coverage includes COVID-19 medical coverage on top of other travel benefits.

  We also launched the Travel Smart Delay, a product which offers coverage in the event of a flight delay specifically curated for the EMEIA market. Customers will be notified of the claims' eligibility to be submitted online without any supporting documents required and claims will be paid within a day of submission with bank account details provided.

C SME

- **SME EZY**

  Our SME EZY is the first of its kind medical and life employee benefit insurance curated for SMEs and their employees. Introduced via the BNM Financial Technology Regulatory sandbox, the signature product is a three-year fixed premium and guaranteed renewal medical hospitalisation and surgical product which comes complete with a unique health rewards programme - Activ8. While Activ8 rewards up to 100% more of an employee's medical plan overall annual limit, it also promotes physical and mental well-being through its health screenings and digital solution programmes. With SME EZY, employers can better plan and manage their budgeting/expenses ahead; while employees can be encouraged and motivated to be healthier and more productive. Tune Protect anticipates Activ8 to be a driver to manageable claims expenses.

- **Outreach: CEO Club**

  In engaging CEOs especially for SMEs, we organised two SME Industry Round Table and Networking Sessions inviting over 60 industry leaders, founders and CEOs. These fruitful sessions provided a platform for SMEs to exchange ideas, share issues and challenges as well as raise awareness on the necessity of insurance for the SME sector. In making the session more engaging and interactive, we also included an optional open floor one minute elevator pitch.

- **Outreach: AirAsia Academy (formerly known as Redbeat Academy)**

  To help alleviate the digital skillsets of our SME clients, we work with the AirAsia Academy to enrol employees of our SME clients into a two-day specialised BINA Digital programme. The BINA Digital programme is structured to guide SMEs or new business ventures in creating progressive business plans, upskilling and equipping them with digital knowledge and know-hows to aid growth.

Products with Social Causes and for the Underserved and Unserved Segments

Financial inclusion plays an important role in the sustainable growth of the national development goals especially for the economy in the long term. Therefore, we believe in developing products and services that are accessible and affordable to individuals, businesses and the underserved communities of the lower-income bracket. In 2022, our products helped in the following initiatives:

- PA Coverage for the Orang Asli Community

  In supporting the government's initiative of Perlindungan Tenang Voucher (PTV) under the Perlindungan Tenang programme, we collaborated with the Department of Orang Asli Development (JAKOA), and provided PA cover for approximately 30,000 Orang Asli individuals across Malaysia.

- Donation to Madhya's Gift Fund

  We engage our communities by creating positive and sustainable impacts. In line with the Group's key strategic pillar of Health, we worked with Yayasan Chow Kit ("YCK") and made donations to Madhya's Gift, their children's health fund which provides health care to children from underprivileged families. The funds are channelled to those who require urgent medical attention and treatment.

  The donations for Madhya's Gift are derived from our B2C products* with charity elements incorporated. For example, we contributed RM6 to Madhya's Gift with every policy sold and in 2022, we contributed RM30,000 to the health fund.

Handover of mock cheque to Yayasan Chow Kit representatives by Group CEO Rohit Nambiar and Group CFO How Kim Lian

- Flood Disaster Pay Out

  We aided our customers who were affected by the floods in Terengganu through our expedited claim settlements commitment, in line with our 3-3-3 commitment. The quick turnaround time in claim settlements allows us to help ease the burden of flood victims and provide peace of mind during challenging times. In February 2022, 92% of the flood-related claims were approved for payment within three days from customers' acceptance of offers.

  We have also set up the Tune Protect Malaysia 24/7 dedicated claims hotline and email to enable customers to conveniently reach us. Guidance on claims were also published in Tune Protect's social media channels and were also communicated via SMS and emails. Policyholders are not required to present a police report or any other documents for claims involving their motor vehicles, residential and/or commercial properties respectively.

* *Excludes travel and PA products*

OUR ENVIRONMENT

Aligning with the UN SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Mapping to Our Capitals

N

Sustainability Material Matters

Climate Change

Materials (Resource Consumption)

Why It Matters

- To raise awareness on the significance of managing our businesses in an environmentally sustainable manner and to encourage social change
- To support the progress of tuning into a low-carbon economy

CLIMATE CHANGE

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate Change is a serious, global challenge - one that requires concerted action and collaboration across all areas of society. We recognise the importance of climate-related disclosures and their importance to our business, investors and stakeholders. To ensure that we are transparent about our efforts towards mitigating Climate Change, and integrating these into our business strategy, we have adopted the recommendations of the TCFD, established by the Financial Stability Board. Tune Protect Group became a TCFD supporter in August 2022. Our public declaration on our support for the TCFD and its recommendations demonstrates our active commitment in building a more resilient financial system. We define climate-related financial disclosures as a set of metrics and reports that assist the Group, investors, and stakeholders in making informed decisions. Our actions will help to ensure that Tune Protect continues to meet the highest standards on Climate Change risk management.

Our approach to identifying, assessing, and managing climate-related risks adheres to the TCFD recommendations, which comprises four pillars, Governance, Strategy, Risk Management and Metrics & Targets. We are in the process of ensuring full alignment to the CRMSA policy issued by BNM in end November 2022.

GOVERNANCE

Oversight at the Board and Management Level

- The Board is the highest governing body with oversight of all sustainability issues including matters related to Climate Change and related risks. The Risk Management Committee, independent from the Management, assists the Board in overseeing the risk management and compliance functions of the Group.
- The Board and Risk Management Committee assess the quarterly Risk Dashboard and the summary of the Group's Risk Register with key risk indicators, to identify the top significant and developing risks and formulate mitigating action plans.
- SuCom, a Management and Executive-level committee chaired by the Chief Financial Officer, aids the Board by monitoring its strategic sustainability concerns and overseeing the implementation of sustainability strategies and operations. SuCom is supported by the SuCom Secretariat as well as the SWG. A quarterly sustainability update to the Board is provided by SuCom to ensure effective oversight of sustainability issues.

Key progress in 2022

- Approved the Group Sustainability Strategy 2023-2025, including the projected roadmap to CRMSA compliance.
- In line with our Zero Coal by 2030 commitment, the Board approved amendments to the Group Investment Policy to exclude investments in coal-based businesses in our future private mandates.

Climate Education and Remuneration

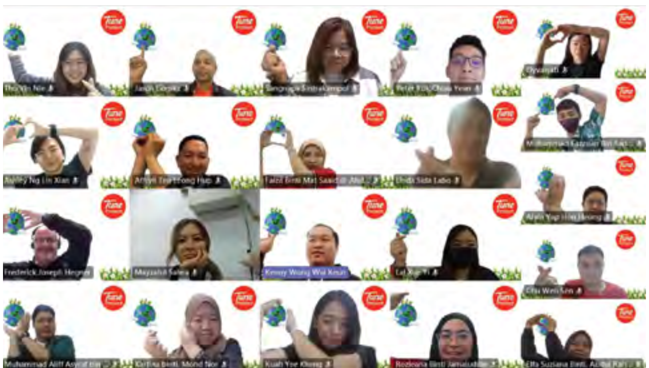
Corporate-wide targets such as sustainability (with metrics monitoring environmental performance, among others) are incorporated into the performance metrics for executives. KPIs are set based on a cascading method, with the Board setting KPIs for the Group CEO, who cascades the goals to the senior management team. Performance for all employees is assessed annually via a qualitative scorecard which includes sustainability and determines bonus awards. Our Total Compensation, consisting of a mix of benefits and fixed/variable cash compensation, is aligned to the organisation's long-term performance goals and objectives.

For more information, please see the Remuneration report on pages 110 to 113.

In line with our commitment to continuous capacity building on ESG, we conducted a one and a half-hour training session facilitated by Climate Governance Malaysia ("CGM") which focused on the Commonwealth Climate and Law Initiative's legal opinion on directors' duties and disclosure obligations under Malaysian law in the context of Climate Change risks and considerations. This was attended by our Board, Executive Committee and SuCom members.

Key lessons learned included the importance for the Board to pay keen attention to the organisation's climate strategy and implementation of climate-related plans. High quality and transparent disclosure on the Board's actions on Climate Change mitigation is also expected and should align with the TCFD recommendations.

To ensure all employees have an understanding of Climate Change, a group-wide employee engagement presentation on Climate Change was held in conjunction with the unveiling of our new Sustainability Tagline, 'In Tune for a Better Tomorrow'. The session focused on engaging employees on the transmission of climate change impacts to their personal lives.



THINK Thursday session on Climate Change for all employees

STRATEGY

Impacts on Our Business

We stay relevant in our business strategies by aligning our investments with the transition to low-carbon growth.

Climate Change has material effects on our business and as professional insurers, we are exposed to climate-related risks in more ways than one. Apart from the direct impact through our insurance products, we are also affected by the change in sectors and business models that we underwrite. In our role as institutional investors the global shift to low-carbon economy also changes the nature of the industries in which we are stakeholders.

Therefore, we actively assess, measure and manage climate-related risks to assist us in the identification of opportunities in reducing environmental impacts, simultaneously prioritising our investments. We are also enhancing our assessment processes to identify longer-term potential risks and opportunities on our business.

Key Risks Faced

Our business performance and stakeholders are affected by Climate Change such as global warming, extreme weather conditions, rising sea levels, heatwaves and droughts as well as vector-borne diseases which can damage our lives and assets. These extreme conditions can affect our performance both financially and non-financially.

The transition to a low-carbon economy brings a certain level of risks which arises from cross-sectoral structural change and also leads to shifts in policies, technologies and market sentiments. In turn, the market value of financial assets may experience reduction together with other consequences such as greater transactional losses, higher capital requirements and increased operational costs.

At Tune Protect, our primary exposure to climate-related risk lies in our policies which include flood coverage. We mitigate this risk by utilising reinsurance agreements with our reinsurers.

Our Response

By taking a proactive approach to managing climate risk and focusing on socially responsible investments, we aim to align our business practices with our commitment to promoting sustainability and reducing our carbon footprint.

DECARBONISING OUR PORTFOLIO

In light of the impacts caused by climate-related risks, our business strategy is focused on exiting commercial lines of business related to hydrocarbons such as oil and gas. Instead, we focus on three preferred segments: Health, Lifestyle, and SMEs.

We are also committed to transitioning away from coal by 2030. This transition will enable us to reduce the underwriting risks associated with the construction and operation of coal-fired power plants, companies that derive income from thermal coal mining, and utilities that generate electricity from coal.

Additionally, we do not take on the risks associated with companies involved in the production of tobacco and weapons, which are harmful industries and in support of the UN SDGs, in particular, Goal 3: Good Health and Well-being as well as Goal 16: Peace and Justice Strong Institutions. This decision supports our efforts to align our business practices with our values of social responsibility. By gradually phasing out coal-related risks and avoiding industries that conflict with our values, we aim to be a contributor to Malaysia's transition to a low-carbon economy, as well as a more peaceful future.

Furthermore, it is part of our investment policy to allocate up to 10% of our total investments towards ESG-approved funds, and we have since excluded investments in coal mining and coal power producing companies, for future private mandates.

Key progress in 2022

- Underwriting and Investment policy respectively have incorporated the relevant elements towards achieving Zero Coal target by 2030 (ensuring all coal-based businesses are excluded).
- Making good progress on Zero Coal as the Group's strategy is in line with emissions reductions by virtue of exiting commercial underwriting and focusing on retail and SME segments. To date, we have not underwritten any coal mining risks. In 2023, we will have two underwriting policies relating to coal-fired power plants which will expire and will no longer be renewed.
- In this year, 10.5% of our investments consist of ESG focused equity and fixed income assets.
- Incorporating climate-related risk considerations into our business and risk strategies in accordance with the CRMSA.
- In 2022, we fulfilled the compulsory bi-annual reporting requirements of BNM's Climate Change and Principle-based Taxonomy Guidance Document ("CCPT"). With adherence to BNM's CCPT, financial institutions are mandated to report their lending, underwriting and investment activities in an open, transparent and consistent manner, which are also aligned with the TCFD climate-related financial risk disclosures.

Committed to phasing out coal in underwriting by 2030, in addition to other ESG-sensitive industries

- Coaled-Fired Power Plants
- Tobacco Manufacturers
- Weapons Manufacturers

In support of

ENGAGING ON CLIMATE CHANGE

Engagements with various corporate groups and chapters focused on Climate Change is a key avenue for Tune Protect Group to keep abreast with transitional changes such as policy, regulatory and legal obligations, while also making sure that our voice is heard in discussions for the development of national climate strategies.

CLIMATE GOVERNANCE MALAYSIA

Tune Protect Group is fully committed to steering the organisation through an effective climate transition strategy, taking into account the need for financial stability, increased resilience and sustainability. Tune Protect joined Climate Governance Malaysia, the Malaysian Chapter of the World Economic Forum's Climate Governance Initiative in line with this commitment.

Tune Protect Group became a founding member of PIAM's Climate Change Action Committee ("CCA Committee") established in September 2022. The CCA Committee functions as an advisor in identifying and making recommendations for issues, challenges and priorities facing the general insurance sector in managing the transition towards net zero carbon emission economy. The Committee also serves as a platform for the sharing of knowledge, expertise and best practices for mitigating climate-related risks.

WE SUPPORT

UN GLOBAL COMPACT

Since early 2023, Tune Protect Group has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, environment and anti-corruption. Through becoming a signatory to the UN Global Compact Network Malaysia and Brunei ("UNGCMYB"), and we leverage on shared resources to engage our employees and enhance their capabilities with knowledge on Climate Change and environmental stewardship, and engage more deeply with the principles of good business as defined by the United Nations.


MDEC

CERTIFICATE OF APPRECIATION

Is Proudly Awarded To:

TUNE PROTECT GROUP BERHAD

Tune Protect Group also committed to the Malaysia Digital Climate Action Pledge, which is a corporate pledge that aims to increase the adoption of sustainability and climate action by businesses across the digital economy. The pledge is in line with the government's commitment to be a carbon-neutral nation by 2050 and is a joint effort by the Malaysia Digital Economy Corporation (MDEC) and UNGCMYB.

CLIMATE-RELATED SCENARIO ANALYSIS

As of December 2022, our use of scenario analysis of climate variability is distinctive to flood risks and concentration, and considers past experience and probabilistic future loss, based on our reinsurance broker's Catastrophe Model with regards to our business and risk exposure, which are mainly short term. This includes frequency and severity evaluations.

As part of our stress testing framework, the flood loss assessed by our reinsurance broker is incorporated into the Financial Condition Report ("FCR"), Internal Capital Adequacy Assessment Process ("ICAAP") and Individual Target Capital Level ("ITCL") exercises with the purpose of ensuring the ITCL and internal trigger levels are appropriate.

We are also committed to improving the quality of data on climate risks, so that we can assess our climate risk exposure and scenario analysis more accurately, as well as the pricing of our insurance products with the aim to provide the best possible climate risk coverage for our clients, whilst effectively mitigating transmission risks arising from claims.

We intend to review and assess the material applicability of more granular climate scenario analysis on our business as we align our CRMSA practices with the BNM policy document on the same, as published at end November 2022. In the coming year, we will also revisit the existing climate related scenarios assessed to ensure appropriateness to our risk appetite, including proposing risk limits and thresholds for climate-related risks.

RISK MANAGEMENT

As an insurtech player, we prioritise risk management and CSR. In light of the growing impacts of Climate Change, such as increasing frequency and severity of events such as floods, droughts, forest fires and more, we are dedicated to managing the risks of Climate Change on our business through understanding and mitigating our risk exposures.

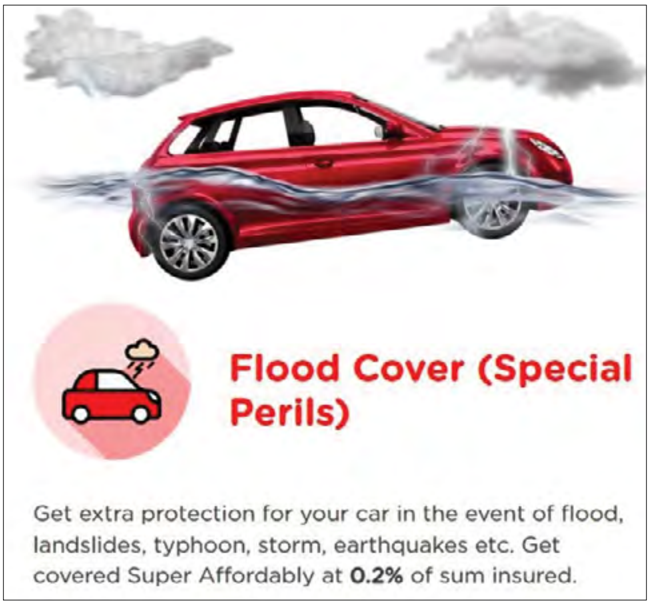
To address this challenge, the Group has developed innovative protocols and techniques for managing climate-related risks, and we are committed to continually updating our approach as the situation evolves. While we have excluded carbon-intensive industries such as coal-based business, tobacco and weapons manufacturing, we continue to study avenues to enhance our climate-risk identification abilities to develop more granular risk appetite criteria.

INCORPORATING CLIMATE RISKS

We are committed to considering climate-related risks and opportunities in an integrated way across the Group in order to mitigate these exposures. In the future, we aim to incorporate a more granular mapping of climate risk to other risk types which occur along our value chain.

The expected effects of weather conditions due to Climate Change have been included in our Enterprise Risk Register including a focus on the increasing frequency, severity and cost of extreme weather events because of global warming. Risk owners are identified in the Enterprise Risk Register for each impact category as we assess these risks across our businesses. We have also taken into consideration of climate risks in setting our ITCL.

We are focused on progressive development of data capabilities, tools and methodologies by the Group to effectively aggregate and report material climate-related risk.



METRICS AND TARGETS

We have committed to ensuring that we are Zero Coal in our underwriting and investment portfolios by 2030. Guided by the BNM CRMSA, we are enhancing our Climate Risk Management practices – and are assessing relevant metrics and targets for climate action by 2024.

As part of our efforts to mitigate the impact of Climate Change, we are taking forward steps to measure Scope 3 emissions resulting from indirect greenhouse gases ("GHG") generated in the supply chain. We are studying a tracking method for employee commutes through our HRMS as well as emissions arising from employee business travels. In 2022, our Group CEO's internal combustion engine vehicle was replaced with a hybrid car to further reduce reliance on fossil fuels.

Our Carbon Footprint

In 2020, we developed a carbon footprint measurement process using the globally accepted GHG Protocol Framework. The carbon footprint amounted to 301.42 tonnes of CO_2e in 2022 and is divided into two main categories, Scope 1 and 2 emissions; direct and indirect GHG emissions from on-site activities and purchased electricity respectively.

Carbon Footprint (tCO_2e)	2020	2021	2022
Scope 1 Direct emissions from fuel consumption by Company-owned vehicles	23.3	14.5	**7.4**
Scope 2 Indirect emissions resulting from electricity consumption	334.3	283.7	**294.0**
Total	357.6	298.2	**301.4**

Note:
The details of our carbon footprint calculations are as follows, and cover operations in Malaysia only:
Scope 1
- Three vehicles owned by the respective entities; one owned by Tune Protect Group and two owned by Tune Protect Malaysia. One fully fuel-based car was replaced with a hybrid vehicle in June 2022.

Scope 2
- We use a location-based approach to computing our Scope 2 emissions.
- Our Malaysian companies' electricity consumption was solely supplied from Tenaga Nasional Berhad in Peninsular Malaysia, while branches in East Malaysia were supplied by Sarawak Energy Berhad in Sarawak, and Sabah Electricity Sendirian Berhad in Sabah.

Sources:
- *Emissions Factors for motor gasoline consumption was taken from the IPCC Guidelines for National Greenhouse Gas Inventories (2006) from 2020 to 2021, and from the MYCarbon GHG Reporting Guidelines (version 1.6), by the National Corporate GHG Reporting Programme for Malaysia (2014) in 2022.*
- *Electricity consumption was obtained from GreenTech Malaysia, 2017 Clean Development Mechanism (CDM) Electricity Baseline for Malaysia.*

Products That Advocate Responsible Environmental Behaviour

While we are in the process of enhancing our capacity to measure our indirect, Scope 3 emissions, we aim to encourage our customers to manage their own carbon emissions, particularly those generated indirectly through our product offerings. We recognise that our primary exposure to climate risk lies in our Lifestyle policies (through coverage of cars and motorbikes), and we will continue to study our other climate adaptation-based product opportunities in the Health and SME pillars.

Pay-As-You-Drive

In our efforts to protect the environment against the adverse of CO_2 emissions, we launched Pay-As-You-Drive ("PAYD") in 2019 to enable all drivers to reduce their carbon footprint and, at the same time, save money. PAYD is a non-restrictive personal car insurance product that allows customers to pay less when they drive less and vice versa. The PAYD solution is also a customer's strategy towards reducing their carbon footprint, as driving less reduces CO_2 emissions on any given day. PAYD is optional, which means customers do not have to incur additional costs and for those with minimal mileage, they are rewarded with a yearly reimbursement of up to 20% of their basic premium.

EV Rider coverage

To further encourage the transition towards a low-carbon economy and support ownership of Electric Vehicles ("EV"), we launched a campaign to provide free PA coverage for drivers and riders. All customers purchasing motor insurance for EVs receive rider coverage and unlimited towing services. Through this campaign, we provide greater incentives for customers to switch to EVs when they can.

INSURANCE PRODUCTS THAT AID THE MANAGEMENT OF CLIMATE-RELATED RISKS

In alignment to BNM's CCPT, we have classified the climate-related exposure of our portfolio to support our risk assessments, and monitor our climate-related risks and opportunities. The percentage of Gross Earned Premium for 2022 originating from our products which aid the management of climate-related risks is 19.24%.

Insurance cover for	Percentage of Gross Earned Premium for 2022 (%)
Flood under Other class	**18.85%**
Flood under Fire class	**0.29%**
Flood under Motor class	**0.08%**
Hydro-energy production and Solar-energy production	**0.02%**
Total	**19.24%**

MATERIALS (RESOURCE CONSUMPTION)

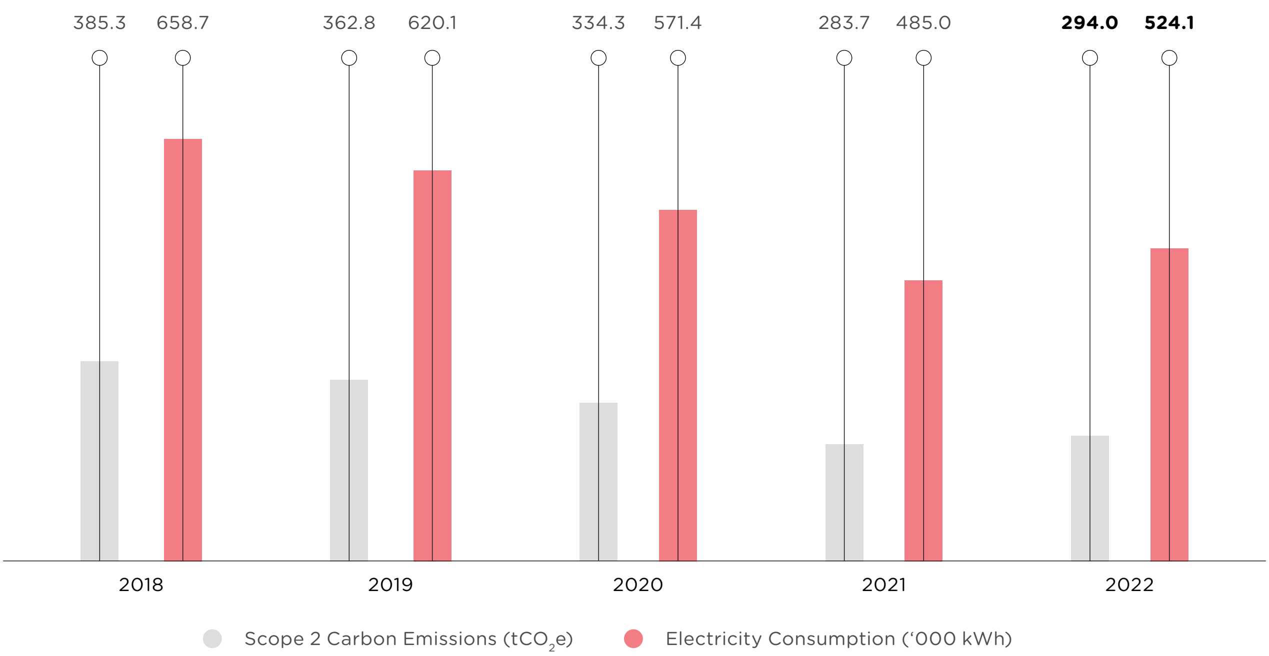
ENERGY CONSUMPTION

We have continued our Flex Work Arrangements ("FWA") in 2022 whereby employees are given the option to WFH for up to three working days a week. In addition, we have increased our environmental efforts by conducting Weekly Earth Hour which includes turning off non-essential lights when not in use.

However, in 2022, as more employees opted to return to office more regularly across all our branches and in our headquarters, we recorded a marginal 8.1% increase in electricity consumption, compared to 2021.

The graphs below illustrate the electricity consumption in both our headquarter and branches over the years.

Group Energy Performance (2018-2022)



Notes:
a) Data for 2018 and previous years are from 20 branches.
b) Data for 2019 is from 19 branches.
c) Data for 2020 is from 18 branches.
d) Data for 2021 onwards is from 17 branches.

WATER CONSUMPTION

Sustainable practices in managing our consumption of water are vital to conserve and protect water resources, apart from our efforts to conserve energy and reduce our carbon footprint. Our commitment to manage our water consumption also seeks to protect the environment and its limited natural resources which impacts us, especially during water cuts and droughts. We continue to raise awareness on the importance of reducing our use of water through initiatives such as placing signages in the restrooms of our headquarters and encouraging employees to monitor their consumption.

In 2022, we began tracking the water consumption 16 of our branches across Malaysia to gain greater insights into our environmental impacts. Our water consumption for the year was 1,009 m^3.

PAPER CONSUMPTION

To reduce our environmental footprint, we have gravitated towards paperless operations and digital delivery. This includes the design, development and delivery of our products electronically and digitally. In addition to the existing approach of emailing policy documents to customers, we provide fully editable forms that can be used online.

In this digital age, we have taken to e-billing and paperless transactions through our e-card feature. We are also introducing paperless collaterals and business cards to reduce environmental pollution caused by excessive use of paper products. This is applicable to both our PRO-Health Medical and Dental Easy products.

As part of our digitisation and paperless initiatives, we initiated Project KonMari in 2021. The project involves the removal of outdated dot matrix printers used in our business operations which were major sources of our paper consumption. We further reduced the environmental burden of our printing activities by adjusting default office printer settings to duplex and grayscale printing, while installation of new printer devices is on a request basis. We also give employees the option to print on recycled paper for internal usage when necessary.

The implementation of our environmental protection initiatives and paperless processes led to an overall reduction in the Group's sheet-usage, with a total of 481,617 sheets of paper consumed, which was equivalent to a massive 61.9% drop y-o-y. We limited our printing usage to roughly 30,000 sheets per month beginning October 2022.

Our Melaka Branch colleagues' successful Project KonMari, part of our Paperless initiatives.

WASTE COLLECTION AND DISPOSAL

We believe that the 5R approach to environmental protection is one of the most effective ways to ensure our impact on the environment is minimised. This approach promotes resource conservation, efficient use of materials, reduction of waste material and its harmful effects on the environment, better environmental protection measures and recycling. Through these efforts, we are striving to promote sustainable development by protecting the resources we rely on today so that they will be there for future generations.

- **Refuse**
  We are committed to minimising the effect of our operations on the natural environment. In line with this commitment, we encourage employees to reduce their carbon footprints by doing their part in preventing indiscriminate dumping of recyclable materials. Employees are encouraged to use waste bins and collection containers so that they can reduce waste at source.

- **Reduce & Repurpose**
  We believe that reducing unnecessary purchases to indirectly lower carbon emissions is key to sustainability. The Green Screen group on our Workplace social media platform aims to present messaging to educate readers about the carbon emissions generated from unnecessary purchases and should therefore be avoided where possible.

- **Reuse**
  Our employees are encouraged to opt for reusable food containers, bottles and bags in place of single-use plastic, especially for meals at the office. We help our communities through Project KonMari and donate gently-used furniture to charitable organisations such as IDEAS Autism Centre, IDEAS Academy, Bake with Dignity, Negeri Sembilan Deaf Association, Monfort Boys Town, Monfort Training Centre Melaka and Chin Refugee School Kuala Lumpur.

- **Recycle**
  To prevent glass, metal, and mercury content from polluting landfills and leaking into water resources, we recycled fluorescent tubes and e-waste materials. They were all sent to collection facilities, wherein employees made sure they were disposed of and recycled in compliance with the law. In 2022, we recycled:
  - 39 fluorescent tubes and 47 bulbs
  - 100 batteries, four mobile phones, two power banks and one tablet

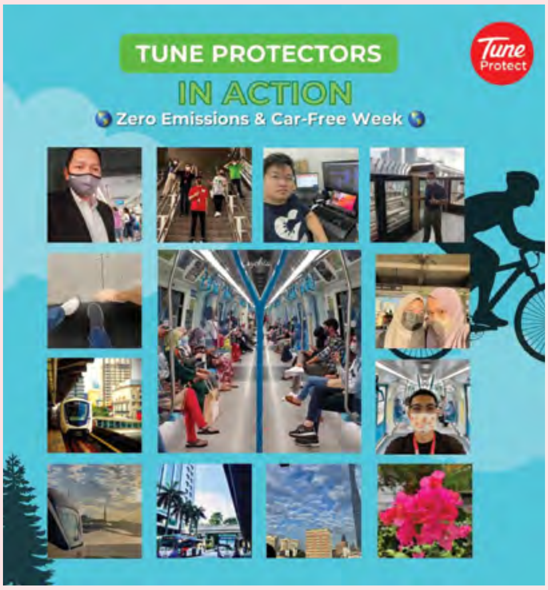
CLIMATE ACTION AND ENVIRONMENTAL PROTECTION INITIATIVES

Tune Protect Group is committed to the responsible use of resources. We advocate a climate-conscious work environment by regularly assessing our carbon footprint and waste generation, promoting responsible consumption of energy and paper, adhering to proper waste management in our offices and encouraging eco-friendly practices with our suppliers. Our initiatives include:

- Earth Hour Fridays – turned off unnecessary lights and electrical appliances for one hour from 12pm to 1pm, symbolic of our collective commitment to reducing the effects of Climate Change
- The Workplace Green Screen weekly internal newsletter showcased employees' environmentally responsible acts carried out in their daily lives in support of a greener environment
- Bi-annual e-waste initiative to collect, recycle and dispose batteries at 1Utama Recycling Centre
- Safe recycling of fluorescent tubes, bulbs, paper and plastic at IPC Recyclable Waste Drop Off Station in accordance with environmental laws
- Replaced lights with LED bulbs in the Boardroom at our headquarters
- Installed programmed timers for water boilers to reduce electricity consumption, enabling them to power off automatically every day after working hours
- Lighting floor plans for switching off non-essential lights when no longer required on Level 9 of Wisma Tune
- Energy, water and paper conservation reminders, wraps and signages
- Promoting recycling and the use of reusable containers, cups and utensils

Snap & Win:
Zero Emissions and Car-Free Week

In conjunction with Zero Emissions Day and World Car Free Day 2022, we held an internal contest to advocate a future without air pollution. Tune Protectors were asked to go car free and submit a photo with a creative caption on our social media channels. This also raised awareness on the importance of reducing our carbon footprint.



Employees riding the train to lunch

OUR PEOPLE & COMMUNITY

Aligning with the UN SDGs

Mapping to Our Capitals

H S

Sustainability Material Matters

- Diversity & Equal Opportunity
- Occupational Health & Safety
- Local Communities
- Customer Privacy

Why It Matters

- To cultivate a diverse and inclusive workforce, providing equal opportunities for all in our commitment as a responsible employer
- To build an organisation that complies to the highest standards of local health and safety management
- To prioritise the protection of our customers' data to gain their trust and loyalty
- To support the needs of unserved, underserved, and the underprivileged

DIVERSITY & EQUAL OPPORTUNITY

We embrace the rich diversity of our employees, and we strive to provide our people equal opportunities in their careers. As a testament to our commitment to diversity and inclusion, we continue to participate in the Bloomberg Gender Equality Index (GEI) in 2022.

Driving Diverse Recruitment

We remain guided by our Group Recruitment and Selection Policy which facilitates our recruitment process, ensuring that we only handpick the best candidates in a fair and transparent manner. In addition, we ensure that our operations are in compliance to global human rights frameworks and conventions in line with the Ten Principles of the UN Global Compact.

For more information of the frameworks and conventions we adhere to, kindly refer to page 45 under Our Governance.

The AIESEC Business Case Challenge

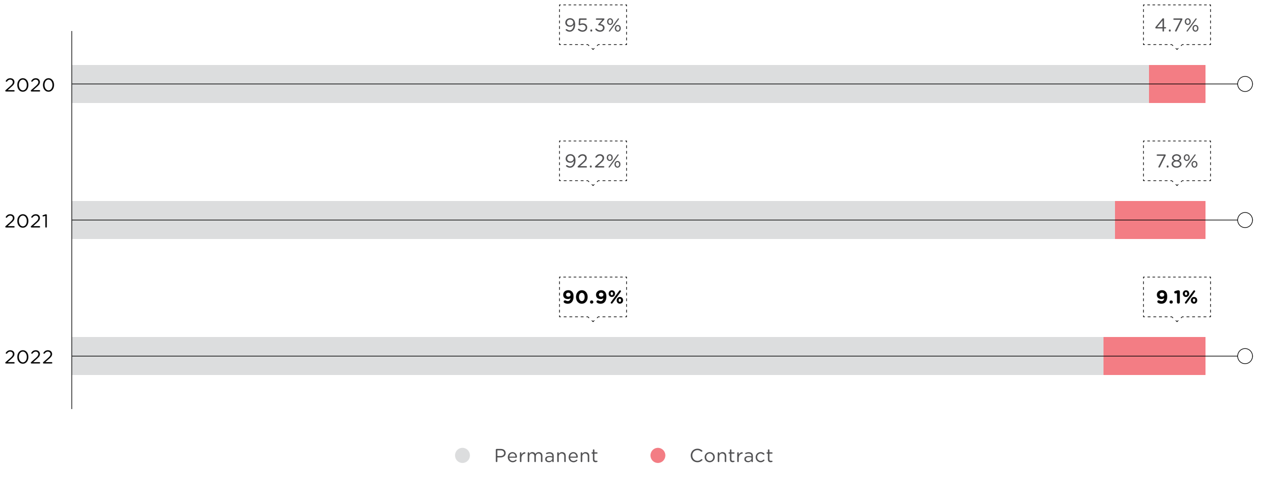
Candidates are carefully chosen based on merit and our selection process is in compliance with applicable employment laws, while implementing effective risk management measures and advocating our underlying CoC principles. The following are some of the principles in our CoC:

- Applicants are selected based on merit; their skills, knowledge and conduct will be evaluated against the various criteria relevant to the position they are applying for.
- We are committed to building a diverse workforce as we believe it gives us the competitive edge to drive our business.
- Our employment processes are conducted in a transparent manner, assuring our applicants have full confidentiality.
- Our processes adhere to all relevant employment laws and regulations.

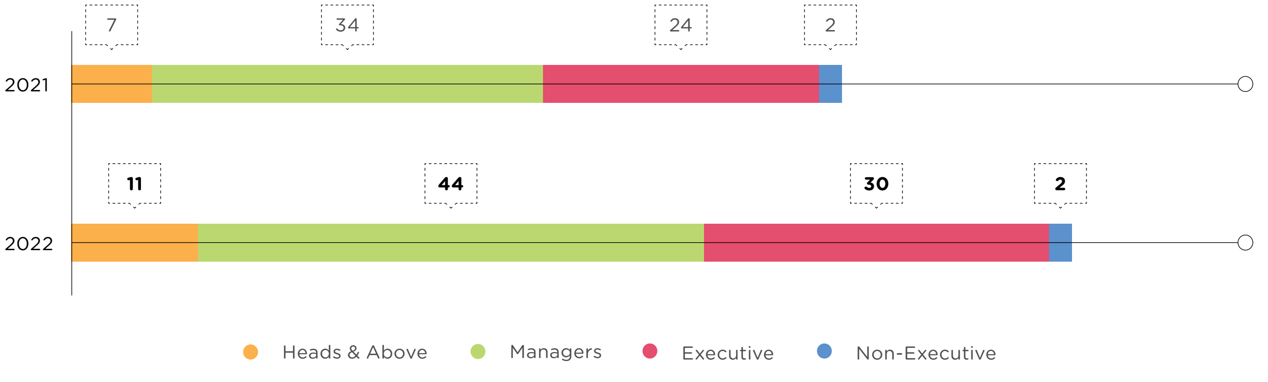
Tune Protect aspires to be the employer of choice for millennials and the upcoming generations to expand its pool of talents. To this end, the Group continued its internship programme for the second consecutive year, to drive innovation and elevate our brand as the employer of the future, and providing existing employees with opportunities for upskilling. In 2022, 8.2% of our interns became our new permanent hires.

During the fourth quarter of the year, we also organised two impactful events to increase our visibility as the employer of choice among zillennial talents, namely the Tune Protect Roadshow with Asia Pacific University and the AIESEC Business Case Challenge. These two events generated approximately 1,000 resumes from the undergraduates. Approximately 16.4% of all new hires in 2022 were zillennials, up from 10.7% in 2021.

Percentage of employees that are permanent or contract staff (%)



Total number of employee turnover by employee category



Engaging and Empowering Women Leaders

The Group is also committed to gender equality, in enabling the equal representation of women in our senior management teams. This is in line with our support and as a corporate member of the 30% Club Malaysia, the Malaysian chapter of a global business-led campaign that accelerates gender parity on C-suites and the Board. In 2022, 50% of our Board comprise women directors. This exceeds the MCCG's and Bursa Malaysia's requirements, and outperforms the Malaysian average of 26%*.

* *Source: New Straits Times, "Malaysia has highest percentage of women board members in Asia" (28 April 2022)*

In 2022, we became signatory of the Women's Empowerment Principles ("WEPs"), established by the UNGC and UN Women. As a member of the WEPs' collective group of signatories, we are committed to making a difference for gender equality and women's empowerment in the workplace, marketplace and community.

> **The Women's Empowerment Principles resonate deeply with me, as I believe this is the right thing to do. In my first year joining Tune Protect we made a commitment that 50% of our leaders would be women by end-2023. We are proud to note that as at the end of 2022, 38.2% of senior leadership consists of women, as does 50% of our Board.**
>
> **Rohit Nambiar**
> Group CEO

Top Management's Commitment

Since September 2022, our Group CEO Rohit Nambiar has been selected as a mentor for the 30% Club Malaysia Board Mentoring Programme. The programme, launched in 2017, is aimed at accelerating the appointment of women to board positions and enhance diversity and inclusion within Malaysian PLCs. Through nine months of mentorship, a more inclusive pipeline of Board-ready candidates are developed professionally and personally while raising their profiles and visibility among PLCs.

Empowering Women through Coaching

The Group organised several initiatives to empower women in the workforce and to inspire them to move forward despite the biases against women in the workplace, at school and at home. To celebrate the women in our midst, Tune Protect launched a series of 'Unconscious Bias Workshops' participated by more than 100 people managers.

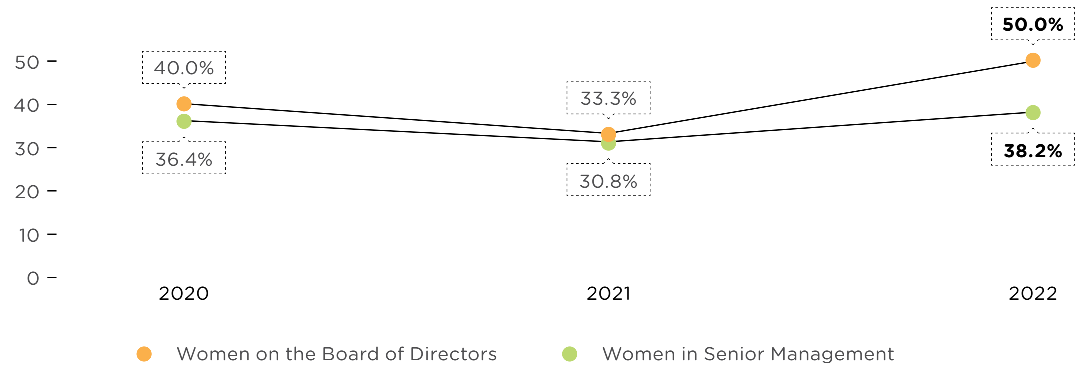
Unconscious Bias Workshop for people managers

Participants of the Tulips Movement coaching sessions

From June to September 2022, we also set up group coaching for women leaders in collaboration with Tulips Movement Malaysia, a local Not-for-Profit Organisation (NPO) focusing on women and youth empowerment. The sessions featured inspiring speakers from LinkedIn and Inspire Group Asia who spoke on the following topics:

Women in Digital Space	A Woman's Journey as an Ambassador	From Corporate World to Being an Entrepreneur	The Importance of Leadership Conversation

Female Representation (%)



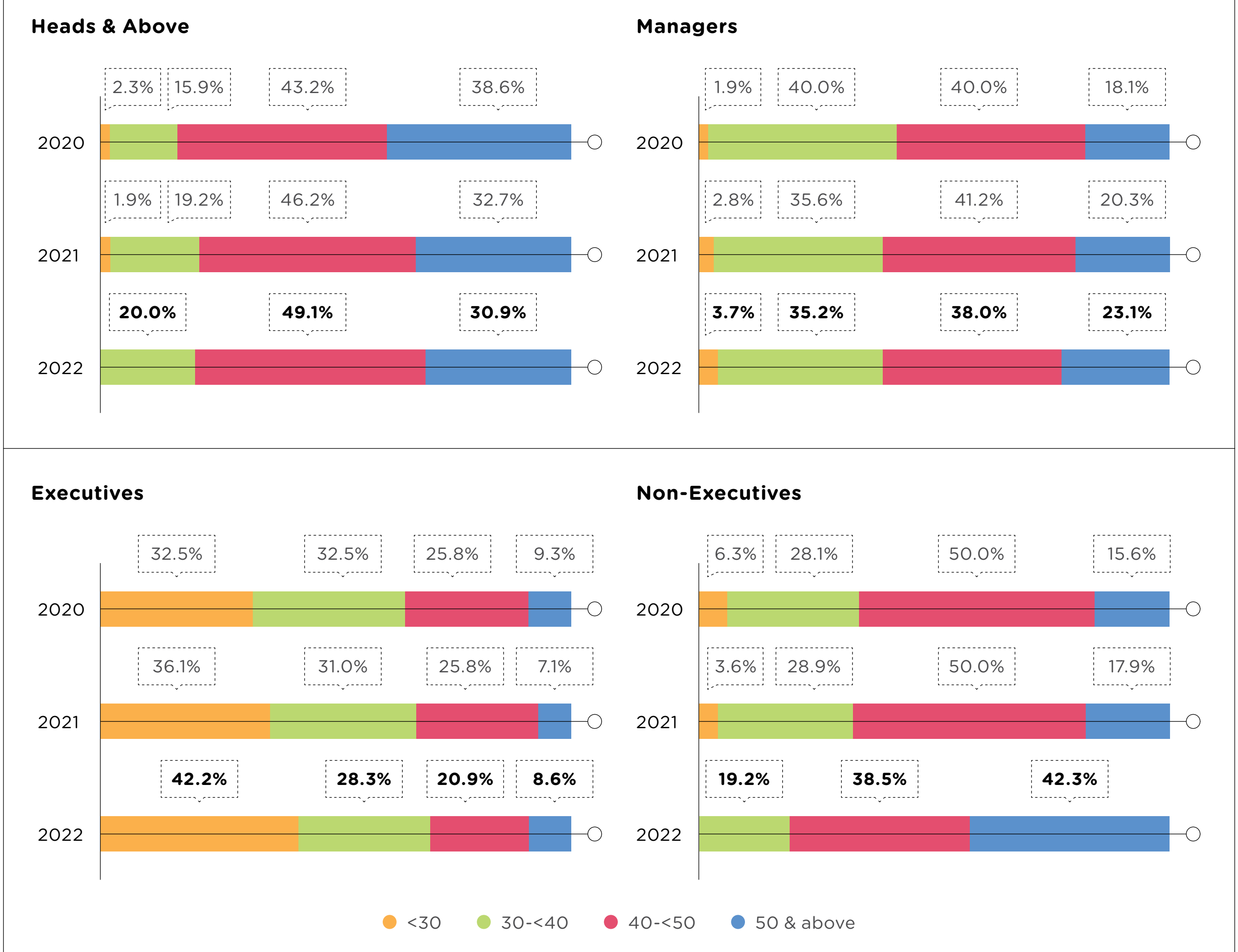
In October 2022, a fireside chat focused on sexual harassment was hosted live on Workplace to raise awareness of our sexual harassment policies and practices. The session, organised by the People and Culture team, also discussed how to spot and call out instances of harassment in the workplace. The live session was archived on Workplace and received over 240 views.

OUR WORKFORCE COMPOSITION

We believe that a diverse workforce brings significant advantages including better opportunities for creativity and problem-solving skills, smarter decision-making and increased productivity. The following infographics illustrate the diversity of our workforce in 2022.

Employee Breakdown by Gender & Job Category (%)

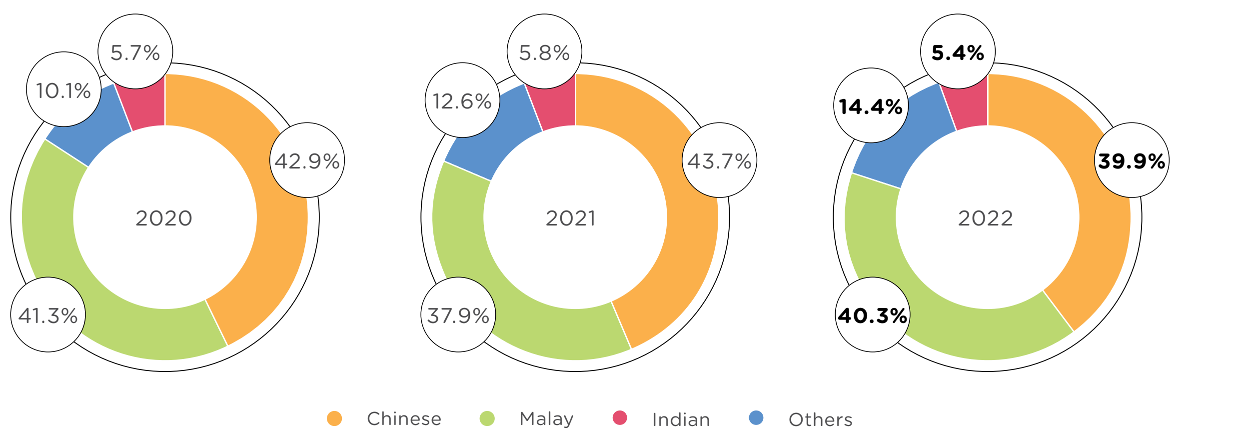
By Age Group and Job Category (%)



Note:

Data provided by employee category is in alignment with the 2022 amendments to Bursa Malaysia's Sustainability Reporting Guidelines on Common Material Topics. To enhance our reporting, we have standardised classifications of job categories for employees across three years of historical data.

By Ethnicity (%)



Inclusive Work Arrangements and Benefits

Our human capital is the driving force of our goals, ambitions and success. As such, we value each individual and their contributions as our diverse workforce is made up of varied experiences and perspectives that drive our business to thrive. We continue to adopt fair recruitment practices and provide job opportunities for all, including those with who are differently-abled.

In relation to compensating our employees for their commitment to their work, time and efforts, we provide fair and living wage remuneration in line with the Minimum Wages order, and offer attractive benefits to promote equal opportunities, as shown below:

- Leave (including Annual, Medical, Birthday, Marriage, Replacement, Hospitalisation, Maternity, Prolonged Illness, Paternity, Exam, Compassionate, Emergency)
- Optical Care Benefit and Claim
- Outpatient Medical Coverage
- Medical Check-up/Health Screening
- Mobile Phone Reimbursement
- Dental Coverage
- Hospitalisation and Surgical Coverage
- Term Life Coverage
- Professional Subscription Fees
- Actuarial Benefit Scheme
- Personal Accident Coverage

In 2022, we enhanced our parental leave policies to 90 days of maternity leave and 14 days of paternity leave, beyond the minimum statutory provisions under the Malaysian Employment Act 1955. All employees are entitled to parental leave, regardless of probationary or confirmed status. All employees who applied for Parental Leave in 2022 returned to work after the allocated period.

We have been practicing workplace flexibility since 2021 under our FWA to accommodate our employees' work-life balance, in addition to supporting women in our workplace who may have extra responsibilities at home. Tune Protect Thailand has also adopted the FWA towards the end of 2022.

FLEX WORKING ARRANGEMENTS

1. **Flex-Dress**
Dress comfortably

2. **Flex-Time**
Adjust your working hours to suit your and your team's needs, ensuring coordination and collaboration with team members

3. **Flex-Space**
Work from home or at any other ideal location. Manage your own time and schedule.

'Wo Suka You': A Malaysia Day Short Film

A diverse group of in-house talents from Tune Protect gathered to produce a 7-minute short film to celebrate Malaysia Day 2022. The making of the short film has encouraged internal staff to showcase their talents and highlight the core values of Tune Protect – 'Better Together' and 'Be Curious and Bold'.

Training & Development

Investing in our employees' training and development needs are important as it can positively impact our company culture, improve job satisfaction and also increase employee engagement and retention. It is vital to provide our employees with access to learning, development and training opportunities as underscored in our Group Learning and Development Policy. We continue to offer our employees a broad range of learning activities that are necessary for their jobs, which include coaching or mentoring and structured training programmes.

Through our e-learning platforms, we ensure that all employees have access to learning materials even when WFH or on-the-go.

Total Training Hours by Employee Category

Job Category	Total Hours
Heads & Above (Senior Management)	**2,916.0**
Managers	**7,233.9**
Executives	**5,549.0**
Others*	**874.7**

* *Comprises mix of non-executive and other job categories*

TOTAL EMPLOYEE TRAINING HOURS

16,573.6 hours

AVERAGE TRAINING HOURS PER EMPLOYEE

34.2 hours per annum

AVERAGE TRAINING DAYS PER EMPLOYEE

1.4 days

Predator Alert Self-Defence Workshop with Colleen Augustin

Best In-House Certification Programme

Our Lean Ninja Programme received the GOLD award from Human Resources Online in the 2022 Employee Experience Awards as the Best In-House Certification Programme. The award acknowledged our in-house talents and efforts towards developing an agile workforce. Eight employees were recognised as scrum masters in 2022.

In 2022, we introduced a wide spectrum of training programmes, workshops, succession planning and leadership programmes, knowledge sharing sessions and other initiatives to keep our employees fully engaged.

GAP Participants and Trainers

Graduate Apprenticeship Programme ("GAP")

- ✓ Launched in September 2022, GAP is year-long graduate programme specifically tailored for new graduates.
- ✓ The programme provides graduates with foundational knowledge and skills via experiential learning and a 360-development programme to cultivate the right attitude and philosophy.
- ✓ GAP also serves as a platform for participants to learn and grow in a structured manner to nurture future leaders.
- ✓ At the last leg of the GAP journey, there will be a final selection of four apprentices based on 70% passing marks or two votes by assessors, who will advance to an onboarding on 9 January 2023.

Tune Protect's 12 months GAP Journey

Learning approach: ✓ On-the-job training ✓ Classroom training ✓ Mentoring

9 Jan 2023

Pulse Check 1/4

Recruitment ▶ **Joined** ▶ **Onboarding** ▶ **Resilience Bootcamp** ▶ **Rotation 1**

Pulse Check 4/4

Pulse Check 3/4

Pulse Check 2/4

Rotation 2 ◀ **Rotation 3** ◀ **Leadership programme** ◀ **Rotation 4**

Career Talk

Corporate Social Responsibility Project ▶ **Assessment & Graduation** ▶

GAP Graduation Ceremony	Absorption into Permanent Employment at Respective Department /Entity	
Six Months Probation (Month 13-18)	Confirmation of Employment	Continuous Learning

Succession Planning & Leadership Programmes

We make every effort to have a steady pipeline of leaders to ensure our Group's long-term success. Through succession planning, we are able to identify and nurture suitable people within the Group to fill critical roles whenever required. In 2022, we identified 18 roles as Mission Critical Roles which led to role management and technical ratings being conducted for these roles, where we established about 36 potential successors. To expand our efforts in this area, we also launched the following:

FLAME

A leadership competency framework and leadership programme

ADVANCED LEADERS PROGRAMME (ALP)

15 participants

EXPERIENCED LEADERS PROGRAMME (ELP)

13 participants

INDIVIDUAL LEADERS PROGRAMME (ILP)

21 participants

EXECUTIVE COACHING PROGRAMME

7 leaders

MENTORING PROGRAMME

3 leaders

TALENT MOBILITY PROGRAMME

4 leaders

Tulips Movement coaching session participants

EMPLOYEE ENGAGEMENT

Culture Transformation

Workplace culture is crucial to the growth of our organisation as it impacts employee satisfaction, enhances productivity and increases staff retention. We believe that nurturing a positive culture will foster a sense of belonging and motivate our workforce. Additionally, a strong workplace culture can help us to attract the best talents in the industry and strengthen our reputation, enabling us to meet our goals and objectives. We continue to keep our employees fully engaged digitally and physically, internally and externally via Workplace by Facebook, WhatsApp and Microsoft Teams – to enhance well-being and ownership across the organisation.

In 2022 we established SPARK, the Sports and Recreation Club, where all employees were placed into houses based on our Core Values. The Culture Committee-led group organised several sports events and physical activities, such as a Bowling League for all employees, including those based in Bangkok and Dubai, and coordinated participation for sports competitions held for financial institutions and insurance companies.

12 individuals which comprised of members of the Culture Club committee and employees also climbed Mount Kinabalu in October, led by our Group CEO, Rohit and TPM CEO Jubin Mehta.

SPARK Activities

- ✔ Tune Protect Bowling League 2022
- ✔ Employee Gala Dinner
- ✔ Futsal Friendly
- ✔ The 14th Malaysian Insurance Institute (MII) Inter-Insurance Companies Bowling Tournament 2022
- ✔ Credit Tip-Off Service (CTOS) Inter-Financial Institutions Badminton Championship 2022

Other engagement activities organised to foster teamwork and embed our core values amongst employees include:

Triathlon Series in Melaka, Port Dickson, and Putrajaya (March, June, August, November 2022)

As the exclusive Insurance Partner for the 2022 Triathlon Series, we encouraged employees to participate as a motivation to adopt a healthy and active lifestyle.

Tune Protect Thumb Wrestling (October to December 2022)

A bi-monthly event was organised to encourage employees to participate in friendly competition and increase camaraderie.

Knowledge Sharing

We conducted internal engagement activities such as THINK Thursdays to increase the knowledge of our employees in their individual roles, through providing a wealth of information. They include insurance, cybersecurity, sustainability and environmental awareness, healthcare, General Insurance 101, knowledge on statutory bodies and practices of the Employees' Provident Fund ("EPF"), the Inland Revenue Board of Malaysia ("LHDN") and more. Conducted on selected Thursdays, the sharing sessions were facilitated by our internal or external speakers and subject matter experts. Through these engagements, we continued to work with the Free Tree Society to organise a session on the environment, while our Sustainability team conducted a session on how Climate Change impacts each person individually. In 2022, the following knowledge sharing sessions were held for the benefit of our employees:

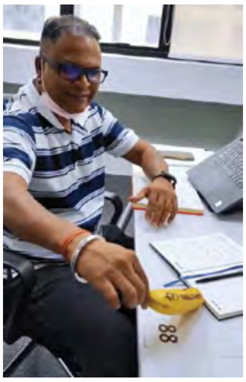
- ✔ X Factor & Be Smart with Your Money with Ringgit Malaysia
- ✔ Cybersecurity: Keep the Hackers Away
- ✔ General Insurance 101
- ✔ Our Planet is Screaming, Are We Listening?
- ✔ Elevate Your Career, Secure Your Future
- ✔ Product & Development Team
- ✔ Sustainability & Me
- ✔ Roles of an Underwriter

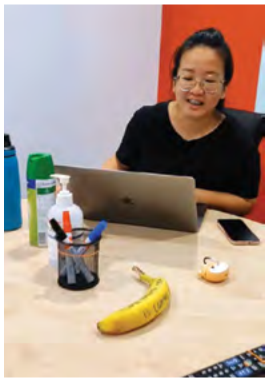
Other Employee Engagements and Internal Contests

We utilise social media such as TikTok and Workplace to engage employees in the following initiatives:

Banana Invasion

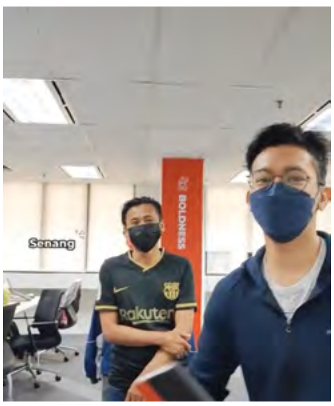
Distributed free bananas to random Tune Protectors in the office to promote our CSR events with YCK and encourage participation within internal staff.




Guess the Landmark: Merdeka Contest (August 2022)

We organised a contest in conjunction with Merdeka to encourage the participation and engagement of internal staff on Tune Protect's Tik Tok. Our Tune Protectors were tested on their knowledge regarding Malaysia's landmarks.



World Cup Trivia with Tune Protectors

Engaging with employees on their knowledge on World Cup, we took the opportunity to highlight the importance of togetherness through a shared passion for football and the celebration of World Cup.

#WinWith333

An awareness-raising campaign on our Group-wide 3-3-3 commitment to internal and external stakeholders. Our engagement was fully digital with an open-ended concept to encourage creativity.

Sustainability Tagline Contest: 'In Tune for a Better Tomorrow'

To encourage Tune Protectors to embrace sustainability and to refresh our sustainability tagline, a contest was held for all employees to submit fresh, and creative taglines to be used across our corporate communications. A total of 108 taglines were submitted by 36 participants, with eight entries that were shortlisted for voting. The top three taglines received spa gift vouchers.

All participants received gift packs which supported our flagship Orang Asli Financial Literacy, Empowerment & Entrepreneurship Programme (FLEE) entrepreneurs, OA Bamboo Straws Enterprise, as well as Eat Shoots & Roots, a social enterprise aimed at encouraging urban farming and fighting food scarcity.

Measuring Employee Satisfaction

With strategic and inclusive employee engagement throughout 2022, we have increased our Employee NPS to +26% from +5% (as at end of 2021). We prioritise an open working environment where leadership and employees are encouraged to exchange ideas and consult across departments. This is reflected in our Employee Survey findings, which indicated that the majority of employees rated their experiences highly in the realm of leadership effectiveness and working processes. Overall ratings of employee well-being dimensions increased as well, a testament to our commitment to employee care.

OCCUPATIONAL HEALTH & SAFETY

Governing Health and Safety Practices

At Tune Protect, we value our people highly and constantly work towards providing a safe and conducive workplace. Since the pandemic, we took strict measures to curb the spread of COVID-19 according to the fundamental health and safety guidelines under:
- The Occupational Safety and Health Act 1994 ("OSHA")
- The Fire Services Act 1988

A COVID-19 emergency team was established to give support to our employees during challenging times. Our Group Occupational Safety and Health Committee ("GOSHComm") and Group Occupational Safety and Health Team ("GOSH Team") were tasked with providing safety protection to our Group including branches and extending to those under our collective bargain agreements as well as our visitors. The GOSHComm and GOSH Team consist of representatives from each entity and branch including our associate and joint venture companies.

The GOSHComm is accountable for leading and championing initiatives for:

1 **Safety**
- ✓ Fire safety & prevention
- ✓ Personal safety, accident prevention, training, talks and events

2 **Health**
- ✓ COVID-19 communication, prevention and case management
- ✓ Training, talks and events

3 **Security**
- ✓ General security practices

During the year, both GOSHComm and GOSH Team have organised several initiatives in line with our Safety and Health pillar. These initiatives are aligned with Goal 3: Promoting Good Health and Well-Being.

GOSHComm launched the first GOSH 'Challenge Your Summit' Talk on safety and mental resilience, in collaboration with Ravi Everest. Ravi Everest is a celebrated professional mountain climber who conquered Mount Everest twice before and after our Summit. Over 300 employees from Malaysia, Thailand and the UAE attended the talk physically and virtually.

Meanwhile, the GOSH Team, which also functions as Fire Marshals and Emergency Response Team members in their respective locations, were involved in purposeful activities that helped our employees and at the same time, contributed back to society:

Fire Safety & Prevention

We held three fire safety sessions during the year. The first session was the face-to-face Fire Prevention Seminar by the Fire Preventor's Society, specially arranged to ensure HQ Fire Marshals are prepared for emergencies. The second session was conducted digitally, through a Fire Prevention Webinar, organised simultaneously with the first session for our branch Fire Marshals. A third webinar training session was also organised for those who were unable to attend previous sessions. In another activity, Fire Safety walkabouts were conducted on the Level eight and nine at our HQ to raise awareness on fire exit locations, action plans in a fire situation, the location and usage of fire extinguishers. The same walkabout was also carried out for onboarding of new employees.

Personal Safety & Accident Prevention

We worked with Colleen Augustin, a 2019 International Mixed-Martial Arts Federation (IMMAF) World Bronze medallist and Asian Champion to deliver a Predator Alert Self-Defence Workshop. The workshop included useful safety tips such as prevention (carpark and street safety), self-defence and minimising injury techniques. Both physical and virtual sessions were conducted, with the virtual session archived for future reference.

Natural Disasters Management

The Oh My GOSH Flood Advisory initiative released an animated advisory in anticipation of the year-end major floods. Employees were given pointers at the workplace via WhatsApp chatgroups on the following aspects:

Office Safety	Food & Drinking Water Safety
Home Safety	Personal Safety
Protection against COVID-19 & Infectious Diseases	Travel Safety

In 2022, we did not experience any Lost Time Injuries or work-related fatalities.

Supporting Health and Well-being

We carried out our sixth Blood Donation Drive in collaboration with the National Blood Bank for the World Heart Day 2022, conducted in our HQ as well as our branches in Ipoh, Miri and Kota Kinabalu. The Blood Bank received 60 bags of blood donated by other Wisma Tune affiliates and tenants including Tune Group, AirAsia, Tune Talk, Ormond, EMIR research and building manager Rahim & Co. Early bird donors were rewarded with merchandise such as Tune Protect caps, and all donors were presented with a Tune Protect Limited Edition Superhero collectible badge. The blood donations received are expected to save 180 lives.

Aside from that, we organised a Tune Protect Corporate Massage session in partnership with the Malaysian Association for the Blind to help dozens of colleagues in the HQ to de-stress, detox and unwind with complimentary massages whilst helping the blind masseurs generate income.

LOCAL COMMUNITIES

Charitable and Community Support

CSR is an integral component of our organisation and we stand guided by our CSR framework to support the unserved, underserved and underprivileged communities. Our CSR framework comprises three pillars including financial literacy, entrepreneurship and protection ("FEP"), that is aligned with various UN SDGs which promote inclusivity, equality, addressing Climate Change and more.

In 2022, we have collaborated with various parties to conduct initiatives with external and internal stakeholders and also ensured that we did our part for the environment. During the year, we have contributed RM150,000 and 1,517 CSR hours in meaningful activities such as:

Flood Relief Efforts – Kuala Terengganu and Hulu Terengganu

Responding to the wave of floods in December 2022, we partnered with airasia grocer and supplied Flood Relief Packs which contained food and necessities to victims. This initiative was a truly holistic effort as airasia grocer partnered with local entrepreneurs and Non-Governmental Organisations ("NGO") to purchase, pack and deliver the goods to the flood-stricken families.

150 packs were distributed, amounting to approximately RM15,000 in groceries and basic necessities.

Serving Underprivileged Children

We worked closely with YCK, an NGO dedicated to supporting underprivileged children to organise three CSR activities during the year. We assisted YCK in their cause by providing required medical and healthcare support, encouraging good health and well-being among kids from the NGO and at the same time, inculcated the spirit of volunteerism among Tune Protectors.

a) Madhya's Gift

We donated to Madhya's Gift, which is a critical illness healthcare fund for the underprivileged children under the patronage of YCK. RM6 was donated to the funds for every policy (excluding Travel and PA products) sold on Tune Protect's B2C channels including our website and mobile application.

RM30,000 was raised and channelled to the fund via this initiative for the second year.

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b) CSR Movie Screening

We organised a special day for the children and teenagers from YCK by hosting a movie screening session in GSC 3 Damansara. Our employees volunteered by bringing them for lunch and participating in games coordinated by our Culture Committee before the movie screening.

64 Tune Protectors cared for 73 children and teenagers with a collective 512 CSR hours invested.

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c) Mobile Football Clinic

In conjunction with the World Cup season, we engaged a youth football coach and a team of players to teach the children to play in a football mobile clinic held at Sunway Velocity Mall. The children were also invited to join the fun at the Tune Protect World Cup activation booth which was equipped with penalty shootout space. We enrolled them in our PUMP mobile application and organised other fun activities such as assembling puzzles and face painting.

12 Tune Protectors were part of this activity with 80 CSR hours invested.

We also supported Bake With Dignity, an organisation that empowers individuals with learning disabilities by providing them with training and job opportunities in the baking industry by contributing over RM11,000 worth of cookies and baked goods as gifts for our events with YCK.

Taking Care of the Environment

In doing our part for the environment, we teamed up with various partners for the following activities:

a) **Tree Planting with The Malaysia Nature Society**

Teaming up with The Malaysia Nature Society ("MNS"), we created awareness on the importance of trees in earth's ecosystem by getting Tune Protectors to be part of the solution. We participated in a half-day tree planting activity at the Pantai EcoPark Community Centre where each participant planted one tree sapling. Prior to the tree planting activity, we were given a half an hour sharing session by an MNS representative on Climate Change, forest preservation and the different types of trees planted that are common in the forest.

46 Tune Protectors participated in the tree planting activity with 181 CSR hours invested.

b) **Beach Clean Up**

We conducted the Tune Protect Beach Clean Up at the Lexis Hibiscus Beach Resort Port Dickson. Our goal for this activity was to raise awareness on coastal pollution and contribute to the reduction of garbage and plastic in the ocean.

14 Tune Protectors were present at the beach clean-up with 20 CSR hours invested.

c) **Tree Planting with the Free Tree Society**

In our aim to conserve the vast green lung of the Tugu Trail and convert it into an urban forest park for the community, we worked with the Free Tree Society to organise a Tree Planting Day. The activity which took place in Taman Tugu not only heightened the environmental awareness among our employees but also enabled us to increase the Biodiversity of Parks and Urban Forests.

18 Tune Protectors were part of this initiative with 54 CSR hours invested.

Community Investments by Tune Protect Thailand and Tune Protect EMEIA

In 2022, our colleagues in Thailand and the Middle East also conducted community investment programmes:

One Root, One Communi-Tree Project – TPEMEIA partnered with Emirates Environment Group to divert waste materials away from landfills, in a community engagement and indigenous tree-planting initiative. This programme ran from mid to end of September.

Sang BanDarnJai Project – *'Enlightening Lives with Tune'* – Partnering with Foundation for Children in Baan Tantawan, TPT provided 60 solar cell wall lamps and participated in the lamp installation in late November 2022. Employees travelled to Nakhon Pathom Province to engage with 100 children from the foundation, sharing a meal with them and organsing games and recreational activities.

CUSTOMER PRIVACY

Data Governance

We are committed to safeguarding our customers' data to protect them against security breaches. We apply behaviour analysis across our systems, monitoring and analysing traffic flows to identify threats and block exploits. Additionally, we enforce strict security protocols for all employees to ensure data security across the organisation.

In 2022, as we began hosting the first phase of our core system on the cloud, we enhanced our authentication systems to introduce multifactor layers to protect the cloud infrastructure. We also initiated enhancements to consolidate our management endpoints and are rolling out additional security through the multilayer authentication of on-premise infrastructures.

Additionally, we enhanced our system resilience, completing two Disaster Recovery Plans (DRP) across the Group per BNM requirements and migrating our database backup to mitigate the exposure of our systems to flood risks.

To know more about our data governance practices, please refer to Governance at page 45.

Protecting Our Customers' Data

As a company offering financial services, we receive customers' data as part of the process whenever customers purchase our products or services. As such, the security of their data is our top priority as we strive to prevent cybercrimes or data exploitation. The following are the continuous measures we have implemented to strengthen our cybersecurity:
- Regular email reminders to increase awareness on cyber risks
- Conducting bi-annual phishing activities
- Organising yearly cyber drills according to the Cyber Incident Response Plan
- Daily monitoring of security threat via Security Operations Centre monitoring
- Upgrading data security systems to combat potential phishing and malware attacks
- Implementing prevention plans to stop any leaks of confidential information
- Conducting ongoing reviews and assessments of IT operations to ensure the latest versions of software are utilised Group-wide and adheres to regulatory requirements
- Carrying out regular data backups and storage to provide accuracy and accessibility of data

Common Sustainability Matters

In line with the updated Bursa Malaysia Sustainability Reporting Guidelines, we are progressively enhancing our sustainability reporting with our inaugural table of Common Indicators. We will continue to enhance the disclosure in our reporting suite in the coming year by assessing the materiality of indicators not available in the following table on our business.

<table>
<tr><th>Category</th><th>Indicator</th><th>2022</th><th>Notes</th></tr>
<tr><td rowspan="3">Anti-Corruption (under Business Ethics & Compliance)</td><td>(a) Percentage of employees who have received training on anti-corruption by employee category</td><td>100%</td><td></td></tr>
<tr><td>(b) Percentage of operations assessed for corruption-related risks</td><td>Not Available</td><td>We are continuously enhancing our corruption risk assessment processes.</td></tr>
<tr><td>(c) Confirmed incidents of corruption and action taken</td><td>0</td><td></td></tr>
<tr><td rowspan="2">Community/ Society (under Local Communities)</td><td>(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer</td><td>RM150,000</td><td></td></tr>
<tr><td>(b) Total number of beneficiaries of the investment in communities</td><td>Not Available</td><td>Since 2022, our investment in local communities has been measured in total number of volunteering hours. We are enhancing the measurement of this indicator.</td></tr>
<tr><td rowspan="2">Diversity (under Diversity & Equal Opportunity)</td><td>(a) Percentage of employees by gender and age group, for each employee category</td><td>
<table>
<tr><th>Job Category/Gender (%)</th><th>Male</th><th>Female</th></tr>
<tr><td>Heads & Above (Senior Management)</td><td>61.8%</td><td>38.2%</td></tr>
<tr><td>Managers</td><td>44.0%</td><td>56.0%</td></tr>
<tr><td>Executives</td><td>35.8%</td><td>64.2%</td></tr>
<tr><td>Non-Executives</td><td>30.8%</td><td>69.2%</td></tr>
<tr><td>Total</td><td>42.1%</td><td>57.9%</td></tr>
</table>
<table>
<tr><th>Job Category/ Age (%)</th><th><30</th><th>30-<40</th><th>40-<50</th><th>> 50</th></tr>
<tr><td>Heads & Above</td><td>0.0%</td><td>20.0%</td><td>49.1%</td><td>30.9%</td></tr>
<tr><td>Managers</td><td>3.7%</td><td>35.2%</td><td>38.0%</td><td>23.1%</td></tr>
<tr><td>Executives</td><td>42.2%</td><td>28.3%</td><td>20.9%</td><td>8.6%</td></tr>
<tr><td>Non-Executives</td><td>0.0%</td><td>19.2%</td><td>38.5%</td><td>42.3%</td></tr>
<tr><td>Total</td><td>18.0%</td><td>30.0%</td><td>32.6%</td><td>19.4%</td></tr>
</table>
</td><td></td></tr>
<tr><td>(b) Percentage of directors by gender and age group</td><td>
<table>
<tr><th>Age/Gender (%)</th><th>Male</th><th>Female</th></tr>
<tr><td><30</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>30 - <40</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>40 - <50</td><td>0.0%</td><td>33.3%</td></tr>
<tr><td>>50</td><td>100.0%</td><td>66.7%</td></tr>
</table>
</td><td></td></tr>
<tr><td>Energy Management (under Climate Change)</td><td>(a) Total energy consumption</td><td>524,083 kWh</td><td></td></tr>
</table>

<table>
<tr><th>Category</th><th>Indicator</th><th>2022</th><th>Notes</th></tr>
<tr><td rowspan="3">Health and Safety (under Occupational Health & Safety)</td><td>(a) Number of work-related fatalities</td><td>0</td><td></td></tr>
<tr><td>(b) Lost time incident rate</td><td>0</td><td></td></tr>
<tr><td>(c) Number of employees trained on health and safety standards</td><td>Not Available</td><td>All employees are provided with training on our health and safety standards upon onboarding, with regular reminders and refreshers posted on our social media channels.</td></tr>
<tr><td rowspan="4">Labour Practices and Standards (under Diversity & Equal Opportunity)</td><td>(a) Total hours of training by employee category</td><td><table><tr><th>Job Category</th><th>Total Hours</th></tr><tr><td>Heads & Above (Senior Management)</td><td>2,916.0</td></tr><tr><td>Managers</td><td>7,233.9</td></tr><tr><td>Executives</td><td>5,549.0</td></tr><tr><td>Others</td><td>874.7</td></tr></table></td><td>Others comprises mix of non-executive and other job categories</td></tr>
<tr><td>(b) Percentage of employees that are contractors or temporary staff</td><td><table><tr><th>Year</th><th>Permanent</th><th>Contract</th></tr><tr><td>2020</td><td>95.3%</td><td>4.7%</td></tr><tr><td>2021</td><td>92.2%</td><td>7.8%</td></tr><tr><td>2022</td><td>90.9%</td><td>9.1%</td></tr></table></td><td></td></tr>
<tr><td>(c) Total number of employee turnover by employee category</td><td><table><tr><th>Year</th><th>Heads & Above</th><th>Managers</th><th>Executive</th><th>Non-Executive</th></tr><tr><td>2021</td><td>7</td><td>34</td><td>24</td><td>2</td></tr><tr><td>2022</td><td>11</td><td>44</td><td>30</td><td>2</td></tr></table></td><td></td></tr>
<tr><td>(d) Number of substantiated complaints concerning human rights violations</td><td>None</td><td></td></tr>
<tr><td>Supply Chain Management (under Economic Performance)</td><td>(a) Proportion of spending on local suppliers</td><td>93.7%</td><td></td></tr>
<tr><td>Data Privacy and Security (under Business Ethics & Compliance)</td><td>(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data</td><td>None</td><td></td></tr>
<tr><td>Water (under Materials)</td><td>(a) Total volume of water consumed</td><td>1,009 m^3</td><td></td></tr>
<tr><td>Waste Management (under Materials)</td><td>(a) Total waste generated, and a breakdown of the following:
(i) total waste diverted from disposal
(ii) total waste directed to disposal</td><td>Not Available</td><td>Waste management is overseen by the building manager at our HQ, Wisma Tune. We are assessing the capacity to measure and manage this indicator.</td></tr>
<tr><td rowspan="3">Emissions Management (under Climate Change)</td><td>(a) Scope 1 emissions in tonnes of CO_2e</td><td>7.4 tCO_2e</td><td></td></tr>
<tr><td>(b) Scope 2 emissions in tonnes of CO_2e</td><td>294.0 tCO_2e</td><td>Our Scope 2 emissions are computed using a location-based approach.</td></tr>
<tr><td>(c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)</td><td>Not Available</td><td>We are enhancing our capacity to measure and manage our Scope 3 emissions.</td></tr>
</table>

PROFILE OF DIRECTORS

Dato' Mohamed Khadar bin Merican

Chairman,
Independent
Non-Executive Director

Board Meetings Attended: 9/9

Membership of Board Committee:

RMC IC

66 | **Male** | **Malaysian** | **Date Appointed:** 5 October 2021 | **Length of Tenure:** 1 year and 7 months

QUALIFICATION AND WORKING EXPERIENCE

Dato' Mohamed Khadar bin Merican ("**Dato' Mohamed Khadar**") joined the Board of Directors ("the Board") of Tune Protect Group Berhad ("the Company") as Independent Non-Executive Director and as Chairman of the Board on 5 October 2021. On 4 October 2022, he was appointed as a member of the Risk Management Committee and Investment Committee of the Company.

Dato' Mohamed Khadar has more than 40 years' experience in financial and general management. He served as an auditor and a consultant in an international accounting firm before joining a financial services group in 1986. Between 1988 and April 2003, he held various senior management positions in the then Pernas International Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad, including those of President and Chief Operating Officer. In 2013, in his capacity as the Chairman of RHB Capital Berhad, Dato' Mohamed Khadar was named "Chairman of the Year" by the Minority Shareholders Watchdog Group (now known as Minority Shareholders Watch Group) at its ASEAN Corporate Governance Index Awards 2013.

Dato' Mohamed Khadar is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Accountant of the Malaysian Institute of Accountants.

Dato' Mohamed Khadar is also a Director of Capital A Berhad, Iris Corporation Berhad and BNP Paribas Malaysia Berhad.

AC	Audit Committee
RMC	Risk Management Committee
NC	Nomination Committee
RC	Remuneration Committee
IC	Investment Committee
LTIPC	Long Term Incentive Plan Committee

Notes:

Family Relationships
None of the Directors has any family relationship with any other Director and/or major shareholder of Tune Protect Group.

Conflict of Interest
None of the Directors has any conflict of interest with Tune Protect Group.

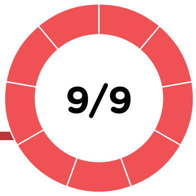
Conviction for Offences
None of the Directors has been convicted for any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.

Attendance at Board Meetings
The attendance of the Directors at Board of Directors' meetings for the financial year ended 31 December 2022 is disclosed in the Corporate Governance Overview Statement.

Tan Ming-Li

Non-Independent
Non-Executive Director

Board Meetings Attended:



Membership of Board Committee:

AC RMC NC RC

53 | **Female** | **Malaysian** | **Date Appointed:** 1 April 2014 | **Length of Tenure:** 9 years and 1 month

QUALIFICATION AND WORKING EXPERIENCE

Tan Ming-Li ("**Ming-Li**") joined the Board of Tune Protect Group Berhad on 1 April 2014 as Independent Non-Executive Director ("INED"). She was re-designated as Non-Independent Non-Executive Director on 1 April 2023, upon the expiry of her 9-year term as INED. She was appointed as Chairperson of the Nomination Committee and Remuneration Committee of the Company on 1 June 2017. She is also a member of the Audit and Risk Management Committees of the Company. On 1 April 2023, she relinquished the position of Chairperson of the Nomination Committee and Remuneration Committee of the Company and was re-designated as a member of the said committees.

A partner in the legal firm, Cheang & Ariff[#], she has been in legal practice since 1994 specialising in corporate and securities law. She is principally involved in advising on capital market transactions, mergers and acquisitions, corporate restructuring as well as corporate finance related work. Prior to joining her present firm in 1997, she practised law in the firm of Allen & Gledhill specialising in the areas of corporate and commercial litigation, as well as intellectual property.

A graduate of the University of Melbourne, Australia, Ming-Li holds a double degree in Law (Hons) and Science and has been a member of the Malaysian Bar since 1994.

Ming-Li sits on the Board of Tune Insurance Malaysia Berhad, the general insurance subsidiary of the Company. She is also an Independent Non-Executive Director of BP Plastics Holding Bhd, OM Holdings Limited (a company listed on the Australian Securities Exchange and secondary listed on the Main Market of Bursa Malaysia Securities Berhad) and CapitaLand Malaysia REIT Management Sdn. Bhd. [Manager of CapitaLand Malaysia Trust, a real estate investment trust (REIT) established under the Securities Commission and listed on the Main Market of Bursa Malaysia Securities Berhad].

Note:

[#] *Chooi & Company + Cheang & Ariff was dissolved on 31 March 2023 and the pre-merger firms of Chooi & Company and Cheang & Ariff were re-established.*

PROFILE OF DIRECTORS

Mohamed Rashdi bin Mohamed Ghazalli

Senior Independent
Non-Executive Director

Board Meetings Attended: 9/9

Membership of Board Committee:

AC | RMC | NC | RC | IC | LTIPC

66 | **Male** | **Malaysian** | **Date Appointed:** 1 June 2017 | **Length of Tenure:** 5 years and 11 months

QUALIFICATION AND WORKING EXPERIENCE

Mohamed Rashdi bin Mohamed Ghazalli ("**Mohamed Rashdi**") joined the Board of Tune Protect Group Berhad on 1 June 2017 as Independent Non-Executive Director. He was re-designated from Independent Non-Executive Director to Senior Independent Non-Executive Director on 18 April 2019. He is a member of several Board Committees within the Company, including the Audit, Risk Management, Nomination, Remuneration, and Investment Committees. On 1 January 2023, he relinquished the position of Chairman of the Audit Committee of the Company and was re-designated as a member of the Audit Committee. In addition, he was re-designated as the Chairman of the Nomination Committee and Remuneration Committee of the Company on 1 April 2023 and was appointed as a member of the Long Term Incentive Plan Committee on 1 March 2023.

Mohamed Rashdi had a thriving career in IT and Management Consulting with Coopers & Lybrand, IBM Consulting and PricewaterhouseCoopers ("PwC") over a span of 20 years. During his career, Mohamed Rashdi worked with Telecoms Australia as well as Coopers & Lybrand in the United Kingdom. He was a Partner of PwC Consulting (East Asia) and IBM Consulting, as well as IT and Consulting Advisor at PwC Malaysia.

As a management and technology consultant, Mohamed Rashdi has personally led assignments in strategy and economics, business process improvement, information systems planning and IT project management. He has provided consultancy expertise across a range of industries such as government, telecommunications, oil & gas, transport and utilities with exposure in manufacturing and financial services.

Mohamed Rashdi graduated in 1979 with a Bachelor of Science (Honours) degree in Computation from the University of Manchester Institute of Science and Technology, United Kingdom.

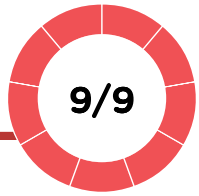
He joined the Board of Tune Insurance Malaysia Berhad, the general insurance subsidiary of the Company on 19 February 2021 as Independent Non-Executive Director and was subsequently appointed as the Chairman on 22 May 2021. He sits on the Board of Directors of BOS Wealth Management Malaysia Berhad and GHL Systems Berhad. He also sits on the Board of Trustees of Yayasan Siti Sapura Husin.

PROFILE OF DIRECTORS

Aireen Omar

Non-Independent
Non-Executive Director

Board Meetings Attended:



Membership of Board Committee:

IC LTIPC

49 | **Female** | **Malaysian** | **Date Appointed:** 14 November 2019 | **Length of Tenure:** 3 years and 5 months

QUALIFICATION AND WORKING EXPERIENCE

Aireen Omar ("**Aireen**") joined the Board of Tune Protect Group Berhad as Non-Independent Non-Executive Director on 14 November 2019. She became the Chairperson of the Investment Committee on 28 February 2020. On 30 September 2022, she was appointed as the Chairperson of the Long Term Incentive Plan Committee of the Company.

Aireen is currently the President, Investments & Ventures of Capital A Berhad. She is responsible for Capital A's investment and fund raising initiatives for the group, including its venture arm, which is to develop, incubate and accelerate leading innovative products and services for Capital A's ecosystem whilst also heading AirAsia Academy, an edutech platform that is currently disrupting the education space in ASEAN.

Prior to this, she was President of AirAsia Digital, AirAsia Deputy Group Chief Executive Officer (Digital & Technology), Executive Director and Chief Executive Officer of AirAsia Berhad, Director of Corporate Finance & Treasury. Taking on these roles, she was instrumental in shaping the development of AirAsia into one of the fastest growing and most highly-acclaimed airlines globally and helped transform the company into a global cloud and data-driven platform, growing the group's digital and fintech businesses.

Started her career in 1997 at Deutsche Bank Securities Inc., New York City, she subsequently moved on to CIMB Bank Berhad, Maybank Group and Bumiwerks Capital Management Sdn. Bhd. prior to joining AirAsia.

Aireen is an Economics graduate of the London School of Economics and Political Science and also holds a Master's in Economics from New York University.

She currently holds directorships at various subsidiaries of Capital A Berhad.

Kelvin Desmond Malayapillay

Independent
Non-Executive Director

Board Meetings Attended: 9/9

Membership of Board Committee:

AC RMC NC RC

52 | **Male** | **Malaysian** | **Date Appointed:** 28 February 2020 | **Length of Tenure:** 3 years and 2 months

QUALIFICATION AND WORKING EXPERIENCE

Kelvin Desmond Malayapillay ("**Kelvin**") joined the Board of Tune Protect Group Berhad on 28 February 2020 as Independent Non-Executive Director. He became a member of the Audit Committee and Risk Management Committee of the Company on 28 February 2020. Subsequently on 1 June 2020, he was appointed as Chairman of the Risk Management Committee of the Company. On 4 October 2022, he was appointed as a member of the Nomination Committee and Remuneration Committee of the Company. He also serves as a non-executive director of Tune Protect Commercial Brokerage LLC and chairs the Strategic Advisory Committee of Tune Protect Ventures Sdn. Bhd.

As part of his portfolio career, Kelvin has been supporting various corporate clients in consumer financial services and insurance as an independent strategy advisor while also advising and investing in a selection of fintech startups.

Kelvin has more than 20 years of experience across financial services and consulting. His extensive career commenced at Shell Malaysia before moving on to Boston Consulting Group in London and subsequently to Capital One Bank where he held roles in credit risk management and in managing the personal loan portfolio; Booz & Co. where he served clients in the United Kingdom and the Middle East; and Liverpool Victoria (LV=), a composite insurance firm where he held key management roles including Director of the Direct Life business, and Group Strategy Director. Following that, in 2016, he joined Lloyds Banking Group as the Strategy Director for the retail bank.

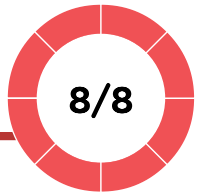
Kelvin is currently also a non-executive director with the Teachers Building Society in the United Kingdom where he is also a member of the Audit and Risk Committees and is the nominated Board Consumer Duty Champion.

Kelvin holds an MBA from the London Business School, a Master's in Science in Engineering and Physical Science in Medicine and a Bachelor's degree in Engineering (Hons.) majoring in Electrical & Electronic Engineering, both from Imperial College, London. He is also a certified Executive Coach having completed the Professional Certificate in Coaching (PCiC) from Henley Business School.

Dr Grace Lee Hwee Ling

Independent Non-Executive Director

Board Meetings Attended:



Membership of Board Committee:

AC RMC

47 | **Female** | **Malaysian** | **Date Appointed:** 25 March 2022 | **Length of Tenure:** 1 year and 1 month

QUALIFICATION AND WORKING EXPERIENCE

Dr Grace Lee Hwee Ling ("**Dr Grace Lee**") joined the Board of Tune Protect Group Berhad as Independent Non-Executive Director on 25 March 2022 and was appointed as a member of the Audit Committee and Risk Management Committee of the Company. On 1 January 2023, she was re-designated as Chairperson of the Audit Committee.

Dr Grace Lee joined AEON Co. (M) Bhd as Chief Financial Officer effective 1 October 2021. Prior to that, she was with Astro Malaysia Holdings Berhad ("AMH") Group from 2001 to September 2021 and had helmed various senior leadership roles within AMH Group, including as Group Chief Transformation Officer, Chief Executive Officer of Astro Go Shop, Group Chief Technology Officer, Group Chief Risk Officer, and Senior Vice President, Finance. Dr Grace Lee is currently an Industry Advisory Board member at HELP University and had prior Board of Director roles at Malaysian Global Innovation and Creative Centre (MaGIC) and Astro Go Shop. Dr Grace Lee had started her career as a Consultant at PricewaterhouseCoopers ("PwC") Malaysia. Throughout her careers at PwC and AMH Group, she had gained vast experience in the fields of advisory and consultancy, internal and external audits, as well as risk, technology and finance.

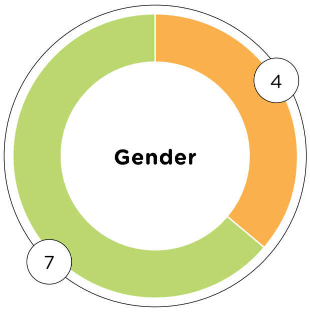
Dr Grace Lee earned her Doctorate in Business Administration from HELP University, ELM-Graduate School and had also won the inaugural Distinguished Alumni Award 2018; conferred for academic excellence. She had received a Master's in Business Administration with Distinction from Charles Sturt University, Australia, and holds a degree in Accounting and Finance from Curtin University, Australia. She is an Australian Fellow of Certified Practising Accountant, an International Certified Professional Accountant, a Certified Information Systems Auditor and is Certified in the Governance of Enterprise IT.

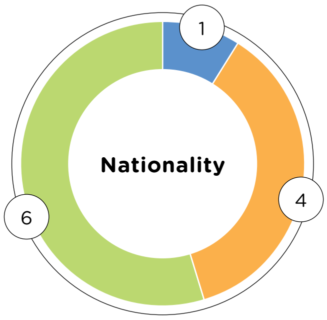
Programmes and seminars attended in 2022

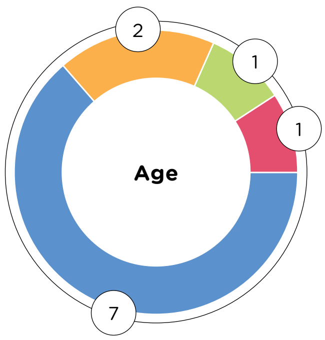
COURSE ATTENDED	DATO' MOHAMED KHADAR BIN MERICAN	TAN MING-LI	MOHAMED RASHDI BIN MOHAMED GHAZALLI	AIREEN OMAR	KELVIN DESMOND MALAYAPILLAY	DR GRACE LEE HWEE LING *(Appointed on 25 March 2022)*
	12	2	5	1	3	4
Climate Governance Malaysia: Boards' legal obligation based upon the Commonwealth Climate and Law Initiative (CCLI)	✓	✓	✓	✓	✓	✓
BNM-FIDE FORUM: MyFintech Week Masterclasses - Market Risk Management – Banking sector	✓					
BNM-FIDE FORUM Dialogue: Licensing Framework for Digital Insurers and Takaful Operators	✓					
BNM-FIDE FORUM Dialogue: Climate Risk Management and Scenario Analysis	✓					
BNP Paribas - Internal briefing: ALMT and GM business	✓					
BNP Paribas - Internal training: AML/CFT training for Board of Directors	✓					
BNP Paribas - Sustainability and International Trade for Export-Oriented Companies	✓					
MetaFinance: The Next Frontier of the Global Economy	✓					
BNP Paribas - Internal briefing: ESG	✓					
BNP Paribas - PIDM Industry Forum 2022	✓					
BNP Paribas - Board Effectiveness Evaluation - Post-launch Workshop	✓					
BNP Paribas - Sustainable Future Forum 2022	✓					
BNM-FIDE Forum: MyFintech Week Masterclasses			✓			
BNM-FIDE Forum: Board Governance			✓			
Wong Beh & Toh: Merger Control			✓			
Climate Governance: Talk with Chair of CGI (BURSA)			✓			
Insurtech Insights Europe 2022					✓	
BDO NED cyber security					✓	
KPMG: Overview of the Malaysian Code on Corporate Governance (updated 2021)		✓				
Bursa Malaysia: Mandatory Accreditation Programme (MAP)						✓
FIDE: Core Program Module A & B (Insurance)						✓
TPG: Anti Bribery & Corruption Training						✓

PROFILES OF THE EXECUTIVE COMMITTEE

DIVERSITY







Notes:

Other Directorship
None of the Senior Management has any other directorships in public companies and listed issuers.

Family Relationships
None of the Senior Management has any family relationship with any other Director and/or major shareholder of Tune Protect Group.

Conflict of Interest
None of the Senior Management has any conflict of interest with Tune Protect Group.

Conviction for Offences
None of the Senior Management has been convicted for any public sanction during the financial year ended 31 December 2022 or penalty imposed by the relevant regulatory bodies and offences within the past 5 years other than traffic offences, if any.

Rohit Chandrasekharan Nambiar

Group Chief Executive Officer

42	Male	Indian

Rohit Chandrasekharan Nambiar ("Rohit") joined the Company on 14 October 2020. In his role as the Group Chief Executive Officer, Rohit is responsible for steering Tune Protect on its journey of digital transformation aimed at positioning the Group as the lifestyle insurer that everyone loves within ASEAN and the Middle East. Rohit is also a Director of Tune Protect Malaysia and Tune Protect EMEIA, and a member of the LTIP Committee.

His focus is to strengthen the company's reach in the retail consumer space - driving innovation in product ideas and digital solutions, enhancing customer experience by focusing on ease and convenience, and growing the affinity, B2C and B2B2C distribution platforms leveraging big data and technology. All with the aim of making insurance easy and appealing for our preferred customer segments.

Rohit began his career as an Analyst with AXA in India. He has experience working across various departments and has held senior positions in both local and regional capacities within Malaysia, Singapore, Hong Kong, and India. With his track record of success spanning 20 years in the Insurance Industry, Rohit is passionate about fintech, innovation and making insurance simple. He has won numerous awards and accolades in his illustrious career including that of Young Leader of the Year 2019 in the 23rd Asia Insurance Industry Awards 2019. In his free time, Rohit enjoys blogging about everything insurance and a spectrum of other insightful topics such as economics, politics, social issues, and sports.

He is a graduate from the Bharathiar University, India with a Bachelor of Commerce, and a Fellow Member of the Malaysian Insurance Institute (FMII).

PROFILES OF THE EXECUTIVE COMMITTEE

How Kim Lian
Group Chief Financial Officer

49 | **Male** | **Malaysian**

How Kim Lian ("How") joined the Company on 4 May 2020 as the Group Chief Financial Officer with an expanded role to oversee Procurement, Legal and Corporate Secretarial portfolios. As the Group Chief Financial Officer, he is responsible to review and establish key financial strategies in aligning to the Company's Corporate Strategy by evaluating financial operational trends, measurements, and productivity levels, aside to looking at acquisition and expansion prospects, identifying areas for improvement and accumulating capital to fund expansion. How is also a Director of Tune Direct Ltd., White Label Sdn. Bhd., Tune Protect Life and Tune Protect Re, as well as the Chairman of the Investment Committee for Tune Protect Thailand and the Chairman of the Group's Sustainability Committee.

He has over 20 years of senior management experience, including a decade of strategic development and execution planning in Finance Transformation, Programme Management, Enterprise Performance Management, and Investor Relations. Started his career in Arthur Andersen, he transitioned to PricewaterhouseCoopers ("PwC") and most recently as the Group Deputy Chief Financial Officer of AirAsia prior to joining the Company.

How is a Member of the Australian Society of CPAs (ASCPA), Malaysian Institute of Accountants (MIA), the Institute of Internal Auditors (IIA) and a Certified Internal Auditor (CIA).

Prasanta Roy
Group Chief Technology Officer

47 | **Male** | **Indian**

Prasanta Roy ("Prasanta") joined the Company on 29 April 2020 and he is currently the Group Chief Technology Officer. He is responsible to conceptualise and implement the digital vision and strategy with the aim of realising a winning business model and creating exceptional customers' experience, while driving organisational growth, performance, and profitability for all lines of businesses across the Group.

He has over 22 years of experience in leveraging technology to drive organisational growth and expanding business impact in the era of digitisation, holding various leadership roles in Information Technology ("IT") Strategy & Architecture and IT Transformation spanning across companies in Malaysia, Africa, India, North and Latin America. Prior to joining the Company, Prasanta was attached to Axiata as the Vice President & Group Head IT Strategy and Architecture. His expansive experience included stints in Ericsson, Vodafone, Idea Cellular and Ushacommunications Technologies.

Prasanta is a graduate of the Manipal University, India with a Master's in Business Administration in Information Technology.

PROFILES OF THE EXECUTIVE COMMITTEE

Janet Chin
Chief Partnership Officer

50 | **Female** | **Malaysian**

Janet Chin ("Janet") joined the Company on 1 March 2021. In her role as the Chief Partnership Officer, Janet is responsible to drive the growth of regional partnerships across the Group with a focus on lifestyle and digital. This includes identifying new partnership opportunities, managing key business accounts, brand, communications & digital marketing, ecommerce, and corporate good initiatives.

She has over 25 years of experience in various local and multinational financial services institutions that include Standard Chartered Bank, Kenanga Unit Trust Berhad, Great Eastern Life, and AXA AFFIN Life. Janet's portfolio spans across key roles in branch banking, wealth management, group insurance, bancassurance, partnerships, telemarketing, and digital business. Prior to joining the Company, Janet held the role as the Chief Partnership Officer of AXA AFFIN Life.

Janet is a graduate of Bachelor of Business from the University of Southern Queensland and a Master's in Business Administration from the Charles Sturt University, Australia. She also holds various professional certifications in insurance, capital markets, credit, and unit trusts from local and international institutions.

Yap Hsu Yi
Chief - People and Culture

48 | **Female** | **Malaysian**

Yap Hsu Yi ("Hsu Yi") joined the Company on 4 May 2016 and she is currently Chief – People and Culture where she is responsible for defining and leading the people strategy to create a distinctive culture that separates the Group from industry peers, while delivering high impact solutions for people and organisation. She is also a member of the LTIP Committee.

An experienced Human Resource ("HR") professional, Hsu Yi has over 20 years of experience collectively in consulting and operations, both in a local and regional capacity. Having started out specialising in corporate and personal tax, she advanced to various HR engagements in the areas of talent acquisition, compensation & benefits, performance management, change management, employee engagement, culture, and talent management. For her, HR is about People behind the Business and she is passionate about helping people thrive.

Prior to joining the Company, she has worked in various industries, including companies such as Arthur Andersen, PwC, Mercer Consulting, Telenor and PepsiCo.

Graduated from the Monash University, Australia with a bachelor's degree in Commerce majoring in Accounting and Finance, she has won awards for outstanding achievements in human resources.

PROFILES OF THE EXECUTIVE COMMITTEE

Mohd Yusof Hafiz Mohamad
Chief Risk & Compliance Officer

36 | **Male** | **Malaysian**

Mohd Yusof Hafiz Mohamad ("Yusof") joined the Company on 1 March 2019 and is currently the Chief Risk & Compliance Officer with a direct oversight of the Group's and its Overseas Ventures' control functions comprising Risk Management, Compliance, and Internal Audit. Yusof is responsible to set a solid governance foundation across the Group, managing it cohesively with a focus on consumer experience. He is also a Director of Tune Direct Ltd., and Tune Protect Thailand.

Yusof spent six years with the Insurance & Takaful Supervision team of BNM working on various projects and review works including the implementation of Risk Based Capital and risk assessment of Investment activities. He is also exposed to compliance, data science consultancy, and capital and credit risk management roles. Prior to joining the Company, he was a Consultant for Tune Protect Malaysia from September 2018.

He is a graduate in Bachelor of Science in Actuarial Science (Hons.) from the London School of Economics, UK.

Jubin Mehta
Chief Executive Officer, Tune Protect Malaysia

43 | **Male** | **Indian**

Jubin Mehta ("Jubin") joined the Group on 5 May 2022 as the Chief Executive Officer of Tune Protect Malaysia, the general insurance arm of the Group. In this role, Jubin brings with him a broad and extensive technical and leadership experience in the Financial Services and Technology space to transform Tune Protect Malaysia into a progressive organisation moving forward. He also leads the Small, Medium Enterprise ("SME") solution developments across the Group.

Jubin has more than 19 years of experience under his belt, most of which was in the banking industry particularly in India, Vietnam, and Malaysia. His experience prior to joining the Group has been in the Financial Technology field notably bootstrapping an innovative data analytics company and Consulting with Axiata Digital and Courts Mammoth for projects in the digital lending space for about five years.

Jubin has worked with Standard Chartered Bank and HDFC Bank in the past. He has extensive banking experience in Ecosystem banking, Supply Chain Financing, Cross-border Trade, SME banking and Digital Lending.

Jubin holds a Bachelor of Commerce from Delhi University and a Master's in Business Administration (Marketing major) from Management Development Institute of India.

PROFILES OF THE EXECUTIVE COMMITTEE

Normah Baharom
Chief Executive Officer, Tune Protect Re

59 | **Female** | **Malaysian**

Normah Baharom ("Normah") joined the Group on 25 March 2020 and is currently the Chief Executive Officer of Tune Protect Re. She is responsible for the overall business and operations of the general reinsurance arm of the Group, involving the development of strategies and plans, product development, and working alongside key stakeholders including insurance partners globally, to drive the sales and revenue across retail health, travel, and lifestyle businesses. Normah also leads the Lifestyle solution developments across the Group.

With more than 25 years of experience in the insurance industry, Normah had served in local and international markets in multinational insurance companies such as Oman Insurance Company, American International Group Malaysia and AIG Regional Office in Dubai. Normah's portfolio spans across key roles in Distribution, Underwriting, Operations, Business Transformation, Audit, Risk Management, Portfolio Management and Analysis. She has worked in Malaysia, the UAE and the USA.

She holds a Master of Business Administration and a Master of Finance, both from Saint Louis University, Missouri USA.

Koot Chiew Ling
Principal Officer, Tune Protect Ventures

49 | **Female** | **Malaysian**

Koot Chiew Ling ("Chiew Ling") joined the Company on 10 February 2014, and she is currently the Principal Officer of Tune Protect Ventures (also known as Tune Protect Life), a wholly owned subsidiary of the Company and an approved participant of the BNM Financial Technology Regulatory sandbox. In this start-up, she leads a young team in addressing the life and medical insurance gaps and needs of the unserved and underserved community starting with SMEs, through innovative and tech-enabled products and services. Chiew Ling is also responsible in promoting the Tune Protect Life brand and its growth story. She is also a Director of Tune Protect Ventures.

With more than 20 years of experience in business development, product development, project management, corporate planning, investor relations, and communications, she had served in local and regional capacities in major financial services institutions such as CIMB, Etiqa and AIG.

Chiew Ling is a graduate of Curtin University of Technology, Australia with a bachelor's degree in Commerce, is a certified ScrumMaster and certified Integrated Reporting Practitioner by the International Integrated Reporting Council.

PROFILES OF THE EXECUTIVE COMMITTEE

Ben Assanasen
Chief Executive Officer, Tune Protect Thailand

50 | **Male** | **Thai**

Ben Assanasen ("Ben") joined Tune Insurance Public Co Ltd. ("Tune Protect Thailand" or "TPT") in April 2020 as its Chief Executive Officer. Ben's key focus is to drive growth in the retail business across existing as well as new affinity and digital-led distribution channels, taking TPT to the next level. In his role in the Thai general insurance company, Ben drives process and operational improvement/automation aimed at increasing efficiency and enhancing the customer experience. Ben also leads the Health solutions development across the Group.

Ben brings with him a wealth of experience that spans over two decades - encompassing general management as well as hands-on operational roles covering a broad range of functions. He has an impressive track record in managing businesses in Southeast Asia and has a deep knowledge of the Thai market.

Ben holds a Bachelor of Science degree majoring in Operational Research & Industrial Engineering and a Master's in Engineering and Business Administration, both from the Cornell University in New York.

Arijit Munshi
Chief Executive Officer, Tune Protect EMEIA

50 | **Male** | **Indian**

Arijit Munshi ("Ori") joined Tune Protect Commercial Brokerage LLC ("TP EMEIA"), Dubai, the UAE on 1 May 2014. In his role as the Chief Executive Officer, Ori is responsible in identifying new areas of growth, revenue opportunities and customer acquisition within the Europe, Middle East, India & Africa region focusing on providing digital Travel solutions to the Travel and Aviation industry.

Ori and his team manage relationships in providing digital solution with regards to ancillary products across the EMEIA region. With his vast experience within travel, digital and hospitality sector, Ori is also responsible for leading the Travel segment as well as ancillary services related to travel across the Group.

He has over 25 years' experience within the various pillars of the travel and aviation industry which include Air Travel, Travel Management, Travel Technology and Hospitality.

He holds a Bachelor's degree in Commerce from the University of Mumbai and has an MBA specialising in ecommerce.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors ("the Board") of Tune Protect Group Berhad ("Tune Protect Group" or "the Company") is committed to continuous improvement in the implementation of the principles and best practices of Corporate Governance ("CG"), as provided in the Malaysian Code on Corporate Governance ("MCCG 2021"), the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as the Corporate Governance policy document ("CG Policy") and other relevant policy documents of Bank Negara Malaysia ("BNM").

The Company and its subsidiaries (collectively referred to as "the Group") apply high standards of ethics, integrity and corporate governance in all its dealings. The Board had considered all the principles and best practices as set out in the MCCG 2021, Bursa Malaysia Securities Berhad's Corporate Governance Guide and BNM's CG Policy throughout the financial year ended 31 December 2022.

The Board presents this statement to provide an overview of the CG practices of the Company under the leadership of the Board during the financial year ended 31 December 2022. This statement is prepared in compliance with the MMLR of Bursa Securities and takes guidance from the key CG principles as set out in the MCCG 2021. It is to be read together with the CG Report 2022 ("CG Report") of the Company, which is available on the Company's corporate website at **tuneprotect.com**.

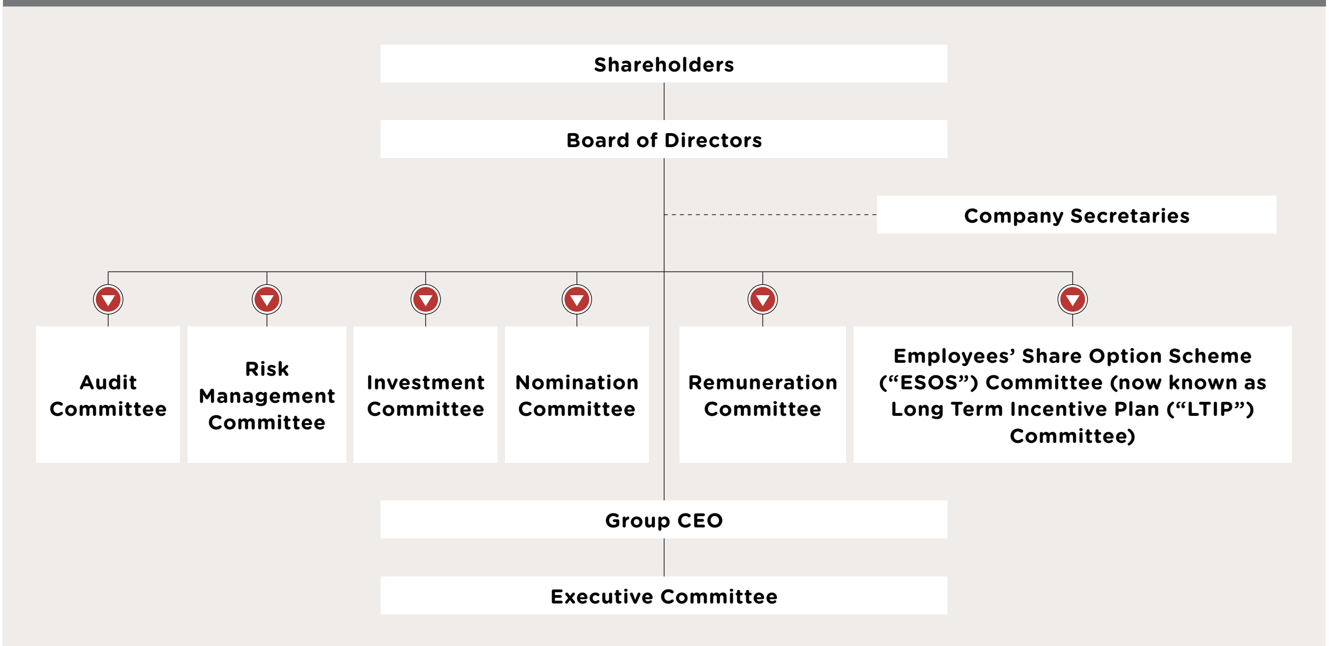
Section A of the CG Report provides the details on how the Company has applied each practice during the financial year ended 31 December 2022 as set out in the MCCG 2021 and Section B provides details on the adoption of CG practices as guided by BNM's CG Policy.

A BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has in place a Corporate Governance Framework as depicted below where certain authorities are delegated to the relevant Board Committees and the Group Chief Executive Officer ("Group CEO") to ensure that there is an orderly and effective discharge of the Board's functions and responsibilities in day-to-day management and operations.

Corporate Governance Framework



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Roles and Responsibilities

The Board is accountable to the shareholders for achieving the Company's strategic objectives, delivering strong and sustainable performance, and ensuring that the business operates within its risk limits. The Board retains full and effective control over the Company's affairs and is the principal decision-making forum in providing stewardship and entrepreneurial leadership through its Board Committees.

The Board has set the authority limit granted to the Group CEO and management team for the day-to-day management and operations of the business.

The Board has reserved matters which relate to:

- The Company's strategy, corporate objectives and plans;
- The Company's capital structure;
- Operating and capital budgets;
- Significant changes to accounting policies and practices;
- Financial results and reporting;
- Dividend policy and proposals for dividend payments;
- New ventures;
- Major acquisitions, disposals of undertaking and properties and other transactions outside delegated limits;
- The Group' s overall risk appetite;
- Review of the Group's overall corporate governance arrangements;
- Maintenance and review of the systems of risk management and internal control;
- Changes to the structure, size and composition of the Board, including new appointments;
- Succession plans for the Board and senior management;
- Changes to the Management and control structure within the Company and its subsidiaries, including key policies, delegated authority limits; and
- Annual review of its own performance and that of its Board Committees.

The Chairman and Group CEO positions are held by different individuals. Further details of the roles and responsibilities of the Chairman and Board are set out in the Board Charter.

Board Charter

The Board Charter was last reviewed, revised and approved on 25 August 2022 and is available on the corporate website at **tuneprotect.com**.

Joint Company Secretaries

Ms Khoo Ming Siang and Ms Loh Saw Kim were appointed as Joint Secretaries of the Company on 18 August 2022. Ms Khoo Ming Siang and Ms Loh Saw Kim are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. The Joint Company Secretaries provide advice and guidance to the Board on issues relating to compliances with listing requirements, relevant rules, regulations and laws, policies and procedures in relation to corporate secretarial, as well as applications of good CG and best practices. All Directors have unrestricted access to the advice and services of the Joint Company Secretaries. During the year, all meetings of the Board and Board Committees were properly convened, and proper records of proceedings and resolutions passed were taken and maintained in the records of the Company.

II. BOARD COMPOSITION

Board Balance and Independence

The Company's diverse Board composition leverages on the differences in skills, industry experience, background, gender and other attributes in its stewardship. The Board members have a wide range of experiences relevant to the Company, namely, in insurance, banking, accounting, law, economics, investment, technology and international business operations, to bear on the governance, strategies, resources and performance of the Company.

At the commencement of the financial year from 1 January 2022 until 24 March 2022, the Board comprised six (6) Directors, four (4) of whom were Independent Non-Executive Directors. On 25 March 2022, the Board appointed an additional one (1) Independent Non-Executive Director. Subsequently, on 4 October 2022, the Non-Independent Non-Executive Director [whose 9-year term of office as Independent Non-Executive Director expired on 4 October 2021 and was re-designated as Non-Independent Non-Executive Director from 5 October 2021 for one (1) year] retired from the Group. Since then, the Board comprised five (5) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Board composition complies with Paragraph 15.02(1) of the MMLR which requires at least two (2) or one third (1/3) of the Board of the Company, whichever is the higher, to be Independent Directors.

The members of the Board and their attendance at Board meetings in respect of the financial year ended 31 December 2022 were as follows:

NAME	DESIGNATION	DIRECTORSHIP	ATTENDANCE[3]
Dato' Mohamed Khadar bin Merican	Chairman	Independent Non-Executive Director	9/9
Ng Soon Lai @ Ng Siek Chuan[1]	Member	Non-Independent Non-Executive Director	6/6
Tan Ming-Li	Member	Independent Non-Executive Director	9/9
Mohamed Rashdi bin Mohamed Ghazalli	Member	Senior Independent Non-Executive Director	9/9
Aireen Omar	Member	Non-Independent Non-Executive Director	9/9
Kelvin Desmond Malayapillay	Member	Independent Non-Executive Director	9/9
Dr Grace Lee Hwee Ling[2]	Member	Independent Non-Executive Director	8/8

Notes:

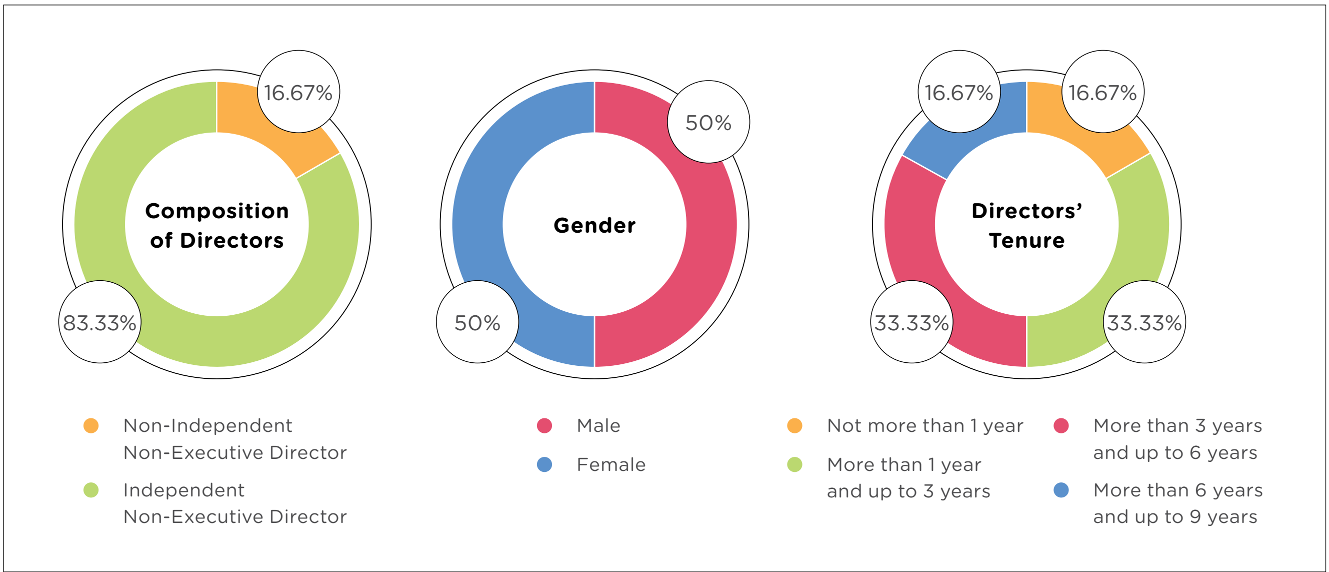
[1] *Retired on 4 October 2022*

[2] *Appointed on 25 March 2022*

[3] *Number of meetings attended/Number of meetings held during his/her tenure for the financial year ended 31 December 2022*

Board Diversity

Board diversity at the end of the financial year under review were as follows:



During the financial year ended 31 December 2022, none of the Independent Directors had served on the Board for more than nine (9) years.

The profiles of the Directors are set out on pages 90 to 96 of this Annual Report.

Meetings of the Board and Board Committees

The Directors' attendance at Board and Board Committee meetings are set out in the respective sections of the Board and Board Committees on pages 105, 106, 108, 109, 114 and 117 of this Annual Report.

Meeting notices, agendas and papers are circulated to the Board with sufficient time for members to prepare for Board and Board Committee meetings. All Board and Board Committee meetings held during the year were conducted in an open atmosphere which allowed constructive challenge and debate, and all Directors were able to exert their independent judgement to bear on issues discussed. The Directors and Management continue to be in frequent contact between meetings.

The Board has unrestricted access to independent and expert advice at the Company's expense in performing its duties.

The Board may invite the Group CEO, the Group Chief Financial Officer ("Group CFO"), any other personnel of the Company and any other external professionals to attend Board meetings.

Professional Development

The Company recognises that continuous education is essential for the Directors to discharge their duties and responsibilities. There is a provision for training allowance provided to the Board to encourage their participation in training programmes.

The programmes and seminars attended by the Directors during the year are set out on page 96 of this Annual Report and Section B of the CG Report.

Conflict of Interest

Board members have declared their directorships in companies other than in the Company and such directorships are within the limit of five (5) directorships in public listed companies. Directors have also declared their respective shareholdings in the Group and their interests in any contract with the Group. Directors abstain from any discussions and decision-making in transactions or arrangements in which the Directors have an interest in.

Board Committees

The Board has delegated its authority to the Audit Committee, Risk Management Committee, Nomination Committee, Remuneration Committee, Investment Committee and LTIP Committee. Save for the Investment and LTIP Committees, the Board Committees are chaired by Independent Directors and comprised Independent Directors and Non-Independent Directors.

(a) Nomination Committee

The Board through its Nomination Committee conducts an annual review of its size and composition, to determine if the Board has the right size, sufficient diversity and independence elements that fit the Company's objectives and strategic goals. The Board also had in place a Group Corporate Governance Policy, which sets out the Board's aim to achieve at least 30% of women directors on the Board. The Board comprised 50% women directors for the financial year under review. This policy is available on the Company's corporate website at **tuneprotect.com**.

Since the commencement of the financial year under review until 3 October 2022, the Nomination Committee comprised three (3) Directors, two (2) of whom are Independent Non-Executive Directors. On 4 October 2022, the Non-Independent Non-Executive Director retired from the Group and one (1) Independent Non-Executive Director was appointed. Since then until the end of the financial year under review, the Nomination Committee comprised three (3) Directors, all of whom are Independent Non-Executive Directors. The meeting attendance of the Nomination Committee during the financial year under review is as follows:

NAME	DESIGNATION	DIRECTORSHIP	ATTENDANCE[3]
Tan Ming-Li	Chairperson	Independent Non-Executive Director	4/4
Ng Soon Lai @ Ng Siek Chuan[1]	Member	Non-Independent Non-Executive Director	3/3
Mohamed Rashdi bin Mohamed Ghazalli	Member	Senior Independent Non-Executive Director	4/4
Kelvin Desmond Malayapillay[2]	Member	Independent Non-Executive Director	1/1

Notes:

[1] *Retired on 4 October 2022*

[2] *Appointed on 4 October 2022*

[3] *Number of meetings attended/Number of meetings held during his/her tenure for the financial year ended 31 December 2022*

Key matters deliberated during the four (4) Nomination Committee meetings held in the financial year ended 31 December 2022 were as follows:

- Reviewed and considered the appointment and re-appointment of Directors, including the re-designation of an Independent Non-Executive Director as a Non-Independent Non-Executive Director in the Company.
- Reviewed and recommended the proposed composition of the LTIP Committee.
- Reviewed and discussed the compositions of the Board and Board Committees for companies within the Group.
- Reviewed and discussed the re-elections of Directors at the then forthcoming Annual General Meeting ("AGM").
- Conducted performance evaluation of the Board and Board Committees, including self-evaluation and review of the independence of Independent Directors.
- Reviewed and approved the list of Key Responsible Persons for 2022.
- Reviewed and recommended the proposed outsourcing of the named Company Secretary for the Group.
- Reviewed and recommended the proposed revisions to the Terms of Reference of the Nomination Committee.
- Reviewed and recommended the proposed appointment of an additional member to the Strategic Advisory Committee of Tune Protect Ventures Sdn. Bhd., a wholly-owned subsidiary of the Company.
- Reviewed and discussed the Directors' Training for the financial year ended 31 December 2021.

The Nomination Committee annually assesses the independence of Independent Directors, the effectiveness of the Board as a whole, its various Committees and each Director individually in the discharge of their duties and responsibilities.

The Board Effectiveness Evaluation ("BEE") for the financial year under review was supported by completing the following forms:

- Board Performance Evaluation Form
- Board Committees' Performance Evaluation Form
- Individual Director's Self and Peer Evaluation Form
- Independence Self Declaration Checklist
- Fit and Proper & Other Declarations

In the evaluation of the Audit Committee, the term of office and performance of the Audit Committee and each of its members were reviewed by the Nomination Committee to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference and there was no major issue identified.

The Nomination Committee, facilitated by the Company Secretaries, performed the BEE exercise. The Nomination Committee analysed the report and submitted its findings to the Board.

The BEE exercise covered the following scope:

Subject Matter	Key Scope
1 **Assessment on Board**	1 Overall Board Effectiveness Board Culture Board Composition Board Administration and Process
2 **Assessment on Board Chairman**	2 The effectiveness of Chairman's roles
3 **Assessment on Individual Board member**	3 Contribution to interaction, quality of input and understanding of roles.

Overall, the result of the BEE was positive, indicating that the Board, Board Committees and individual Directors were effective in discharging their roles.

Terms of Reference

The Terms of Reference of the Nomination Committee was last reviewed, revised and approved on 25 August 2022 and is available on the corporate website at **tuneprotect.com**.

(b) Remuneration Committee

Since the commencement of the financial year under review until 3 October 2022, the Remuneration Committee comprised three (3) Directors, two (2) of whom are Independent Non-Executive Directors. On 4 October 2022, the Non-Independent Non-Executive Director retired from the Group and one (1) Independent Non-Executive Director was appointed. Since then until the end of the financial year under review, the Remuneration Committee comprised three (3) Directors, all of whom are Independent Non-Executive Directors. The meeting attendance of the Remuneration Committee during the financial year under review is as follows:

NAME	DESIGNATION	DIRECTORSHIP	ATTENDANCE[3]
Tan Ming-Li	Chairperson	Independent Non-Executive Director	4/4
Ng Soon Lai @ Ng Siek Chuan[1]	Member	Non-Independent Non-Executive Director	2/2
Mohamed Rashdi bin Mohamed Ghazalli	Member	Senior Independent Non-Executive Director	4/4
Kelvin Desmond Malayapillay[2]	Member	Independent Non-Executive Director	2/2

Notes:
1 *Retired on 4 October 2022*
2 *Appointed on 4 October 2022*
3 *Number of meetings attended/Number of meetings held during his/her tenure for the financial year ended 31 December 2022*

Key matters deliberated during the four (4) Remuneration Committee meetings, of which one (1) was an adjourned meeting, held in the financial year ended 31 December 2022 were as below:

- Reviewed the proposed 2021 performance bonus and the proposed 2022 annual increment for employees and Key Responsible Persons.
- Reviewed the Group CEO's Key Performance Indicators ("KPIs") for 2022.
- Reviewed and discussed the Directors' Fees and Benefits from the conclusion of the AGM held on 27 June 2022 until the conclusion of the next AGM of the Company to be held in 2023.
- Reviewed and recommended the proposed revisions to Parental Leave benefits.
- Reviewed and recommended the proposal for LTIP scheme.
- Reviewed and recommended the 2022 Corporate Scorecard.
- Reviewed and recommended the proposed remuneration for Independent Directors on the Board of joint venture/ associate company.
- Reviewed and recommended the proposed revisions to the Directors' Remuneration Policy.
- Reviewed and recommended the proposed termination of the existing ESOS and the proposed implementation of the new LTIP.
- Reviewed and recommended the proposed compensation pay review for the Chief Technology Officer.

Terms of Reference

The Terms of Reference of the Remuneration Committee was last reviewed, revised and approved on 20 November 2020 and is available on the corporate website at **tuneprotect.com**.

(c) Investment Committee

The Investment Committee was established to assist the Board in discharging its duties and responsibilities in the management of investments, including drawing up policies and procedures for monitoring, assets allocation, dealing, recording and reporting. The members of the Investment Committee consist of the following:

NAME	DESIGNATION	DIRECTORSHIP	ATTENDANCE[3]
Aireen Omar	Chairperson	Non-Independent Non-Executive Director	4/4
Mohamed Rashdi bin Mohamed Ghazalli	Member	Senior Independent Non-Executive Director	4/4
Ng Soon Lai @ Ng Siek Chuan[1]	Member	Non-Independent Non-Executive Director	3/3
Dato' Mohamed Khadar bin Merican[2]	Member	Independent Non-Executive Director	1/1

Notes:
[1] *Retired on 4 October 2022*
[2] *Appointed on 4 October 2022*
[3] *Number of meetings attended/Number of meetings held during his/her tenure for the financial year ended 31 December 2022*

Terms of Reference

The Terms of Reference of the Investment Committee was last reviewed, revised and approved on 25 February 2021 and is available on the corporate website at **tuneprotect.com**.

(d) LTIP Committee

The LTIP Committee was established to administer the LTIP of the Group in accordance with the objectives and regulations thereof, and to determine the participation eligibility, option offers, share allocations and any other related matters. The members of LTIP Committee during the financial year ended 31 December 2022 consist of the following:

NAME	DESIGNATION	DIRECTORSHIP/TITLE
Aireen Omar[1]	Chairperson	Non-Independent Non-Executive Director
Rohit Chandrasekharan Nambiar[1]	Member	Group CEO
Yap Hsu Yi[1]	Member	Chief – People & Culture

Notes:
[1] *Appointed on 30 September 2022*

Further details of the LTIP can be found on page 125 under Additional Compliance Information.

III. REMUNERATION

EMPLOYEE REMUNERATION PRACTICES

At Tune Protect Group, our remuneration policy is structured to create a competitive framework that will enable us to attract, reward, motivate and retain talent with the right mix of experience, skills and competencies to deliver our long-term goals.

Key Principles

Our Remuneration Policy is set by the following principles:

- Simple and transparent: our remuneration practices are simple and straightforward, with the intention to drive understanding and ownership among our talent.
- Market competitiveness: when setting remuneration practices, the Company considers external factors (such as market dynamics, regulatory environment, competition) and internal factors (such as organisational design and cost structure).
- Performance and growth: the Company's emphasis on a high-performance culture is executed via a strong link between performance and rewards. This is implemented in a manner to balance top line growth with quality earnings and cash flow management in order for us to deliver sustainable results for our stakeholders.

Our remuneration policy/principles are applied across all levels of the organisation, and covers all functions including internal control functions.

Components of Remuneration

Component	Purpose and application
Fixed Pay	
Base Salary	• Our base salary is set to attract and retain key talent by providing competitive pay that is externally benchmarked against relevant peers and with internal equity maintained. • In setting base salary, differences in individual performance and achievements, skillsets, job scope as well as competency level are considered. • Salaries are reviewed and adjusted once a year and adjustments are made taking into consideration performance (merit increment), market/internal equity (equity increment) and upgrade into a bigger role (promotion increment). • The Company sets the company-wide salary increment pool taking into consideration market movement and projected performance for the upcoming financial year. • Increments implemented in the year 2022 were based on individual performance. Non-performing employees received minimal or no increment. • There is no guaranteed or contractual increase in base salary except for the increments mandated by the following Collective Agreements ("CAs") for the Clerical and Executive population in our subsidiary, Tune Insurance Malaysia Berhad: - Association of Insurance Employers and National Union of Commercial Workers - Tune Insurance Malaysia Berhad and Persatuan Pegawai-Pegawai Pentadbiran Industri Insuran Semenanjung Malaysia

Component	Purpose and application
Fixed Pay (cont'd.)	
Fixed Bonus	• Other than employees falling under the scope of the CAs, no other employees received fixed or guaranteed bonuses.
Fixed Allowances	• Role-based fixed cash allowances which are paid monthly to certain segments of our employee pool, dependant on employees' role. • Quantum of the allowances are reviewed and set in accordance with external market benchmarking and Company's priorities.
Variable Pay	
Performance Bonus	• Performance bonus is a discretionary payment to employees to reward and recognise them for achievement of the Company's and individual goals. • Performance bonus is paid once a year, subsequent to the annual performance review. • The performance bonus pool is determined by the Board based on various factors including the Company's financial performance and market pull factors. • Performance bonus quantums are determined based on the Company's financial performance and individual employee's performance. Employees are measured on both their personal goals as well as corporate goals on financial and non-financial targets. • KPIs are set based on a cascading method. The Board sets KPIs for the Group CEO, who cascades the goals to the senior management team. The management team would set departmental-wide goals to support the overall goals of the Company. Each goal carries a weight that is commensurate with the key focus area of that department or particular role. • Personal individual goals comprise i) Business goals (sales, profitability, efficiency, productivity) and ii) Behaviour goals (self and/or team development). Scoring of goals are weighted depending on the goal. Weighted scores fall into a structured performance matrix ranging from Outstanding Performance to Unsatisfactory Performance. • In addition to personal goals, performance bonus payout is subject to corporate-wide targets such as: - financial targets on revenue and profitability. - customer & partnership net promoter score. - sustainability targets focusing on employees (gender diversity, leadership pipeline), community (corporate social responsibility initiatives), environment, etc. • The Company exercises discretion to not award non-performers any performance bonuses. Also, in the case of breaches or non-compliance of internal and external regulation/rules, the Company also has the discretion to remove or reduce the bonus entitlement for employees. Performance and remuneration of control functions are measured and assessed independently from the business units they support to avoid any conflict of interest. • All individual performance scores are calibrated organisation-wide. This is to allow for a consistent and objective evaluation of performance across the various departments functions as well as to ensure that the appropriate payouts are awarded in a fair manner. Final performance scores are signed off by employees and Line Managers. Performance summary of the organisation will be presented to the Board to support them in their discussion, deliberation and approval of the performance bonus pool.

Alignment between Risk and Rewards

Our Total Compensation, a mixture of fixed/variable cash compensation and benefits is designed to align with the long-term performance goals and objectives of the organisation. The compensation framework provides a balanced approach between fixed and variable components that change according to individual performance, business/corporate function performance, group performance outcome as well as individual's level and accountability.

The Company practises strong governance on performance and remuneration of control functions which are measured and assessed independently from the business units, with no commercial targets.

The Company participates and performs in annual market compensation reviews to benchmark against the market rate and internally to ensure we set our compensation levels appropriately.

Performance Management principles ensure goals continue to focus on outcomes delivered that are aligned to our business plans. Being a responsible organisation, we continue to review and adjust our goal setting to shape the organisational culture and actively drive risk and compliance agendas effectively, with inputs from control functions and Board Committees.

The Company has a Clawback Clause where compensation (including bonuses) can be adjusted, reduced, withdrawn or clawed-back in the case of serious misconduct including serious legal, regulatory or internal policy breaches.

Internal audits are carried out regularly on all departments on a rotating basis, to assess instances of non-compliance with risk and compliance procedures as well as expected behaviours. Non-compliance cases are reported and investigated, where required. Depending on the severity, the audit findings would impact the employee's performance ratings which would have a direct impact on their remuneration.

The Company reviews the remuneration policy, principles and overall framework once every two years. As a responsible organisation, it is essential that local legislation and practices are observed. Should any clause of any policy conflict with the legislation, the latter will take precedence.

Performance and remuneration for Senior Key Officers and Other Material Risk Takers are reviewed on an annual basis and submitted to the Remuneration Committee for recommendation to the Board for approval.

DIRECTORS' REMUNERATION

In remunerating its Directors, the Company is guided by the following principles:

- Salaries payable to Executive Directors shall not include a commission on or percentage of turnover;
- Fees payable to Non-Executive Directors shall be by a fixed sum, not by commission on or percentage of profits or turnover;
- Bonuses to Executive Directors shall not be guaranteed, except in the context of sign-on bonuses;
- Share options, if granted to Directors, shall not vest immediately. The vesting period of share options shall reflect the time horizon of risks and take account of the potential for financial risks to crystallise over a longer period of time;
- The maxim "pay for performance" is adopted in remunerating Executive Directors to promote the long-term success of the Company. Performance is measured based on a holistic balanced scorecard approach comprising both financial and non-financial KPIs.
- The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any Committee of Directors or general or other meetings of the Company or in connection with the business of the Company.
- The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:
  - render any special or extra services to the Company; or
  - go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

  Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

For the purposes of this section, the term "Executive Directors" refers to directors who work on the day-to-day operations of the Company.

The Board's remuneration package currently comprises fees, meeting allowances and hospitalisation benefits. Annual fixed fees are paid either quarterly or monthly and meeting allowances are paid in the subsequent month when each meeting is held for the Board and Board Committees. The level of remuneration reflects the experience and level of responsibilities undertaken by the Directors concerned. The Board's remuneration aligns with market practice.

Total Directors' Remuneration for 2022

The total Directors' remuneration received from the Company and the Group during the financial year ended 31 December 2022 are as follows:

	Remuneration received from the Company			Remuneration received from the Group		
	Directors' Fee RM'000	Meeting Allowance RM'000	Total RM'000	Directors' Fee RM'000	Meeting Allowance RM'000	Total RM'000
Executive Director						
NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non-Executive Directors						
Dato' Mohamed Khadar bin Merican	124	27	151	135	30	165
Ng Soon Lai @ Ng Siek Chuan[1]	126	55	181	181	60	241
Tan Ming-Li	149	63	212	262	107	369
Mohamed Rashdi bin Mohamed Ghazalli	179	73	252	348	125	473
Aireen Omar	114	32	146	114	32	146
Kelvin Desmond Malayapillay	151	50	201	151	50	201
Dr Grace Lee Hwee Ling[2]	143	30	173	143	30	173
Total	**986**	**330**	**1,316**	**1,334**	**434**	**1,768**

Notes:

[1] *Retired on 4 October 2022*

[2] *Appointed on 25 March 2022*

The total remuneration of the Group CEO for the financial year ended 31 December 2022 is disclosed in Note 25(c) to the Audited Financial Statements and Section B of the CG Report.

The total remuneration of Senior Management for the financial year ended 31 December 2022 is disclosed in Section B of the CG Report.

B EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit and Risk Committee of Tune Protect Group was established on 5 October 2012 and it was split into two separate committees namely, the Audit Committee and the Risk Management Committee on 16 March 2017. The Audit Committee assists the Board in overseeing the audit and corporate governance functions of the Group while the Risk Management Committee assists the Board in overseeing the risk management and compliance functions of the Group, independent from the Management.

I. AUDIT COMMITTEE

The Audit Committee comprised three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director from 1 January 2022 to 24 March 2022. On 25 March 2022, an Independent Non-Executive Director was appointed and she has chaired the Audit Committee since 1 January 2023. The Board through its Audit Committee evaluates and continuously improves the effectiveness of the internal audit function, financial and operational control, and governance processes of the Group.

The Terms of Reference of the Audit Committee sets out the roles and responsibilities of the Audit Committee, which included, inter-alia, the review of the external and internal audit reports and audit plans, the effectiveness of the control measures of the Company, the review of related party transactions of the Group, as well as the adequacy of resources of the internal audit function. In addition, the Audit Committee is also tasked to assess the suitability and independence of the external auditors. During the Audit Committee meeting held on 22 March 2023, the Audit Committee had referred to the Annual Transparency Report 2021 issued by the external audit firm to assess the performance and suitability of the external auditors. The Audit Committee was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board for shareholders' approval at the forthcoming AGM.

The composition of the Audit Committee, their meeting attendance records and the summary of work performed by the Audit Committee during the financial year ended 31 December 2022 are available in the Audit Committee Report on pages 117 to 119.

II. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprised three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director from 1 January 2022 to 24 March 2022. On 25 March 2022, an Independent Non-Executive Director was appointed. On 4 October 2022, the Non-Independent Non-Executive Director retired from the Group and one (1) Independent Non-Executive Director was appointed. Since then until the end of the financial year under review, the Risk Management Committee comprised five (5) Directors, all of whom are Independent Non-Executive Directors. The meeting attendance of the Risk Management Committee during the financial year under review is as follows:

NAME	DESIGNATION	DIRECTORSHIP	ATTENDANCE[4]
Kelvin Desmond Malayapillay	Chairman	Independent Non-Executive Director	4/4
Ng Soon Lai @ Ng Siek Chuan[1]	Member	Non-Independent Non-Executive Director	3/3
Tan Ming-Li	Member	Independent Non-Executive Director	4/4
Mohamed Rashdi bin Mohamed Ghazalli	Member	Senior Independent Non-Executive Director	4/4
Dr Grace Lee Hwee Ling[2]	Member	Independent Non-Executive Director	3/3
Dato' Mohamed Khadar bin Merican[3]	Member	Independent Non-Executive Director	1/1

Notes:
1 *Retired on 4 October 2022*
2 *Appointed on 25 March 2022*
3 *Appointed on 4 October 2022*
4 *Number of meetings attended/Number of meetings held during his/her tenure for the financial year ended 31 December 2022*

The Risk Management Committee's meeting calendar and agendas are linked to events in Tune Protect Group's financial calendar. The Group CEO and Chief Risk & Compliance Officer are invited to attend the Risk Management Committee meetings held every quarter.

A summary of work performed during the financial year ended 31 December 2022 in the discharge of the Risk Management Committee's functions was as follows:

1. Annual Report

Reviewed the Statement on Risk Management & Internal Control for recommendation to the Board for approval and inclusion in the 2021 Annual Report.

2. Risk and Compliance

(a) Reviewed the Quarterly Risk Dashboard and the Summary of Risk Register of the Company and its subsidiaries with key risk indicators to identify the top key risks and deliberated on the same and the mitigating action plans.
(b) Reviewed and deliberated on the Risk Appetite Statement of the Company.
(c) Reviewed the Risk Management Policy.
(d) Reviewed the Group Policies and Procedures (P&P) Governance Policy.
(e) Reviewed the Group Sustainability Policy.
(f) Reviewed the Travel & Entertainment Policy.
(g) Reviewed the Group Learning & Development Policy.
(h) Reviewed the Outsourcing Policy.

Further information on the roles and responsibilities of the Risk Management Committee can be found in its Terms of Reference, which is available on the corporate website at **tuneprotect.com**.

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board fulfils its responsibility in the risk governance and oversight functions through its Risk Management Committee, which reviews the effectiveness of the Group's systems of risk management and internal control in managing risks identified, and provides reasonable assurance that risks linked to business goals, strategies and objectives are managed within the risk appetite and risk limits approved by the Board.

Further information about the Risk Management and Internal Control Framework of the Company can be found in the Statement on Risk Management & Internal Control on pages 120 to 124.

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

Communication with stakeholders is important and the Company has in place a Group Investor Relations Policy, which is available on the corporate website at **tuneprotect.com**. The Group CEO and Investor Relations team have the shared responsibility of communicating with the Company's key stakeholders on the Company's strategy and plans in achieving its objectives. Regular dialogues ensure that the Company's strategy is understood, updates on the status of the Company in meeting its objectives is provided, and any issues arising are addressed in a constructive manner.

Reports issued by the analysts about the Group and its Overseas Ventures are circulated to the Directors and the Executive Committee. Shareholders can directly pose questions on their shareholdings to the Share Registrar or the Company Secretary.

Details on Investor Relations activities throughout the year can be found on pages 9 to 13 of this Annual Report.

Annual Report	Tune Protect Corporate Website
The Company's Annual Report communicates the Group and its Overseas Ventures' activities, operations and both the financial as well as non-financial performance to shareholders.	The Company's corporate website (**tuneprotect.com**) publishes information about the Company, including all the announcements made to Bursa Securities, relevant press releases and official releases of important information to the market within a reasonable timeframe.

The approach to stakeholders' engagement can be found on pages 18 to 21 of this Annual Report.

II. CONDUCT OF GENERAL MEETINGS

The AGM and other general meetings of the Company are the primary forum for dialogue with its shareholders. All notices of general meetings and accompanying explanatory materials are published on the corporate website (**tuneprotect.com**), advertised in a nationwide daily newspaper and announced to Bursa Securities. Shareholders may deposit their proxy forms for AGMs and other general meetings of the Company at the registered office of the Company.

The Management of the Company makes themselves available for meetings with key stakeholders at least once per quarter, in person, virtually or via teleconference. Further information can be found in the Investor Relations section of this Annual Report on pages 9 to 13.

The Company's Eleventh AGM was held virtually in 2022. Voting at the AGM was conducted using Remote Participation and Voting (RPV) system. The Company continues to leverage technology to enhance shareholders' engagement and participation in the AGMs and general meetings of the Company.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities in Financial Reporting

The Board is responsible for ensuring the proper maintenance of accounting records and that the financial statements of the Company and the Group are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended. The Board is satisfied that in preparing the Company's financial statements for the financial year ended 31 December 2022, the Company has used appropriate accounting policies and applied them consistently and prudently, as well as made judgements and estimations, which are prudent and reasonable. The Board is of the opinion that the financial statements have been prepared in accordance with all relevant approved accounting standards.

Relationship with the External Auditors

The Board, through the Audit Committee, has maintained an appropriate, formal and transparent relationship with the external auditors. As indicated in the Independent Auditors' Report, Ernst & Young PLT confirmed that they are, and have been, independent throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements and in accordance with their internal policy. Ernst & Young PLT has also confirmed that they have reviewed the non-audit services provided to the Group during the year. The Audit Committee has conducted the independent assessment of the external auditors and has recommended to the Board the re-appointment of Ernst & Young PLT. The Board has in turn, recommended the same to the shareholders of the Company.

The Audit Committee meets with Ernst & Young PLT without the presence of the Management, as and when necessary, and at least once a year. Notwithstanding this, the Audit Committee met with Ernst & Young PLT without the presence of the Management once for the financial year under review. Meetings are held to discuss the Group's audit plans, audit findings, financial statements as well as to seek their professional advice on related matters. From time to time, the external auditors inform and update the Audit Committee on matters that may require their attention.

The Company has engaged and re-appointed Messrs Ernst & Young annually since 2011 (now converted to Ernst & Young PLT). In line with the requirement of the External Auditor policy document issued by BNM and Ernst & Young PLT's internal policy, a different engagement partner will be assigned to the Company every five years. Following the expiry of the 5-year term of office of the previous engagement partner, a new engagement partner has been assigned for the financial year ended 31 December 2021 and onwards.

Going Concern

The Board has reviewed the Group's financial projections for the next twelve months, including regulatory capital surpluses. Based on this review, the Directors are satisfied that the preparation of the financial statements on a going-concern basis is appropriate.

This CG Overview Statement was approved by the Board on 22 March 2023.

AUDIT COMMITTEE REPORT

MEMBERSHIP AND AUTHORITY

The Audit and Risk Committee of Tune Protect Group Berhad ("Tune Protect Group" or "the Company") was established on 5 October 2012 and it was split into two separate committees namely, the Audit Committee and the Risk Management Committee on 16 March 2017. The Audit Committee assists the Board of Directors ("the Board") in overseeing the audit and corporate governance functions of the Group, independent of the Management.

The Audit Committee comprised three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director from 1 January 2022 to 24 March 2022. On 25 March 2022, Dr Grace Lee Hwee Ling, an Independent Non-Executive Director, was appointed as Audit Committee member and on 31 May 2022, Mr Ng Soon Lai @ Ng Siek Chuan, the Non-Independent Non-Executive Director, stepped down from the Audit Committee. Subsequently on 1 January 2023, Dr Grace Lee Hwee Ling was re-designated as Audit Committee Chairperson and En Mohamed Rashdi bin Mohamed Ghazalli, the Senior Independent Non-Executive Director, was re-designated as Audit Committee member. Since then, the Audit Committee comprises four (4) Independent Non-Executive Directors.

The attendance of the members of the Audit Committee in respect of the financial year ended 31 December 2022 is as follows:

NAME	DESIGNATION	DIRECTORSHIP	ATTENDANCE[3]
Mohamed Rashdi bin Mohamed Ghazalli	Chairman	Senior Independent Non-Executive Director	5/5
Ng Soon Lai @ Ng Siek Chuan[1]	Member	Non-Independent Non-Executive Director	3/3
Tan Ming-Li	Member	Independent Non-Executive Director	5/5
Kelvin Desmond Malayapillay	Member	Independent Non-Executive Director	5/5
Dr Grace Lee Hwee Ling[2]	Member	Independent Non-Executive Director	3/3

Notes:

1 *Retired on 31 May 2022*

2 *Appointed on 25 March 2022*

3 *Number of meetings attended/Number of meetings held during his/her tenure for the financial year ended 31 December 2022*

The composition of the Audit Committee fulfills the criteria for membership as prescribed by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Bank Negara Malaysia ("BNM") where:

(a) the Audit Committee must be composed of at least three (3) directors;

(b) all the Audit Committee members are non-executive directors with a majority of independent directors, no alternate director is appointed as a member of the Audit Committee; and

(c) at least one of the Audit Committee member is a member of the Malaysian Institute of Accountants.

The Company's Audit Committee also meets the requirement where the Chairman must be an independent director. The Chairman of the Audit Committee is not the Chairman of the Board. The Audit Committee consists of members with a broad spectrum of skills, professional knowledge and experience with high integrity.

In addition to financial matters, the Audit Committee also provides active oversight on the Internal Audit and Corporate Governance functions and activities, appropriate independence, scope of work and resource requirements. The Internal Audit function collaborates with the Management to support Tune Protect Group towards achieving its objectives by embedding a systematic, disciplined approach to evaluating and continuously improving the effectiveness of the internal audit, financial and operational controls, and governance processes. In this regard, the Internal Audit function reports directly to the Audit Committee to facilitate its oversight responsibilities for the Group and to ensure independence of the internal auditors.

The Audit Committee's meeting calendar and agendas are linked to events in Tune Protect Group's financial calendar. The Group Chief Executive Officer, Group Chief Financial Officer, Group Head of Internal Audit, Chief Risk & Compliance Officer, other Management and external auditors may be invited to attend the Audit Committee meetings whenever required. During the year under review, the total number of meetings held included the meeting between the members of the Audit Committee and representatives of the External Auditors without the presence of the Management.

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee was last reviewed, revised and approved on 25 February 2022 and is available on the corporate website at **tuneprotect.com**.

SUMMARY OF WORK PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

During the year under review, the Audit Committee carried out the following work in the discharge of its functions and duties:

1. FINANCIAL REPORTING

(a) Reviewed the financial statements and reports pertaining thereto and made recommendations to the Board for approval of the same as follows:

DATE OF AC MEETING	REVIEW OF FINANCIAL STATEMENTS
22 February 2022	Fourth quarter and year-to-date financial results for the financial year ended 31 December 2021.
24 March 2022	Audited Financial Statements and reports thereon for the financial year ended 31 December 2021.
18 May 2022	First quarter and year-to-date financial results for the financial period ended 31 March 2022.
23 August 2022	Second quarter and year-to-date financial results for the financial period ended 30 June 2022.
22 November 2022	Third quarter and year-to-date financial results for the financial period ended 30 September 2022.

The above reviews were focused particularly on changes in or implementation of major accounting policies and practices, significant adjustment arising from the external audit, if any, significant matters highlighted including financial reporting issues, significant judgements made by the Management, significant and unusual events, the going concern assumption, compliance with the relevant accounting standards and other legal requirements, to ensure that the financial statements present a true and fair view of the Company's financial performance.

(b) Reviewed and discussed with the Management on the Group financial performance and Malaysian Financial Reporting Standards (MFRS) 17 implementation status, which included subsidiaries, joint-venture and associate companies.

(c) Reviewed and deliberated with the external auditors, Ernst & Young PLT, the audited financial statements for the financial year prior to submission to the Board for their consideration and approval, with particular attention to any changes in accounting policies, key audit matters, significant and unusual events and compliance with applicable accounting standards approved by the Malaysian Accounting Standards Board ("MASB") and other regulatory requirements.

2. ANNUAL REPORT

Reviewed and recommended to the Board for approval of the Statement on Risk Management & Internal Control, Corporate Governance Overview Statement, Audit Committee Report and Additional Compliance Information for inclusion in the Annual Report, and Corporate Governance Report 2021.

3. EXTERNAL AUDITORS

(a) Reviewed and deliberated reports issued by the external auditors, Ernst & Young PLT, on the significant findings and remedial actions to be taken by the Management; and assessed their independence. The external auditors are required to report to the Audit Committee as necessary on all matters that might affect their independence.

(b) Reviewed the suitability, expertise and performance of the external auditors and made recommendation to the Board on their re-appointment and remuneration.

(c) Discussed with the external auditors on the approach, process and scope of the audit before commencement of the audit.

(d) Reviewed the appointment of the external auditors for any non-audit services to assess their independence.

(e) Conducted private session with the external auditors without the presence of the Management to discuss and address any issues of concern.

4. INTERNAL AUDIT

(a) Reviewed the Internal Audit activities in addition to the review of internal audit reports covering the following areas:

(i) Corporate Governance;
(ii) Sustainability Reporting;
(iii) Recurring Related Party Transactions ("RRPT");
(iv) Anti-Money Laundering and Counter Financing of Terrorism;

(v) External service agreement (outsourcing);
(vi) Business Continuity Management and Disaster Recovery Plan;
(vii) Anti-Bribery and Corruption System (ABCS); and
(viii) Various audit reviews on Tune Insurance Malaysia Berhad, including Motor Underwriting, Policy Processing, Investment, Compliance, Perbadanan Insurans Deposit Malaysia (PIDM) Validation, Product Transparency & Disclosure, Agency Operating Cost Control, Motor Claims, Counter Financing of Terrorism, Business Continuity Management and Disaster Recovery Plan, intra-company cross charges, and several branches.

The above audits covered reviews that focused on management, compliance, internal controls of head office and branch operations.

(b) Reviewed implementation of audit recommendations to ensure that key risks and controls have been timely and completely addressed.

(c) Reviewed the scope and competency of the internal audit function, including the quality of the internal audit findings and recommendations to improve internal controls and operational efficiencies.

5. RELATED PARTY TRANSACTIONS

(a) Reviewed Related Party Transactions (RPT) and RRPT of the Company and its subsidiaries for the financial year to ensure that the transactions are in the best interest of the Company; fair, reasonable and on normal commercial terms; and not detrimental to the interest of the minority shareholders;

(b) Reviewed and recommended to the Board for approval, the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for RRPT of a revenue or trading nature; and

(c) Reviewed the adequacy of controls and procedures to ensure compliance with the approved shareholders' mandate in respect of the RRPT of a revenue or trading nature as tabled at the last Annual General Meeting of the Company.

6. OTHER ACTIVITIES

(a) Noted the relevant technical pronouncements and accounting standards issued by the MASB, the MMLR of Bursa Securities, and other regulations governing the Company and its subsidiaries.

(b) Reviewed the introduction or changes to the systems, policies and guidelines in the Company's operations.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Internal Audit function reports directly to the Audit Committee of Tune Protect Group as well as to the Audit Committee of Tune Insurance Malaysia Berhad, the major subsidiary of Tune Protect Group which is under the supervision of BNM. The Internal Audit function proactively assists the Audit Committee in discharging its duties and responsibilities. Tune Protect Group's Internal Audit function ensures continued independence of the audit function and provides assurance on the adequacy and effectiveness of the risk management, internal control and governance processes, in addition to providing value added audit services within the Group.

The Group Internal Audit's scope of work includes the review and evaluation of the adequacy and effectiveness of the internal control system to anticipate any potential risks, performance of root-cause analyses on audit findings and recommendations for improvements, where required. The Group Internal Audit function also assesses:

- Ethical and regulatory compliance;
- Accounting and finance;
- Information, communications and technology asset management;
- Business continuity;
- Special projects; and
- Internal controls, risk management and compliance of the Group.

During the business audit planning cycle, high impact risk areas were assessed and incorporated into the Internal Audit Annual Plan. Risk profiling was carried out to examine the Group's risks and key governance issues facing Tune Protect Group's business activities. These assessments form the basis for Tune Protect Group's risk-based audit plan and strategy. Internal audit covers amongst others, the review of the adequacy of risk management, operations and financial controls, compliance with established procedures, guidelines, statutory requirements and business processes improvement.

The internal audit reports were discussed with the Management and relevant action plans were agreed and implemented. All internal audit findings were presented to the Audit Committee for review and deliberation.

In addition, the internal auditors also provide necessary assistance and manpower for any special assignments or investigations which the Management may request from time to time, with the approval of the Audit Committee.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") and the Management of Tune Protect Group Berhad ("the Company") place great importance on high standards of corporate conduct and are committed to uphold the values of integrity, honesty and proper corporate governance in the business operations and dealings of the Company and its subsidiaries ("the Group"). The Board believes that maintaining high standards of corporate governance is key to the continuous delivery of stakeholders' value.

This Statement on Risk Management & Internal Control was prepared in accordance with the "Statement on Risk Management & Internal Control – Guidelines for Directors of Public Listed Issuers" issued by Bursa Malaysia Securities Berhad. It outlines the processes that have been implemented to ensure adequacy and integrity of the system of risk management and internal control of the Group during the financial year ended 31 December 2022.

RESPONSIBILITIES

The Board

The Board acknowledges its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. Due to the inherent limitations arising from internal or external events, the Board recognises that the intention of such systems is not to eliminate all risks but to ensure the balance between growth, returns and risks.

In view of the above, the Board, through its Audit and Risk Management Committees, continues to review the established governance structure for ensuring adequate and effective oversight of risk and controls within the Group during a formal and regular schedule of meetings prefixed on an annual basis. The Board receives reports on regulatory developments, risk management, compliance and internal audit activities, and monitors Management's effort to correct deficiencies identified.

Management

The Management is responsible for recommending and implementing Board-approved internal controls established in written policies and procedures. New initiatives, strategies, financial performance, goal achievements, risks and other operational issues are discussed at the various Management-level Committees, including the Group Executive Committee and Management Governance Committee meetings. Where deficiencies are identified, Management directs effort into identifying root causes and correcting situations that give rise to such deficiencies. Material issues would also be escalated to the Board for their notation and deliberation at the Risk Management Committee meetings.

The Management has provided assurance that the Group's risk management and internal control system are operating adequately and effectively and that necessary processes have been implemented.

Day-to-day risk management functions and responsibilities reside in the business and functional support units as the first line of defence. The Risk Management and Compliance functions serve as the second line of defence, which is a central support infrastructure that deals with more pervasive, entity-wide risks, whilst the Internal Audit Function, the third line of defence, provides independent assurance on the effectiveness of the risk management approach. This structure aims to place accountability and ownership as close as possible to where the risks arise while facilitating an appropriate level of independence and segregation of duties between the business, Risk Management, Compliance and Internal Audit functions. The Risk Management and Compliance functions report directly to the Risk Management Committee whilst the Internal Audit function reports directly to the Audit Committee.

RISK MANAGEMENT

The Group's risk management framework is designed to ensure that risks which could undermine the Group's strategies, business goals, objectives, reputation and long-term viability are identified in a timely manner, assessed and monitored within the risk appetite and risk tolerance limits approved by the Board. This is supported by a Group-wide risk management organisation structure that delineates the function of risk taking, risk oversight and policy making. The risk reporting lines, authorities, roles and responsibilities are clearly specified in the Risk Management Policy.

Risk Management Framework

Risk management is an important driver for strategic decisions in support of business objectives while balancing the appropriate level of risk taken to the desired level of rewards. The Group's risk management framework which is documented in the Risk Management Policy details the policies and processes for managing uncertainties in terms of risks and opportunities and building value for the Group's stakeholders. The framework is developed in line with the Bank Negara Malaysia Policy Document on Risk Governance on what should be the building blocks of a risk management framework. This Policy Document can be found at **www.bnm.gov.my**.

The Policy Document on Risk Governance sets out a framework of principles to guide the Board and Management in performing their risk oversight function. Risks are identified using business mapping, the likelihood rating table in the Risk Management Policy and the impact of those risks based on the likelihood rating table. Controls are then put in place and their effectiveness is measured using the Control Effectiveness Rating table. Any residual risks are managed with the implementation of risk mitigation strategies.

The Group has in place on-going processes for the identification, measurement, control, mitigation, monitoring and reporting of major strategic, business and operational risks within the Group, as described below:

Risk Identification	The risk process begins with the business strategies and objectives. Risks arising from these business strategies and objectives are perused and identified. The risks identified are the internal and external risks that pose a threat to the Group.
Measurement	The measurement process involves determining the impact and likelihood of each of the identified risk and the quantification of the risk exposure. It also involves the continual reassessment and identification of emerging risks.
Control & Mitigation	Quantitative and qualitative controls are developed to oversee risk exposure and deploy risk mitigation strategies. The controls and mitigation strategies are reviewed regularly to ascertain their effectiveness against the risk appetite statements and thresholds.
Monitoring	Accurate and timely monitoring mechanisms on the identified risks are established during the monitoring process. This process also involves prompt decision making and mitigation strategies.
Reporting	The risk profiles of the Group are tabled to the Risk Management Committee, which is focused on risk mitigation strategies based on risk ratings and are reviewed on a quarterly basis.

The Group Risk Management Policy was last reviewed in September 2022 with no material changes made.

Risk Appetite Statement

The establishment of the Group's risk appetite is a critical component of a robust risk management framework. Risk appetite determines the amount and type of risk that the Group is willing to take in order to meet the strategic objectives. The risk appetite which is reflective of the strategy and business objectives of the Group, would be driven through a mix of top-down engagement of the Board as well as bottom-up involvement of all levels of management.

The risk appetite provides the basis for establishing risk tolerance thresholds around specific risks, through qualitative and quantitative metrics. Through effective communication, the risks in the Group are appropriately managed and monitored by all business units.

In the Group, the process involved in developing the risk appetite statements is as follows:

a. A review of the risks in the Risk Register involving the various business units.

b. Involvement of key stakeholders, including their expectations in the analysis of top key risks in relation to the strategy and business objectives of the Group.

c. Establish the desired level of risk exposure that forms the basis of the risk appetite statements (with qualitative and quantitative limits).

d. Define the range of acceptable volatility for each type of risks, including the acceptable risk tolerance levels.

e. Reconcile the risk appetite and risk tolerance levels with the current level of risk exposure, and formulate action plan to bring the current risk exposures to be in line with the Group risk appetite if required.

f. The formalised and documented risk appetite statement is communicated to all business units for implementation accordingly.

Compliance Policy

This Board-approved policy outlines the structure and key processes, for identifying and ensuring compliance with applicable laws and regulations, and internal policies and procedures. It serves to promote the importance of regulatory and operational compliance, and the connection to corporate values, as well as to ensure compliance obligations are met by establishing monitoring and reporting mechanisms for instances of non-compliance and tracking remedial actions. Compliance obligations registers are consolidated for review and monitoring by the Board, through the Risk Management Committee.

The Group Compliance Policy was last reviewed in November 2022 with no material changes made.

INTERNAL AUDIT

The Group Internal Audit function is governed by the International Professional Practices Framework ("IPPF") that organises authoritative guidance promulgated by The Institute of Internal Auditors ("IIA"), a global, guidance setting body. The IIA provides internal audit professionals worldwide with authoritative guidance organised in the IPPF.

The Group Internal Audit function provides independent assurance on the adequacy and effectiveness of the systems of risk management and internal controls. High impact risk areas identified are periodically assessed and forms the basis of the risk-based internal audit plan and strategy. Internal Audit activities are approved by and are monitored quarterly by the Board, through the Audit Committee. Remedial actions by Management arising from internal audit findings are tracked by the Audit Committee until resolution. A summary of key activities performed by the Internal Audit function as well as Audit Committee oversight is available in the Audit Committee Report on pages 117 to 119.

The Group has an in-house Internal Audit department which is based in its subsidiary, Tune Insurance Malaysia Berhad. The Group Head of Internal Audit, Mr Suresh Maria Alexander, is a Certified Internal Auditor and a Chartered Fellow Member of IIA Malaysia. There were five (5) full time employees in the Internal Audit function as at 31 December 2022, including the Group Head of Internal Audit.

The Board confirmed that the internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence, and the Internal Audit activities performed are in accordance with a recognised framework. The total costs incurred by the Group Internal Audit function performed in-house for the year ended 31 December 2022 was RM798,020.47.

INTERNAL CONTROL

An effective internal control system provides reasonable assurance that the Group continues to pursue its goals in a manner that is effective and efficient, produces accurate and reliable reporting, and is always in compliance with applicable laws and regulations. All policies are reviewed and approved by the Board. Elements of the Group's internal control system include but not limited to the following:

Organisation Structure

The Board has established clear reporting lines, authorities, roles and responsibilities to support the internal control system. The Management assists the Board in their oversight on the day-to-day operations of the business.

Annual Business Plan and Budget

The annual business plan and budget are tabled to the Board for approval and the Group's performance against the budget is monitored by the Board quarterly.

Code of Conduct

The Code of Conduct governs how we interact with our stakeholders – with integrity and respect for our business partners, shareholders, and employees. The Code of Conduct can be found in the corporate website at **tuneprotect.com**.

Employee Handbook

This handbook is a compilation of the policies, procedures, working conditions and behavioural expectations that guide our employees' actions in the workplace. Established disciplinary procedures and steps for raising grievances are described within.

Anti-Bribery and Corruption Policy

The policy reinforces the Group's zero tolerance and commitment against fraud, bribery and corruption by promoting a culture of integrity within the Group. It sets out the responsibilities for development and operations of internal control and provides assurance that all irregularities or suspected irregularities involving employees, shareholders, consultants, vendors, external agencies and any other parties in a business relationship with the Group will be fully investigated.

Whistleblowing Policy and Procedures

The Whistleblowing Policy and Procedures is applicable to all parties (Directors, employees and third parties). All reports under this policy and procedures are securely logged and confidentially channelled to the Chairman of the Risk Management Committee. This channel of reporting provides assurance that all disclosures will be appropriately investigated objectively and confidentially. The policy and procedures can be found in the corporate website at **tuneprotect.com**.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

Sustainability Policy

The Group has a Sustainability Policy that sets out some guidelines and its commitment to Economic, Environmental and Social (EES) aspects of the business. This Policy applies to directors and employees of the Group. This policy can be found in the corporate website at **tuneprotect.com**.

Refer to Sustainability Statement on pages 40 to 89 in this Annual Report, for further details.

Underwriting and Claims

Underwriting Guidelines and Policy are established to manage and adequately assess risks being underwritten. Claims Policy and Procedures detail the written operational controls surrounding claims handling and settlement processes.

Information Technology ("IT")

The Group had established reliable information security systems and standards to protect data confidentiality, security and integrity which complies to the requirement of BNM's Policy Document on Risk Management in Technology (RMiT). Each subsidiary is responsible for the deployment of IT strategies in line with the overall business objectives, with oversight by the Group Executive Committee. This includes establishing effective IT plans and monitoring the execution of approved IT projects and initiatives.

Operating Policies and Procedures

The Group has established a Policy and Procedures Governance Policy for management of Policies and Procedures across the Group. The policy is applicable to employees who are responsible for the development and management of policy and procedure documents, and was last reviewed in May 2022.

Departmental manuals and written operational controls such as financial authority limits, procurement policy, communication policy, and payment procedures, among others, are established and continuously updated to guide employees in their day-to-day execution of tasks.

OTHER MATTER

The disclosures in this Statement on Risk Management & Internal Control do not include the risk management and internal control practices of the associate and joint venture companies, where the Company does not have majority controlling interest.

ASSURANCE FROM MANAGEMENT

The Board has received written assurance from the Group Chief Executive Officer and Group Chief Financial Officer that to the best of their knowledge, information and belief, the Group's systems of risk management and internal control are operating adequately and effectively, and there is no breach of law/regulation, corruption and fraud, during the year under review. Based on the reports and the risk registers that were presented to the Board in 2022, the Board is satisfied that there is an effective and adequate risk management and internal control system in place, and there were no significant issues reported for the year ended 31 December 2022.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management & Internal Control. Their review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement, intended to be included in the annual report, is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate. The external auditors are not required by AAPG 3 to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk management and control procedures.

This Statement on Risk Management & Internal Control was approved by the Board on 22 March 2023.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"):

1.0 Employees' Share Option Scheme ("ESOS")

The Company had an old ESOS Scheme, which was approved by the shareholders on 2 January 2013 and came into effect on the date of listing of the shares of the Company on 20 February 2013. On 30 September 2022, the ESOS was terminated and was replaced by the Long Term Incentive Plan ("LTIP"). There were no ESOS options exercised and all unexercised ESOS options automatically lapsed on 30 September 2022.

No options were granted under the LTIP as at 31 December 2022

2.0 Audit and Non-Audit Fees Paid to External Auditors

The amount of audit and non-audit fees incurred for services rendered to the Company and the Group by Ernst & Young PLT ("EY"), the external auditors of the Company, and/or a firm or corporation affiliated to EY, during the financial year ended 31 December 2022 were as follows:

For the financial year ended 31 December 2022	The Company (RM'000)	The Group (RM'000)
Audit Fees:		
- Statutory audits	109	1,215
- Regulatory related services	54	121
Non-Audit Fees	16	118

The audit and non-audit fees are also disclosed in Note 25 of the Audited Financial Statements.

3.0 Material Contracts Involving the Interests of the Directors and/or Chief Executive, Who Is Not a Director and/or Major Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors and/or Chief Executive, who is not a Director and/or Major Shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or if not then subsisting, entered into since the end of the previous financial year.

4.0 Utilisation of Proceeds

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2022.

5.0 Recurrent Related Party Transactions of a Revenue or Trading Nature

At the AGM held on 27 June 2022, the Company had obtained a shareholders' mandate to allow the Company and/or its subsidiaries to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature from 27 June 2022 to 22 June 2023.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to Paragraph 10.09(2)(b) of the MMLR and Paragraph 3.1.5 of Practice Note 12 of the MMLR of Bursa Securities, the details of the RRPTs entered into by the Group during the financial year ended 31 December 2022 are as follows:

	Transacting Parties	Nature of RRPTs	Class and Relationship of the Related Parties	Actual Value (RM'000)
1	AirAsia Berhad [Registration No. 199301029930 (284669-W)]	Provision of right to access AirAsia Berhad's customer database for the purposes of overall insurance business of AirAsia Berhad and the provision of management services by the Company to AirAsia Berhad's travel insurance business.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	6
		Provision of travel insurance by Tune Insurance Malaysia Berhad to AirAsia Berhad's customers for flights originating from Malaysia, resulting in underwriting commission received by AirAsia Berhad.		6,489
2	PT Indonesia AirAsia (Company No. 09.03.1.62.29927)	Provision of right to access PT Indonesia AirAsia's customer database for the purposes of overall insurance business of PT Indonesia AirAsia and the provision of management services by the Company to PT Indonesia AirAsia's travel insurance business.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	1
3	Tune Group.com Limited (Company No. 59919) or its assignee Tune Group Sdn. Bhd. [Registration No. 200701040836 (798868-P)]	Provision of the licence and right to the Company and its subsidiaries to use the 'Tune Insurance' trademark by Tune Group.com Limited or its assignee Tune Group.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • Tune Group Sdn. Bhd.	7,441
		Rental and utilities charges payable on a monthly basis for three office units across three floors at Wisma Tune.		1,538
4	SP&G Gallagher Insurance Brokers Sdn. Bhd. [Registration No. 197401002891 (20041-H)]	Provision of insurance broking and consultancy services by SP&G Gallagher Insurance Brokers Sdn. Bhd. to Tune Insurance Malaysia Berhad pursuant to the broking arrangement between SP&G Gallagher Insurance Brokers Sdn. Bhd. and Tune Insurance Malaysia Berhad.	**Interested Major Shareholder** • Datuk Kamarudin bin Meranun	526
		Provision of insurance broking and consultancy services by SP&G Gallagher Insurance Brokers Sdn. Bhd. to Tune Protect Re Ltd. pursuant to the PA and Sickness Travel Facultative Reinsurance arrangement between SP&G Gallagher Insurance Brokers Sdn. Bhd. and Tune Protect Re Ltd.		4

ADDITIONAL COMPLIANCE INFORMATION

	Transacting Parties	Nature of RRPTs	Class and Relationship of the Related Parties	Actual Value (RM'000)
5	Thai AirAsia Co. Ltd. (Company No. 0105546113684)	Provision of right to access Thai AirAsia Co. Ltd.'s customer database for the purposes of overall insurance business of Thai AirAsia Co. Ltd. and the provision of management services by the Company to Thai AirAsia Co. Ltd.'s travel insurance business.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	7
6	BIGLIFE Sdn. Bhd. [Registration No. 201001040731 (924656-U)]	Purchase and redemption of loyalty points, i.e. BIG Points under the Big Rewards Programme operated and managed by BIGLIFE Sdn. Bhd. for Tune Insurance Malaysia Berhad's customers who are BIG members pursuant to the Issuance and Redemption Agreement entered into between Tune Insurance Malaysia Berhad and BIGLIFE Sdn. Bhd.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	16
7	AirAsia Com Travel Sdn. Bhd. (airasia Super App) [Registration No. 201301020508 (1050338-A)]	Provision of multiple insurance products by Tune Insurance Malaysia Berhad to AirAsia Com Travel Sdn. Bhd.'s customers for the Malaysian market, resulting in underwriting commission received by AirAsia Com Travel Sdn. Bhd.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	93
8	AirAsia SEA Sdn. Bhd. [Registration No. 201301015339 (1045172-A)]	Provision of service to refund insurance premium for AirAsia's customers who bought insurance together with flight tickets, pursuant to the Services Agreement entered into between Tune Protect Re Ltd. and AirAsia SEA Sdn. Bhd.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	0
9	Tune Talk Sdn. Bhd. [Registration No. 200601001210 (720957-V)]	Provision of insurance products by Tune Insurance Malaysia Berhad to Tune Talk Sdn. Bhd.'s subscriber base through affinity partnership, resulting in marketing fee received by Tune Talk Sdn. Bhd.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun	0
10	AirAsia X Berhad [Registration No. 200601014410 (734161-K)]	Provision of travel insurance by Tune Insurance Malaysia Berhad to AirAsia X Berhad's customers for flights originating from Malaysia, resulting in underwriting commission received by AirAsia X Berhad.	**Interested Major Shareholders** • Tan Sri Anthony Francis Fernandes • Datuk Kamarudin bin Meranun • AirAsia Digital Sdn. Bhd.	0

INTERNAL POLICIES

Polices are established to administer standard day-to-day operations and to manage the expected risks of Tune Protect. The Group's policies are formulated to incorporate current regulatory requirements as well as industry best practices.

The established policies have been endorsed by the Risk Management Committee and approved by our Board for implementation across the Group, where relevant. Approved policies are cascaded to the relevant stakeholders in a timely manner.

Our policies are reviewed periodically to keep abreast with the perpetual development of the industry profile on regulatory requirements, risks and internal control measures for mitigation and on new products and services. Some of the key policies of the Group are listed below:

No	Title	Description
1	Group Communication Policy	This policy establishes guidelines for communications by the Company. It covers the release of information about the Company to the public, media, customers, authorities, investors, financial community and other stakeholders. The policy also clarifies the obligations employees have regarding their personal use of Digital Media where this is related to their work for Tune Protect.
2	Group Investor Relations Policy	This policy sets out the manner which the Investor Relations programme will be executed, and the internal procedures related to its activities. The programme sets out to fairly and accurately represent the Company's operations, strategy and financial performance to enable its shareholders and the investment community to make informed investment decisions.
3	Group Sustainability Policy	The Group Sustainability Policy sets out some guidelines and our commitments to Economic, Environmental & Social (EES) aspects of the business, which are aligned with Bursa Malaysia's Sustainability Reporting Guide.
4	Group Credit Control Policy	This document provides a clear guidance on the guided principles of effective receivables management.
5	Group Dividend Policy	This document provides clear guidelines on proposing, determining, application, approval and payment of dividend to shareholders, to ensure consistency and transparency of the entire dividend declaration and payment process.
6	Group Limit of Authority	This document provides clear guidelines for the approval and authorisation of financial transactions during the ordinary course of business of the Company.
7	Group Investment Policy	This document sets out to provide a framework for the management of the Company's investment assets and also set the objectives, goals and guidelines to guide the investment of the Company's assets to ensure funds are available to meet the liabilities of the businesses as they become due and payable by establishing acceptable levels of return, risks and liquidity.
8	Group Corporate Governance Policy	This policy aims to ensure that the Company is managed in a sound and prudent manner and effectively in accordance with the direction of the Board.
9	Group Fit & Proper Policy	The policy aims to ensure that the members of the Board and Senior Management possess the necessary qualities, competencies and experience to perform their duties and responsibilities in the most effective manner.
10	Group Related Party Transactions Policy	The policy aims to provide the framework for evaluating potential conflicts of interest, independence factors and disclosure obligations arising out of transactions, arrangements and relationships between the Company and its related persons.

INTERNAL POLICIES

No	Title	Description
11	Code of Conduct	This document sets out to provide guidance to the Company on the three tenets of respect that are upheld by the Company and its employees. This document encompasses diversity and inclusion, anti-harassment, anti-bribery, anti-violence, health & safety and so on.
12	Group Anti-Bribery and Corruption Policy	This policy outlines the Company's commitment and framework against fraud, bribery and corruption. It also sets out to promote a culture of integrity within the company by providing clear guidelines to Employees and Business partners, forbidding them from getting involved in any fraudulent activity as well as actions that they need to take if they become aware such activity.
13	Group Whistleblowing Policy	This policy helps to encourage employees and third parties to report perceived unethical or illegal conduct of employees, management and other stakeholders across the Company in a confidential manner without any fear of harassment, intimidation or reprisal from anyone for raising concern(s) under this policy. It also helps promote and develop a culture of openness, accountability and integrity.
14	Internal Audit Charter Policy	This policy outlines the role of the Group Internal Audit's function in the governance and control aspects of the company. This includes the role, professionalism, authority, organisational independence, objectivity and responsibility of the audit function, and requirements related to annual audit plans, reporting, monitoring and quality assurance.
15	Group Business Continuity Management ("BCM") Policy	The purpose of this BCM Policy is to ensure that services that are critical to the Company's objectives continue despite the occurrence of a potentially disruptive event. It sets out to guide the Company to stabilise the effects of such events and return to normal operations with full recovery as soon as possible, and within acceptable timelines.
16	Group Risk Management Policy	The policy sets out to provide a systematic approach to the early identification and management of risks. It also provides consistent risk assessment criteria and makes available accurate and concise risk information that informs decision making which may include business direction. This policy also helps in the adoption of risk treatment strategies that are cost effective and efficient in reducing risk to an acceptable level.
17	Operations & Reinsurance Policy (Tune Protect Re Ltd.)	This document provides guidance on managing new or existing business partners, user acceptance testing, premium and claims reporting, billing & payments and customer experience.
18	Group Employee Handbook	This document is a compilation of the policies, procedures, working conditions, and behavioural expectations that will guide our employees' actions in our workplace.
19	Group Sexual Harassment Policy	The purpose of this policy is to provide a safe environment for all its employees free from discrimination on any ground and from harassment at work including sexual harassment.
20	Group Internal Control Policy	This document details the minimum standards of Internal controls expected to be in operation at group level. It is the responsibility of the management teams to ensure that these standards are in place. Sound internal control is best achieved by a process that is firmly embedded within a business's day-to-day operations and forms part of its culture.
21	Group Compliance Policy	This policy sets out the governance structure, key processes, responsibilities and obligations to identify and ensure compliance with applicable laws and regulations, internal policies and procedures; and promotes the safety and soundness of the Company as a financial institution by minimising financial, reputational and operational risks arising from legal and regulatory non-compliance. The policy also underlines the importance of the connection to corporate values, as well as establishing monitoring and reporting mechanisms for instances of non-compliance and tracking remedial actions. This policy also formalises the establishment of Compliance as an independent function and defines the fundamental principles, scope, roles, responsibilities, authority and ethical standards of the Compliance Department.

INTERNAL POLICIES

No	Title	Description
22	Group Personal Data, Customer Confidentiality and Information Asset Risk Management Policy	This policy aims to protect the Personal Data and Confidential Information that may be collected by our General Insurance business' operations and business activities; and to facilitate effective management of information assets and its associated risk across the organisation guided by the information handling rules in accordance to the information lifecycle.
23	Claims Policy	This policy sets out the minimum standards for claims handling practices.
24	Underwriting Policy	The documents provide guideline to the classes of Motor and Non-Motor insurance businesses that the Company underwrites.
25	Product Development Policy	This policy specifies the policies and procedures for the product development processes. It also outlines the roles and responsibilities of the Product Steering Committee (PSC) who oversees and sets the product strategy to ensure it aligns with overall business goals and strategic directions.
26	Pricing Policy for Motor and Fire Products	This policy sets out the policies and procedures for pricing and re-pricing exercises of the General Insurance businesses' Motor and Fire products.
27	Re-pricing Policy on Medical and Health Insurance Product	This policy sets out the general business rules and practice on rates review, including management responsibilities and other considerations when determining the appropriate premium rates for medical and health insurance products.
28	Group IT Security Policy	This policy establishes standard of practice that complies with internal, statutory and regulatory requirements in managing technology operation and cyber risks.
29	Technology Risk Management Policy	This policy sets out the guidance for carrying out each of the steps in the technology risk assessment process and the key areas of technology risk. This is to ensure an effective assessment and analysis for enterprise-wide risk are achieved.
30	Cyber Resilience Policy	This policy outlines the principles for Cyber Resilience and to manage potential cybersecurity incidents that includes several key components such as Identify, Protect, Detect, Respond and Recover which emphasises on identifying and describing the current security posture, developing improvement action plans for the gaps identified and ensuring business continuity.
31	Group Senior Management Remuneration Policy	This document sets out the remuneration principles and guidelines for Senior Management and other employees of Tune Protect Group Berhad and its subsidiaries.
32	Reinsurance Policy	This policy outlines the policy and procedures that enable the Company to manage and administer its reinsurance arrangement.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

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

Principal activities

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

Results

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

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

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

Dividends

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

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

Directors

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

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

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

Directors' benefits

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

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

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

Directors' interests

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

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

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

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

Employees' share option scheme ("ESOS")

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

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

Yap Hsu Yi
Aireen Omar
Rohit Chandrasekharan Nambiar

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

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

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

Other statutory information

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

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts; and

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

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

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

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

Other statutory information (cont'd.)

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

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

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

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

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

(f) In the opinion of the directors:

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

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

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

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

Significant and subsequent events

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

Auditors and auditors' remuneration

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

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

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

Dato' Mohamed Khadar Bin Merican

Mohamed Rashdi Bin Mohamed Ghazalli

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

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

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

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

Dato' Mohamed Khadar Bin Merican

Mohamed Rashdi Bin Mohamed Ghazalli

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

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

I, How Kim Lian (MIA Membership No. CA 16335), being the officer primarily responsible for the financial management of Tune Protect Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 144 to 280 are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

How Kim Lian

Before me,

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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the financial statements

Opinion

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

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

Insurance contract liabilities of the Group

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

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

Key audit matters (cont'd.)

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

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

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

Our audit procedures were focused on the following key areas:

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

INDEPENDENT AUDITORS' REPORT

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

Key audit matters (cont'd.)

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

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

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

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

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

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

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kannan A/L Rajagopal
No. 03490/03/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 March 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

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

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

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

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

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

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

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

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1. Corporate information

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

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

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

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

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position, only when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense will not be offset in the statements of comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group and of the Company.

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

2. Significant accounting policies (cont'd.)

2.2 Basis of consolidation

(a) Basis of consolidation

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

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

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

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

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

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

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

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

2. Significant accounting policies (cont'd.)

2.2 Basis of consolidation (cont'd.)

(b) Business combinations and goodwill

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

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

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

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2. Significant accounting policies (cont'd.)

2.3 Summary of significant accounting policies

(a) Investments in associates and joint ventures

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

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

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(b) Property and equipment

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

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

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

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

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

(c) Leases

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

The Group and the Company as lessee

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

2. Significant accounting policies (cont'd.)

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

(c) Leases (cont'd.)

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

(i) Right-of-use assets

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

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

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

(ii) Lease liabilities

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(c) Leases (cont'd.)

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

(iv) COVID-19 related rent concessions

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

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

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

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

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

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

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

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

The Group as lessor

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

2. Significant accounting policies (cont'd.)

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

(d) Intangible assets

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

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

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(d) Intangible assets (cont'd.)

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

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

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

(e) Investments in subsidiaries

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

(f) Impairment of non-financial assets

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

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

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

(g) Investments and financial assets

Initial recognition and measurement

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

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

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

Debt instruments measured at amortised cost

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

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

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

The details of these conditions are outlined below.

(i) Business model assessment

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

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

2. Significant accounting policies (cont'd.)

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

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

Initial recognition and measurement (cont'd.)

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

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

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

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

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

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

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

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

(ii) SPPI test

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

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

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

2. **Significant accounting policies (cont'd.)**

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

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

Initial recognition and measurement (cont'd.)

Financial assets measured at FVTPL

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

Subsequent measurement

Debt instruments measured at amortised cost

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

Financial assets measured at FVTPL

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

Derecognition

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(h) Impairment of financial assets

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

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

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

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

(i) PD

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

(ii) EAD

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

(iii) LGD

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

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

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

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

2. Significant accounting policies (cont'd.)

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

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

Write-off

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

(i) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Derecognition

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

(j) Insurance receivables

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

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

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

2. Significant accounting policies (cont'd.)

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

(k) Insurance payables

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

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

(l) Equity instruments

Ordinary share capital

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

Dividends on ordinary share capital

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

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

(m) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

2. Significant accounting policies (cont'd.)

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

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

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(n) Product classification

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

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

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

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

(o) Reinsurance

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(o) Reinsurance (cont'd.)

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

(p) General insurance/reinsurance underwriting results

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

(i) Gross premiums

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

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

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

(ii) Premium liabilities

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

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

(a) Unexpired risk reserves

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

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

2. Significant accounting policies (cont'd.)

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

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

(ii) Premium liabilities (cont'd.)

(b) Unearned premium reserves

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

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

(iii) Claim liabilities

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

(iv) Liability adequacy test

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

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

(v) Acquisition cost

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

(q) Other revenue recognition

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

Rental income

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

Interest income

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

Dividend income

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

2. Significant accounting policies (cont'd.)

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

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

Realised gains and losses on investments

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

Fees and commission income

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

Management fees income

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

Revenue from contracts with customers

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

Revenue from software customisation and professional services

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

(r) Income tax

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

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

2. Significant accounting policies (cont'd.)

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

(r) Income tax (cont'd.)

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

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

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

(s) Provisions

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

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

(t) Employee benefits

Short-term benefits

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

Defined contribution plans

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

2. Significant accounting policies (cont'd.)

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

(t) Employee benefits (cont'd.)

Staff retirement benefits

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

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

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

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

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

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

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

(u) Foreign currencies

(i) Functional and presentation currency

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

2. Significant accounting policies (cont'd.)

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

(u) Foreign currencies (cont'd.)

(ii) Foreign currency transactions

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

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

(v) Cash and cash equivalents

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

(w) Transactions with non-controlling interests

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

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

2.4 Changes in accounting policies

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

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

2. Significant accounting policies (cont'd.)

2.4 Changes in accounting policies (cont'd.)

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

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

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

2.5 Standards issued but not yet effective

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

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

2. Significant accounting policies (cont'd.)

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

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

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17

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

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

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

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

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

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

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

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

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

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

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

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

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

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

2.6 Significant accounting judgements, estimates and assumptions

(a) Critical judgements made in applying accounting policies

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

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

2. Significant accounting policies (cont'd.)

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

(b) Key sources of estimation uncertainty and assumptions

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

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

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

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

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

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

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

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

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

3. Property and equipment

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

3. Property and equipment (cont'd.)

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

4. Intangible assets

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

4. Intangible assets (cont'd.)

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

5. Investments in subsidiaries

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

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

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

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

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

5. Investments in subsidiaries (cont'd.)

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

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

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

Material partly-owned subsidiaries

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

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

5. Investments in subsidiaries (cont'd.)

Material partly-owned subsidiaries (cont'd.)

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

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

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

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

5. Investments in subsidiaries (cont'd.)

Material partly-owned subsidiaries (cont'd.)

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

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

5. Investments in subsidiaries (cont'd.)

Material partly-owned subsidiaries (cont'd.)

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

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

6. Investment in an associate

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

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

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

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

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

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

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

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

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

7. Investment in a joint venture company

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

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

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

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

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

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

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

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

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

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

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

8. Goodwill

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

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

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

8. Goodwill (cont'd.)

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

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

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

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

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

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

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

9. Investments

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

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

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

9. Investments (cont'd.)

(a) Amortised cost

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

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

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

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

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

(b) Financial assets at FVTPL

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

9. Investments (cont'd.)

(c) Average effective interest rates

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

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

10. Reinsurance assets

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

11. Insurance receivables

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

11. Insurance receivables (cont'd.)

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

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

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

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

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

12. Other receivables

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

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

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

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

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

13. Share capital

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

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

14. Insurance contract liabilities

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

14. Insurance contract liabilities (cont'd.)

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

14. Insurance contract liabilities (cont'd.)

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

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

15. Deferred tax (assets)/liabilities

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

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

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

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

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

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

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

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

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

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

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

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

16. Insurance payables

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

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

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

17. Other payables

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

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

18. Leases

(a) The Group and the Company as lessee

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

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

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

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

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

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

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

<u>COVID-19 related rent concession</u>

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

18. Leases (cont'd.)

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

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

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

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

Extension options

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

The following are the amounts recognised in profit or loss:

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

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

18. Leases (cont'd.)

(b) The Company as lessor

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

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

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

19. Operating revenue

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

20. Net earned premiums

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

21. Investment income

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

22. Realised gains and losses

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

23. Other operating income/(expenses)

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

24. Net claims

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

25. Management expenses

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

25. Management expenses (cont'd.)

(a) Employee benefits expense

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

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

(b) Directors' remuneration

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

25. Management expenses (cont'd.)

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

Directors of the Company:

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

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

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

25. Management expenses (cont'd.)

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

Directors of the Company: (cont'd.)

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

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

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

25. Management expenses (cont'd.)

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

Directors of the subsidiaries:

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

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

(c) CEO's remuneration

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

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

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

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

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

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

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

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

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

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

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

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

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

Movements during the year

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

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

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

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

Fair value of share options granted

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

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

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

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

27. Taxation

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

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

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

27. Taxation (cont'd.)

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

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

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

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

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

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

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

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

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

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

29. Dividends

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

30. Capital commitments

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

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

31. Related party disclosures

(a) Significant related party transactions

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

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

31. Related party disclosures (cont'd.)

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

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

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

31. Related party disclosures (cont'd.)

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

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

31. Related party disclosures (cont'd.)

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

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

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

31. Related party disclosures (cont'd.)

(b) Compensation of key management personnel

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

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

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

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

(i) TPR

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

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

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

(1) RM10.0 million; or

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

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

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

(ii) TIMB

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

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

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

33. Risk management framework

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

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

Risk appetite

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

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

33. Risk management framework (cont'd.)

Overview of risk management policies

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

A. Underwriting

i. Risk

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

ii. Policy

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

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

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

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

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

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

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

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

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

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

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

B. Reinsurance

i. Risk

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

ii. Policy

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

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

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

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

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

C. Claims

i. Risk

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

ii. Policy

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

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

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

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

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

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

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

D. Investments

i. Risk

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

ii. Policy

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

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

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

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

(d) Manage disposal of investments to optimise returns;

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

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

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

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

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

E. Credit quality

i. Risk

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

ii. Policy

Policies to limit credit risks include the following:

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

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

(c) Monitor compliance with established credit limits; and

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

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

F. Operations

i. Risk

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

ii. Policy

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

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

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

(c) Closely monitor the external relationships;

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

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

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

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

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

33. Risk management framework (cont'd.)

Overview of risk management policies (cont'd.)

G. Regulatory compliance and corporate governance

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

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

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

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

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

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

H. Regulations of risk management

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

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

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

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

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

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

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

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

34. Insurance risk

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

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

(a) Concentration of risks

(i) General reinsurance

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

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

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

34. Insurance risk (cont'd.)

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

(ii) General insurance

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

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

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

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

34. Insurance risk (cont'd.)

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

(ii) General insurance (cont'd.)

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

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

(b) Sensitivity analysis

Key assumptions

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

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

34. Insurance risk (cont'd.)

(b) Sensitivity analysis (cont'd.)

Key assumptions (cont'd.)

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

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

Sensitivities

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

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claim liabilities, but to demonstrate the impact due to changes in assumptions, assumptions are changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving the sensitivity results had not changed from the previous year.

(i) General reinsurance

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

34. Insurance risk (cont'd.)

(b) Sensitivity analysis (cont'd.)

Sensitivities (cont'd.)

(i) General reinsurance (cont'd.)

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

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

(ii) General insurance

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

34. Insurance risk (cont'd.)

(b) Sensitivity analysis (cont'd.)

Sensitivities (cont'd.)

(i) General insurance (cont'd.)

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

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

(c) Claims development table

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

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

34. Insurance risk (cont'd.)

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

(i) General reinsurance

Gross general reinsurance contract liabilities for 2022:

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

34. Insurance risk (cont'd.)

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

(i) General reinsurance (cont'd.)

Net general reinsurance contract liabilities for 2022:

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

34. Insurance risk (cont'd.)

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

(i) General reinsurance (cont'd.)

Gross general reinsurance contract liabilities for 2021:

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

34. Insurance risk (cont'd.)

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

(i) General reinsurance (cont'd.)

Net general reinsurance contract liabilities for 2021:

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

34. Insurance risk (cont'd.)

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

(ii) General reinsurance

Gross general insurance contract liabilities for 2022:

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

34. Insurance risk (cont'd.)

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

(ii) General reinsurance (cont'd.)

Net general insurance contract liabilities for 2022:

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

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

34. Insurance risk (cont'd.)

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

(ii) General reinsurance (cont'd.)

Gross general insurance contract liabilities for 2021:

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

34. Insurance risk (cont'd.)

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

(ii) General insurance (cont'd.)

Net general insurance contract liabilities for 2021:

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

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

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

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

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

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

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

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

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

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

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

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

36. Financial risks

(a) Credit risk

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

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Amounts arising from ECL

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

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

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

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

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

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

Definition of default

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

<u>Quantitative criteria</u>

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

<u>Qualitative criteria</u>

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The Group has performed historical analyses and identified key economic variables impacting credit risk and expected credit losses for each portfolio.

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

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and the actual outcomes may be significantly different from those projected. The Group considers these forecasts to represent its best estimates of the possible outcomes and has analysed the non-linearities and asymmetries within the Group's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The sensitivity of the ECL to the economic variable assumptions affecting the calculation of ECL was not material to the Group for the years ended 31 December 2022 and 2021.

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

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

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure by credit rating

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

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure by credit rating (cont'd.)

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

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

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

36. Financial risks (cont'd.)

(a) Credit risk (cont'd.)

Credit exposure by credit rating (cont'd.)

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

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

(b) Liquidity risk

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

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles

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

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

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

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

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

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

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

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

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

36. Financial risks (cont'd.)

(b) Liquidity risk (cont'd.)

Maturity profiles (cont'd.)

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

(c) Market risk

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

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

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Price risk

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

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

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

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Interest rate risk

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

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit or loss and impact on equity. The correlation of variables will have a significant effect in determining the ultimate impact on interest rate yield risk but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. During the current financial year, the method used for deriving sensitivity information did not change from the previous period.

Sensitivity analysis:

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

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

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Foreign currency risk

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

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

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

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Foreign currency risk (cont'd.)

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

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

36. Financial risks (cont'd.)

(c) Market risk (cont'd.)

Foreign currency risk (cont'd.)

Sensitivity analysis:

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

(d) Operational risk

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

37. Fair value measurement

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

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

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

37. Fair value measurement (cont'd.)

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

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

37. Fair value measurement (cont'd.)

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

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

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

Determination of fair value and fair value hierarchy

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

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

38. Segmental information

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

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

38. Segmental information (cont'd.)

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

38. Segmental information (cont'd.)

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

38. Segmental information (cont'd.)

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

38. Segmental information (cont'd.)

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

38. Segmental information (cont'd.)

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

38. Segmental information (cont'd.)

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

38. Segmental information (cont'd.)

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

39. Capital management

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

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

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

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

40. Significant and subsequent events

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) No order as to cost.

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

The matter is fixed for mention on 18 May 2023.

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

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

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

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

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

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

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

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

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

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

SHARE CAPITAL

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

DISTRIBUTION OF SHAREHOLDINGS

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

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

The interests of the Directors of Tune Protect Group Berhad ("the Company") in the ordinary shares and options over ordinary shares of the Company and its related corporation based on the Company's Register of Directors' Shareholdings as well as the interests of the Group CEO in the Company are as follows:

		Direct		Deemed		
No.	Name	No. of Ordinary Shares Held in the Company	%	No. of Ordinary Shares Held in the Company	%	No. of Unexercised LTIP Options of the Company
	Directors					
1.	Dato' Mohamed Khadar bin Merican	-	-	-	-	-
2.	Tan Ming-Li	-	-	-	-	-
3.	Mohamed Rashdi bin Mohamed Ghazalli	-	-	-	-	-
4.	Aireen Omar	600,000	0.08	-	-	-
5.	Kelvin Desmond Malayapillay	-	-	-	-	-
6.	Dr Grace Lee Hwee Ling	-	-	-	-	-
	Group CEO					
1.	Rohit Chandrasekharan Nambiar	1,143,000	0.15	-	-	3,758,800

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2023

SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct No. of Ordinary Shares Held	Direct %	Deemed No. of Ordinary Shares Held	Deemed %	Note
1.	AirAsia Digital Sdn. Bhd.	102,609,000	13.65	-	-	-
2.	Tune Group Sdn. Bhd.	118,563,150	15.77	-	-	-
3.	Tan Sri Anthony Francis Fernandes	100,000	0.01	221,172,150	29.42	(i)
4.	Datuk Kamarudin bin Meranun	163,900	0.02	221,172,150	29.42	(i)
5.	CIMB SI II Sdn. Bhd.	70,679,123	9.40	-	-	-
6.	CIMB Group Sdn. Bhd.	-	-	70,679,123	9.40	(ii)
7.	CIMB Group Holdings Berhad	-	-	70,679,123	9.40	(ii)

Notes:

(i) Deemed interested by virtue of his interest in AirAsia Digital Sdn. Bhd. (102,609,000 shares) and Tune Group Sdn. Bhd. (118,563,150 shares) pursuant to Section 8 of the Companies Act 2016.

(ii) Deemed interested by virtue of the shareholder's interest in CIMB SI II Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY LARGEST ORDINARY SHAREHOLDERS OF THE COMPANY

No.	Registered Holders	No. of Ordinary Shares	%
1.	AirAsia Digital Sdn. Bhd.	102,609,000	13.65
2.	RHB Capital Nominees (Tempatan) Sdn. Bhd. RHB Islamic Bank Berhad Pledged Securities Account for Tune Group Sdn. Bhd.	71,008,934	9.45
3.	CIMB SI II Sdn. Bhd.	70,679,123	9.40
4.	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (GCM CBM-SKY X)	44,000,000	5.85
5.	Cartaban Nominees (Asing) Sdn. Bhd. BNYM SA/NV for ES River and Mercantile Global Recovery Fund	15,904,030	2.12
6.	Universal Trustee (Malaysia) Berhad KAF Tactical Fund	10,123,500	1.35
7.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd. for Manulife Investment Progress Fund (4082)	7,958,600	1.06
8.	Maybank Nominees (Tempatan) Sdn. Bhd. Exempt AN for Areca Capital Sdn. Bhd. (Clients' Account)	6,805,000	0.91
9.	Cartaban Nominees (Tempatan) Sdn. Bhd. RHB Trustees Berhad for KAF Vision Fund	6,597,500	0.88
10.	Universal Trustee (Malaysia) Berhad KAF Core Income Fund	6,240,600	0.83
11.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Areca Dividend Income Fund (412723)	5,930,000	0.79
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. Tanjung Panorama Sdn. Bhd.	5,544,100	0.74
13.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for Bank of Singapore Limited (Foreign)	5,075,000	0.68

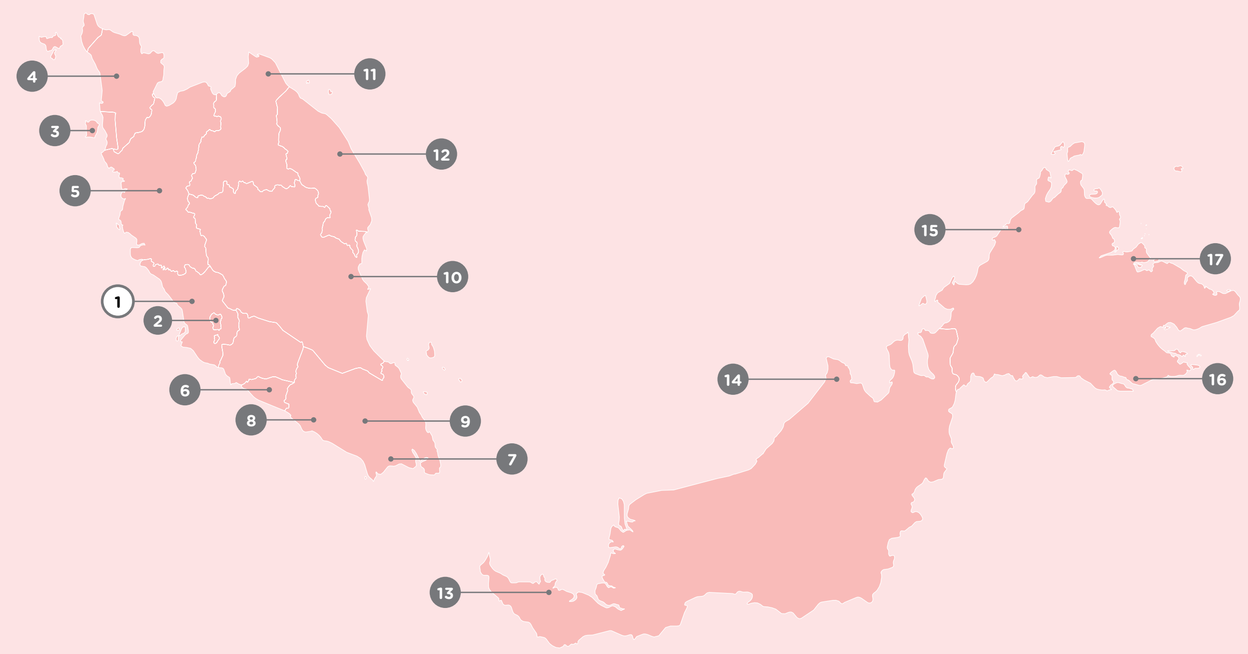
ANALYSIS OF SHAREHOLDINGS
As at 31 March 2023

THIRTY LARGEST ORDINARY SHAREHOLDERS OF THE COMPANY (CONT'D.)

No.	Registered Holders	No. of Ordinary Shares	%
14.	HSBC Nominees (Asing) Sdn. Bhd. Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	3,750,000	0.50
15.	UOBM Nominees (Tempatan) Sdn. Bhd. UOB Asset Management (Malaysia) Berhad for Gibraltar BSN Aggressive Fund	3,708,200	0.49
16.	Maybank Nominees (Tempatan) Sdn. Bhd. Maybank Trustees Berhad for Areca Equity Growth Fund (427458)	3,620,000	0.48
17.	CIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tune Group Sdn. Bhd. (EDG&GCM)	3,480,000	0.46
18.	Zakaria bin Meranun	3,473,900	0.46
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Tiing Uh	3,146,000	0.42
20.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee Chee Chiang (8073610)	3,122,700	0.42
21.	Chai Hooi Teing	3,050,000	0.41
22.	Lim Kok Seong	3,000,000	0.40
23.	KAF Trustee Berhad KIFB for Lagmuir Holdings Ltd.	2,662,300	0.35
24.	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loo Kee Seng	2,623,900	0.35
25.	Cartaban Nominees (Asing) Sdn. Bhd. BNYM SA/NV for River and Mercantile Global Recovery Fund	2,500,000	0.33
26.	Tee Kok Chuan	2,428,300	0.32
27.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teow Chee Keong	2,300,000	0.31
28.	Siaw Wei Tang	2,250,000	0.30
29.	Gan Tuan Boon	2,100,000	0.28
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. Lim Kok Khong (AA0039387)	2,000,000	0.27

LIST OF BRANCHES & OVERSEAS VENTURES

TUNE PROTECT MALAYSIA'S BRANCHES



Customer Service Centre

ADDRESS
Level 8, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

PHONE
Customer Service Hotline
1800 88 5753
Monday – Thursday
9:00AM – 5:00PM (GMT +8)
Friday
9:00AM – 4:30PM (GMT+8)

24/7 Emergency Assistance
1800 22 8863
(Auto Emergency Assist)

+603 7841 5788
(Travel Emergency Assistance)

EMAIL
- **hello.my@tuneprotect.com**
- **enquiry@tuneprotect.com**
  (for AirAsia Travel Protection related enquiries only)

1. **Kuala Lumpur, Malaysia (Head Office)**
   Level 9, Wisma Tune,
   No. 19 Lorong Dungun,
   Damansara Heights,
   50490 Kuala Lumpur,
   Wilayah Persekutuan
   Toll-Free No.: 1800 88 5753
   Phone : +603 2087 9000
   Email : **hello.my@tuneprotect.com**
   Website : **www.tuneprotect.com/my**

2. **Bukit Jalil (Flagship Lifestyle Branch)**
   B-07-02, Pusat Perdagangan
   Bandar Bukit Jalil,
   Persiaran Jalil 7,
   57000 Kuala Lumpur,
   Wilayah Persekutuan
   Phone : +603 5510 3667
   +603 5510 3730
   Mobile : +6018 233 6062

3. **Penang**
   No. 29-G, 29-1 & 29-2,
   Persiaran Bayan Indah,
   Bayan Bay,
   11900 Bayan Lepas, Penang
   Phone : +604 643 0288
   +604 641 2388
   Mobile : +6018 662 8888

4. **Alor Setar**
   No. 216-A, Ground Floor,
   Jalan PSK 6, Off Jalan Simpang Kuala,
   Pekan Simpang Kuala,
   05400 Alor Setar,
   Kedah Darul Aman
   Phone : +604 771 1988
   +604 771 9089
   Mobile : +6019 889 9400

5. **Ipoh**
   Ground & 1st Floor,
   No. 52, Jalan Medan Istana,
   Bandar Ipoh Raya,
   30000 Ipoh,
   Perak Darul Ridzuan
   Phone : +605 254 3305
   +605 254 1239
   Mobile : +6012 521 1197

6. **Melaka**
   No 529 & 530, Ground Floor,
   Taman Melaka Raya,
   75000 Melaka
   Phone : +606 284 2828
   +606 283 3109
   Mobile : +6016 212 5113

LIST OF BRANCHES & OVERSEAS VENTURES

7. **Johor Bahru**
   Unit 22-02 Level 22,
   Menara Zurich,
   15 Jalan Dato Abdullah Tahir,
   80300, Johor Bahru,
   Johor Darul Takzim
   Phone : +607 333 1518
   +607 330 5603
   Mobile : +6016 702 0268

8. **Batu Pahat**
   No. 55A, 1st Floor,
   Jalan Cengal,
   Taman Batu Pahat,
   83000 Batu Pahat,
   Johor Darul Takzim
   Phone : +607 431 3591
   +607 431 3752
   Mobile : +6012 775 9600

9. **Kluang**
   No. 53, 1st & 2nd Floor,
   Jalan Rambutan,
   86000 Kluang,
   Johor Darul Takzim
   Phone : +607 776 5467
   +607 776 5468
   Mobile : +6016 772 0019

10. **Kuantan**
   A109, Ground Floor,
   Sri Dagangan,
   Jalan Tun Ismail,
   25000 Kuantan,
   Pahang Darul Makmur
   Phone : +609 513 1914
   +609 514 5259
   Mobile : +6016 950 3333

11. **Kota Bahru**
   PT 389, Ground & 1st Floor,
   Rumah Kedai Lembah Sireh,
   15050 Kota Bharu,
   Kelantan Darul Naim
   Phone : +609 748 3986
   +609 748 4895
   Mobile : +6013 975 7916

12. **Kuala Terengganu**
   No 888C, Lot 3886, Tingkat 1,
   Jalan Sultan Sulaiman,
   20200 Kuala Terengganu Darul Iman
   Phone : +609 622 9828
   +609 622 4828
   Mobile : +6012 248 3766

13. **Kuching**
   Lot 579, Ground Floor & 1st Floor,
   Section 10, Kuching Town Land
   District,
   Jalan Tun Ahmad Zaidi Adruce,
   93400 Kuching,
   Sarawak
   Phone : +6082 241 266
   +6082 417 343
   Mobile : +6019 887 9967

14. **Miri**
   Lot 788, 1st Floor,
   Jalan Bintang Jaya 4,
   Bintang Jaya Commercial Centre,
   98000 Miri,
   Sarawak
   Phone : +6085 424 243
   +6085 422 344
   Mobile : +6013 564 4500

15. **Kota Kinabalu**
   Lot D-3A-01, Parcel No: D-01,
   Aeropod Commercial Square,
   Jalan Aeropod, Off Jalan Kepayan,
   88200 Kota Kinabalu,
   Sabah
   Phone : +6088 221 116
   +6088 221 117
   Fax : +6088 218 272
   Mobile : +6016 826 9175

16. **Tawau**
   1st Floor, Lot A7,
   Pusat Komersil BDC (1Arena),
   Jalan Chong Thien Vun,
   91000 Tawau,
   Sabah
   Phone : +6089 763 177
   +6089 763 178
   Mobile : +6013 813 1722

17. **Sandakan**
   Ground Floor, Lot 3, Block 7,
   Bandar Indah, Mile 4,
   Jalan Utara,
   90000 Sandakan,
   Sabah
   Phone : +6089 224 770
   +6089 224 780
   Fax : +6089 224 790
   Mobile : +6012 819 8965

OVERSEAS VENTURES

THAILAND
Tune Protect Thailand
(Tune Insurance Public Company Limited)

Address:
3199 Maleenont Tower,
14th Floor Rama IV Road,
Khlong Tan,
Khlong Toei,
Bangkok 10110

Phone : +66(0)2 078 5656
Call Centre : 1183
Fax : +66(0)2 078 5601 3
Email : **customercare@tuneprotect.com**
Website : **www.tuneinsurance.co.th**
Operating Hours : Monday to Friday
8:00AM - 5:00PM (GMT +7)

EUROPE, MIDDLE EAST, INDIA & AFRICA
Tune Protect EMEIA
(Tune Protect Commercial Brokerage LLC)

Address:
Level 8 No. 807,
Blue Bay Tower,
P.O Box 124177
Business Bay, Dubai, UAE

Phone : +971 4360 6872
Fax : +971 4420 3920
Email :
- General Enquiries :
  enquiry.emeia@tuneprotect.com
- Claims Related Enquiries :
  travelassurance@tuneprotect.com

Website : **www.tuneprotect.com/emeia**

Tune Protect Re - Principal Place of Business
(Tune Protect Re Ltd.)

Address:
Suite No. 26, Unit Level 9(E),
Main Office Tower,
Financial Park Labuan,
Jalan Merdeka,
87000 Labuan Federal Territory

GRI CONTENT INDEX

Statement of use	Tune Protect Group Berhad has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1	Organizational details	• Who We Are (page 6) • Corporate Structure (page 7) • Corporate Information (page 8) • List of Branches & Overseas Ventures (page 284)
	2-2	Entities included in the organization's sustainability reporting	• Reporting Framework (pages 2-3) • Corporate Structure (page 7)
	2-3	Reporting period, frequency and contact point	• Reporting Framework (pages 2-3)
	2-4	Restatements of information	*Restatements of information are provided in context where necessary.*
	2-5	External assurance	• Reporting Framework (page 3)
	2-6	Activities, value chain and other business relationships	• Who We Are (page 6) • Corporate Structure (page 7) • Our Business Model (page 16) • Sustainability Statement: Economic Performance (page 55)
	2-7	Employees	• Sustainability Statement: Our Workforce Composition (pages 73-74)
	2-8	Workers who are not employees	• Sustainability Statement: Percentage of employees that are contractors or temporary staff (page 70)
	2-9	Governance structure and composition	• Sustainability Statement: Sustainability Governance (page 42) • Sustainability Statement: TCFD - Governance (pages 59-60) • Profile of Directors (pages 90-96) • Profile of the Executive Committee (page 97-102) • Corporate Governance Overview Statement: Corporate Governance Framework (page 103)
	2-10	Nomination and selection of the highest governance body	• Corporate Governance Overview Statement: Nomination Committee (pages 106-107)
	2-11	Chair of the highest governance body	• Profile of Directors (page 90)
	2-12	Role of the highest governance body in overseeing the management of impacts	• Material Matters (page 17) • Stakeholder Engagement (pages 18-21) • Sustainability Statement: Sustainability Governance (page 42) • Sustainability Statement: TCFD - Governance (pages 59-60) • Corporate Governance Overview Statement: Remuneration Committee (page 108) • Corporate Governance Overview Statement: Directors' Remuneration (pages 112-113)

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021 (CONT'D.)	2-13	Delegation of responsibility for managing impacts	• Sustainability Statement: Sustainability Governance (page 42) • Sustainability Statement: TCFD - Governance (pages 59-60) • Corporate Governance Overview Statement: Corporate Governance Framework (page 103)
	2-14	Role of the highest governance body in sustainability reporting	• Material Matters (page 17) • Sustainability Statement: Sustainability Governance (page 42) • Corporate Governance Overview Statement: Communication with Stakeholders (page 115)
	2-15	Conflicts of interest	• Profile of Directors (pages 90-95) • Profiles of the Executive Committee (pages 97-102) • Corporate Governance Overview Statement: Conflict of Interest (page 106) • Additional Compliance Information: Recurrent Related Party Transactions of a Revenue or Trading Nature (pages 125-127) • Analysis of Shareholdings (pages 281-283)
	2-16	Communication of critical concerns	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45) • Investor Relations: Annual General Meeting and Extraordinary General Meeting (pages 9-10)
	2-17	Collective knowledge of the highest governance body	• Sustainability Statement: ABC Training & Awareness (page 45) • Sustainability Statement: Climate Education and Remuneration (page 60) • Profile of Directors (pages 90-96) • Profiles of the Executive Committee (pages 97-102) • Corporate Governance Overview Statement: Professional Development (page 106)
	2-18	Evaluation of the performance of the highest governance body	• Corporate Governance Overview Statement: Nomination Committee (pages 106-107)
	2-19	Remuneration policies	• Corporate Governance Overview Statement: Remuneration (pages 110-112)
	2-20	Process to determine remuneration	• Corporate Governance Overview Statement: Remuneration Committee (page 108) • Corporate Governance Overview Statement: Remuneration (pages 110-112)
	2-22	Statement on sustainable development strategy	• Sustainability Statement: Sustainability Framework (page 41) • Chairman's Review (pages 26-29) • Group CEO's Message (pages 30-35)
	2-23	Policy commitments	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45) • Corporate Governance Overview Statement (pages 103-116) • Internal Policies (pages 128-130)
	2-24	Embedding policy commitments	• Stakeholder Engagement (pages 18-21) • Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45) • Corporate Governance Overview Statement (pages 103-116)

GRI CONTENT INDEX

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021 (CONT'D.)	2-25	Processes to remediate negative impacts	• Stakeholder Engagement (pages 18-21) • Top Risks & How We Manage Them (pages 22-23) • Statement on Risk Management & Internal Control: Internal Control (pages 120-124)
	2-26	Mechanisms for seeking advice and raising concerns	• Reporting Framework (page 3) • Investor Relations (pages 9-12) • Stakeholder Engagement (pages 18-21) • Sustainability Statement: ZERO TOLERANCE Against Bribery & Corruption (page 44) • Sustainability Statement: Customer Satisfaction (pages 46-50) • Statement on Risk Management & Internal Control: Whistleblowing Policy and Procedures (page 123)
	2-27	Compliance with laws and regulations	*There were no significant instances of non-compliance with laws and regulations that apply to the organisation.*
	2-28	Membership associations	• Reporting Framework (page 3) • Sustainability Statement: Engaging on Climate Change (page 62) • Sustainability Statement: Engaging and Empowering Women Leaders (page 71)
	2-29	Approach to stakeholder engagement	• Stakeholder Engagement (pages 18-21)
	2-30	Collective bargaining agreements	• Corporate Governance Overview Statement: Remuneration (pages 110-112)
GRI 3: Material Topics 2021	3-1	Process to determine material topics	• Material Matters (page 17) • Stakeholder Engagement (pages 18-21)
	3-2	List of material topics	• Material Matters (page 17)
	3-3	Management of material topics	• Our Value Creation Model (pages 24-25) • Sustainability Statement (pages 41-87)
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	• Financial Highlights (pages 14-15) • Sustainability Statement: Economic Performance (page 55)
	201-2	Financial implications and other risks and opportunities due to climate change	• Top Risks & How We Manage Them (page 23) • Sustainability Statement: TCFD - Strategy (pages 59-61) • Sustainability Statement: TCFD - Risk Management (page 63)
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	• Profiles of the Executive Committee (pages 97-102)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	• Management Discussion & Analysis (pages 36-39) • Sustainability Statement: Economic Performance (page 55) • Sustainability Statement: Local Communities (pages 84-87)
	203-2	Significant indirect economic impacts	• Sustainability Statement: Economic Performance (page 55) • Sustainability Statement: Local Communities (pages 84-87)
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	• Sustainability Statement: Purchasing and Procuring Responsibly (page 55)

GRI CONTENT INDEX

GRI STANDARD		DISCLOSURE	LOCATION
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45)
	205-2	Communication and training about anti-corruption policies and procedures	• Sustainability Statement: Business Ethics & Compliance (Including Anti-Bribery & Corruption) (pages 43-45)
GRI 207: Tax 2019	207-1	Approach to tax	• Notes to the Financial Statements: 2.3(r) Summary of Significant Accounting Policies - Income tax (page 173) • Notes to the Financial Statements: 27. Taxation (page 218-219)
	207-2	Tax governance, control, and risk management	• Notes to the Financial Statements: 2.3(r) Summary of Significant Accounting Policies - Income tax (page 173) • Notes to the Financial Statements: 27. Taxation (pages 218-219)
GRI 301: Materials 2016	301-1	Materials used by weight or volume	• Sustainability Statement: Materials (Resource Consumption) (pages 66-67)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	• Sustainability Statement: Energy Consumption (page 66)
	302-4	Reduction of energy consumption	• Sustainability Statement: Energy Consumption (page 66)
GRI 303: Water and Effluents 2018	303-5	Water consumption	• Sustainability Statement: Water Consumption (page 66)
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	• Sustainability Statement: Our Carbon Footprint (page 64)
	305-2	Energy indirect (Scope 2) GHG emissions	• Sustainability Statement: Our Carbon Footprint (page 64)
	305-5	Reduction of GHG emissions	• Sustainability Statement: Our Carbon Footprint (page 64)
GRI 306: Waste 2020	306-4	Waste diverted from disposal	• Sustainability Statement: Waste Collection and Disposal (page 67)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	• Sustainability Statement: Driving Diverse Recruitment (pages 69-70)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	• Sustainability Statement: Inclusive Work Arrangements and Benefits (pages 75-76)
	401-3	Parental leave	• Sustainability Statement: Inclusive Work Arrangements and Benefits (page 75)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		LOCATION
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-2	Hazard identification, risk assessment, and incident investigation	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-3	Occupational health services	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-4	Worker participation, consultation, and communication on occupational health and safety	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-5	Worker training on occupational health and safety	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-6	Promotion of worker health	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
	403-8	Workers covered by an occupational health and safety management system	• Sustainabilty Statement: Occupational Health & Safety (pages 83-84)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	• Sustainability Statement: Training & Development (page 77)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	• Sustainability Statement: Diversity & Equal Opportunity (pages 69-74) • Profile of Directors (pages 90-95) • Profiles of the Executive Committee (pages 97-102)
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	• Sustainability Statement: Upholding Human Rights (page 45) *There were no recorded reports of discrimination in the year under review.*
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	• Sustainability Statement: Local Communities (pages 84-87)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*There were no susbstantiated complaints concerning breaches of customer privacy and losses of customer data.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("**AGM**") of Tune Protect Group Berhad will be held virtually using the Remote Participation and Voting ("**RPV**") facilities of TIIH Online at https://tiih.online, with the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 22 June 2023 at 2:30 p.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A.

2. To re-elect the following Directors who retire by rotation pursuant to Article 122 of the Company's Constitution and who, being eligible, have offered themselves for re-election:
   (a) Tan Ming-Li **Resolution 1**
   (b) Kelvin Desmond Malayapillay **Resolution 2**

3. To approve the payment of Directors' fees of up to RM1,070,000 from the conclusion of the Twelfth AGM until the conclusion of the next AGM of the Company. **Resolution 3**
   Please refer to Explanatory Note B.

4. To approve the payment of Directors' benefits of up to RM612,500 being meeting attendance allowances and up to RM150,000 for each Director being the overall annual limit for self-insured hospitalisation and surgical, from the conclusion of the Twelfth AGM until the conclusion of the next AGM of the Company. **Resolution 4**
   Please refer to Explanatory Note C.

5. To re-appoint Ernst & Young PLT as Auditor of the Company for the ensuing financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following proposed resolutions:

6. ORDINARY RESOLUTION
PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

"**THAT** subject to the Companies Act 2016 ("**the Act**"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any security into shares in the Company, or allot shares under an agreement or option or offer at any time and from time to time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares allotted pursuant to this resolution during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted on Bursa Securities;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held, unless permitted to be waived by the relevant authorities or prevailing law or regulations; or

(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND FURTHER THAT pursuant to Section 85 of the Act read together with Clause 20 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Act **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company." **Resolution 6**

Please refer to Explanatory Note D.

7. ORDINARY RESOLUTION
PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT** approval be and is hereby given for the Company and/or its subsidiary companies to enter into any of the transactions falling within the types of recurrent related party transactions ("**RRPTs**") of a revenue or trading nature as set out in Section 2.4 of the Company's Circular to Shareholders dated 28 April 2023 with parties as set out therein provided that such transactions are undertaken in the ordinary course of business, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, on arm's length basis, on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by an ordinary resolution passed at the next AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act [but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the RRPTs contemplated and/or authorised by this ordinary resolution with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or permitted by the relevant regulatory authorities and/or deemed fit by the Directors in the best interest of the Company." **Resolution 7**

Please refer to Explanatory Note E.

8. ORDINARY RESOLUTION
PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")

"**THAT** subject to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares of the Company as may be determined by the Directors from time to time through Bursa Securities in the best interest of the Company, provided that:

(i) the aggregate number of shares purchased or held by the Company as treasury shares, shall not exceed 10% of the total number of issued shares of the Company at the time of purchase;

(ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the retained profits of the Company; and

(iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until –

(a) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed, at which time this authority will lapse unless by an ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(c) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier;

THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased under the Proposed Renewal of Share Buy-Back Authority in their absolute discretion ("**Purchased Shares**") in the following manner:

(i) cancel the Purchased Shares;

(ii) retain the Purchased Shares as treasury shares; or

(iii) retain part of the Purchased Shares as treasury shares and cancel the remainder;

THAT where such Purchased Shares are held as treasury shares, the Directors be and are hereby authorised to deal with the treasury shares in their absolute discretion in the following manner:

(i) distribute the Purchased Shares as dividends to shareholders, such dividends to be known as 'share dividends';

(ii) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant requirements of Bursa Securities;

(iii) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme;

(iv) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;

(v) cancel the Purchased Shares or any of the Purchased Shares;

(vi) sell, transfer or otherwise use the Purchased Shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or

(vii) in any other manner as may be prescribed by the Act or the rules, regulations and order made pursuant to the Act, the requirements of Bursa Securities and/or any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised and empowered to do all acts and things and to take all such steps as are necessary or expedient to implement and to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or permitted by the relevant regulatory authorities and/or deemed fit by the Directors in the best interest of the Company." **Resolution 8**

Please refer to Explanatory Note F.

9. To consider any other business for which due notice shall have been given.

By Order of the Board

NORHANA BINTI OTHMAN
Company Secretary
MACS 01597
SSM Practising Certificate No. 202008001519

Kuala Lumpur
28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

RPV

1) The Twelfth AGM of the Company will be conducted virtually, without a physical meeting venue, using the RPV facilities of TIIH Online at https://tiih.online. Please follow the procedures provided in the **Administrative Guide for Shareholders** in order to register, participate and vote remotely via the RPV facilities.
2) The only venue involved will be the broadcast venue where essential individuals will be physically present to organise and facilitate the conduct of the virtual AGM. The number of essential individuals will be in accordance with any prevailing order and/or guidance applicable then. The broadcast venue also serves the purpose of complying with Section 327(2) of the Act, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.
3) Members may submit questions in relation to the agenda items of the Twelfth AGM prior to the meeting via TIIH Online website at https://tiih.online by selecting 'e-Services' to login the corporate event of the Company from Friday, 28 April 2023 at 10:00 a.m. to Tuesday, 20 June 2023 at 2:30 p.m. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the 'Query Box' of the RPV facilities. The Board of Directors or Management of the Company shall respond to the questions to their best endeavour during the Twelfth AGM.

Appointment of proxy

4) A member of the Company entitled to attend and vote at the AGM is entitled to appoint up to two (2) proxies [or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Act] to attend and vote in his stead. Other than the proxy(ies) must be of full age, there shall be no other restriction as to the qualification of the proxy(ies).
5) The Proxy Form in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or the hand of its attorney.
6) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8) The Proxy Form must be deposited at the Registered Office of the Company at Level 9, Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia; or in the case of the appointment of a proxy via electronic means, the instrument of proxy can also be submitted electronically through Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for Shareholders for the Twelfth AGM for further information on proxy form submission. All proxy forms submitted must be received by the Company by Tuesday, 20 June 2023 at 2:30 p.m., being not less than forty-eight (48) hours before the time set for holding the AGM.

Others

9) In respect of deposited securities, only a depositor whose name appears on the Record of Depositors as at Monday, 12 June 2023 shall be eligible to attend the AGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries on the Record of Depositors after the abovementioned date shall be disregarded in determining the rights of any person to attend and vote at the AGM.
10) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all votings on the resolutions set out in this Notice will be by way of poll.

EXPLANATORY NOTES:

Note A – Agenda 1 on the Laying of Audited Financial Statements and Reports thereon

In accordance with Section 340(1)(a) of the Act, the Company is required to lay the Audited Financial Statements together with the Reports of the Directors and Auditors thereon at the AGM of the Company. Hence, this Agenda 1 is not a business which requires a resolution to be put to vote by the shareholders. This agenda item is for discussion and receipt only.

Note B – Proposed Ordinary Resolution 3 on Directors' Fees

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. The details of the estimated total fees payable (no change of rate from previous year) from the conclusion of the Twelfth AGM until the conclusion of the next AGM are as follows:

Yearly Fees (RM unless indicated otherwise)								
Company	Designation	Board	Audit Committee	Risk Management Committee	Nomination Committee	Remuneration Committee	Investment Committee	Annual Nominee Director's fee at our Joint Venture Company
Tune Protect Group Berhad	Chairman	132,000	28,000	28,000	14,000	14,000	28,000	NIL
	Member	78,000	23,000	23,000	11,500	11,500	23,000	36,000
Tune Insurance Malaysia Berhad	Chairman	97,000	24,000	24,000	12,000	12,000	24,000	NIL
	Member	52,800	18,000	18,000	9,000	9,000	18,000	NIL
Tune Protect Re Ltd.	Chairman	72,000	NIL	NIL	NIL	NIL	NIL	NIL
	Member	42,000	NIL	NIL	NIL	NIL	NIL	NIL

Note C – Proposed Ordinary Resolution 4 on Directors' Benefits

Pursuant to Section 230(1) of the Act, the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. The details of the estimated total benefits payable (no change of rate from previous year) from the conclusion of the Twelfth AGM until the conclusion of the next AGM are as follows:

(a) Meeting Allowance

Meeting Allowance per Meeting (RM unless indicated otherwise)								
Company	Designation	Board	Audit Committee	Risk Management Committee	Nomination Committee	Remuneration Committee	Investment Committee	Strategic Advisory Committee
Tune Protect Group Berhad	Chairman	2,500	2,500	2,500	2,500	2,500	2,500	NIL
	Member	2,500	2,500	2,500	2,500	2,500	2,500	NIL
Tune Insurance Malaysia Berhad	Chairman	2,000	2,000	2,000	2,000	2,000	2,000	NIL
	Member	2,000	2,000	2,000	2,000	2,000	2,000	NIL
Tune Protect Re Ltd.	Chairman	2,500	NIL	NIL	NIL	NIL	NIL	NIL
	Member	2,500	NIL	NIL	NIL	NIL	NIL	NIL
Tune Protect Ventures Sdn. Bhd.	Chairman	NIL	NIL	NIL	NIL	NIL	NIL	2,500
	Member	NIL	NIL	NIL	NIL	NIL	NIL	2,000

(b) Hospitalisation & Surgical ("H&S")

Overall annual limit for self-insured H&S benefit is up to RM150,000 for each Director whether in Malaysia or otherwise.

Note D – Proposed Ordinary Resolution 6 on the Authority for Directors to Allot Shares

The proposed Ordinary Resolution 6, if passed, will renew the general mandate given to the Directors to allot shares, grant rights to subscribe for shares, convert any security into shares in the Company or to allot shares under an agreement or option or offer at their discretion from time to time without needing to convene another general meeting first, provided that the aggregate shares to be allotted, to be subscribed under any right granted, to be issued from conversion of any security or to be allotted under an agreement or option or offer pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being. In computing the aforesaid 10% limit, shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The general mandate sought at this AGM, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, unless permitted to be waived by the relevant authorities or prevailing law or regulations; or whichever is earlier.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Act shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 20 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Act and Clause 20 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Act, which will result in a dilution to their shareholding percentage in the Company.

As at the date of this Notice, no new shares of the Company were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 27 June 2022, which will lapse at the conclusion of the Twelfth AGM. The general mandate sought at the Twelfth AGM will enable the Directors to respond expediently to business opportunities or other circumstances involving issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares, or allotment of shares under an agreement or option or offer, and to avoid delay and cost in convening general meetings to approve the same.

Note E – Proposed Ordinary Resolution 7 on the RRPTs of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will empower the Company and/or its subsidiaries to enter into RRPTs of a revenue or trading nature, which are necessary for the Company's and/or its subsidiaries' day-to-day operations in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company. Please refer to the Circular to Shareholders dated 28 April 2023 in relation to the Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, which is available on our corporate website at **https://www.tuneprotect.com/corporate/group/investor-relations/reports-presentations/**, for more information.

Note F – Proposed Ordinary Resolution 8 on the Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the next AGM. Please refer to the Share Buy-Back Statement dated 28 April 2023, which is despatched together with the Annual Report 2022, for further information.

PERSONAL DATA PRIVACY:

By executing and delivering to the Company the form of proxy to appoint a proxy(ies) and the relevant document(s) in respect of the appointment of a representative(s) for the AGM, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for purposes incidental to the AGM;

(ii) warrants that relevant prior consent of such proxy(ies) and/or representative(s) has been obtained for the use of his/her/their personal data by the Company (or its agents); and

(iii) agrees that the member will indemnify the Company in respect of any liabilities, demands, losses and damages as a result of the member's breach of warranty.

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Proxy Form

TUNE PROTECT GROUP BERHAD
[Registration No. 201101020320 (948454-K)]
(Incorporated in Malaysia)

I/We:

Full name (in block capitals):	CDS account no.:	No. of shares held:
Address:	NRIC/Passport/Company no.:	Contact no.:

being a member of TUNE PROTECT GROUP BERHAD, do hereby appoint:

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

AND/OR (please delete as appropriate)

Full name (in block capitals):	NRIC/Passport no.:	Proportion of shareholdings	
		No. of shares	%
Address:			

and/or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting ("**AGM**") of the Company to be held virtually, with the broadcast venue at Tricor Business Centre, Gemilang Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 22 June 2023 at 2:30 p.m. or any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
-	To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon.	Not applicable	
Ordinary Resolution 1	To re-elect Ms Tan Ming-Li as Director.		
Ordinary Resolution 2	To re-elect Mr Kelvin Desmond Malayapillay as Director.		
Ordinary Resolution 3	To approve the payment of Directors' fees.		
Ordinary Resolution 4	To approve the Directors' benefits payable.		
Ordinary Resolution 5	To approve the re-appointment of Ernst & Young PLT as Auditor and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	To authorise the Directors to allot shares of up to 10% of the total number of issued shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 7	To authorise the renewal of the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		
Ordinary Resolution 8	To renew the authority to purchase the Company's own shares of up to 10% of the total number of issued shares of the Company.		

Please indicate with an "X" in the appropriate column to show how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his/her discretion.

Signed this ____________________ day of ________________ 2023

____
Signature/Seal of Shareholder

Notes:

Remote participation and voting ("**RPV**")

1) The Twelfth AGM of the Company will be conducted virtually, without a physical meeting venue, using the RPV facilities of TIIH Online at https://tiih.online. Please follow the procedures provided in the **Administrative Guide for Shareholders** in order to register, participate and vote remotely via the RPV facilities.
2) The only venue involved will be the broadcast venue where essential individuals will be physically present to organise and facilitate the conduct of the virtual AGM. The number of essential individuals will be in accordance with any prevailing order and/or guidance applicable then. The broadcast venue also serves the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.
3) Members may submit questions in relation to the agenda items of the Twelfth AGM prior to the meeting via TIIH Online website at https://tiih.online by selecting "e-Services" to login the corporate event of the Company from Friday, 28 April 2023 at 10:00 a.m. to Tuesday, 20 June 2023 at 2:30 p.m. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the "Query Box" of the RPV facilities. The Board of Directors or Management of the Company shall respond to the questions to their best endeavour during the Twelfth AGM.

Appointment of proxy

4) A member of the Company entitled to attend and vote at the AGM is entitled to appoint up to two (2) proxies [or in the case of a corporation, to appoint a representative(s) in accordance with Section 333 of the Companies Act 2016] to attend and vote in his stead. Other than the proxy(ies) must be of full age, there shall be no other restriction as to the qualification of the proxy(ies).
5) The Proxy Form in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or the hand of its attorney.
6) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
8) The Proxy Form must be deposited at the Registered Office of the Company at Level 9, Wisma Tune, No. 19 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur, Malaysia; or in the case of the appointment of a proxy via electronic means, the instrument of proxy can also be submitted electronically through Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide for Shareholders for the Twelfth AGM for further information on proxy form submission. All proxy forms submitted must be received by the Company by Tuesday, 20 June 2023 at 2:30 p.m., being not less than forty-eight (48) hours before the time set for holding the AGM.

Others

9) In respect of deposited securities, only a depositor whose name appears on the Record of Depositors as at Monday, 12 June 2023 shall be eligible to attend the AGM or appoint proxy(ies) to attend and/or vote in his/her stead. Any changes in the entries on the Record of Depositors after the abovementioned date shall be disregarded in determining the rights of any person to attend and vote at the AGM.
10) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all votings on the resolutions set out in this Notice will be by way of poll.

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Stamp

The Company Secretary
TUNE PROTECT GROUP BERHAD
[Registration No. 201101020320 (948454-K)]
Level 9, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan, Malaysia

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