



TUNE INSURANCE MALAYSIA BERHAD

Registration No. 197601004719 (30686-K)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - UNAUDITED
FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023**

197601004719 (30686-K)

**Tune Insurance Malaysia Berhad
(Incorporated in Malaysia)**

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TUNE INSURANCE MALAYSIA BERHAD

Registration No. 197601004719 (30686-K)

Condensed consolidated statement of financial position

As at 30 June 2023 - unaudited

		Group			Company		
		As at	As at	As at	As at	As at	As at
		30 Jun 2023	31 Dec 2022	1 Jan 2022	30 Jun 2023	31 Dec 2022	1 Jan 2022
	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
						Restated	Restated
Assets							
Property and equipment		2,476	2,538	2,881	2,476	2,538	2,881
Intangible assets		25,497	20,298	12,528	25,497	20,298	12,528
Right-of-use assets		3,472	2,711	3,070	3,472	2,711	3,070
Investments		510,778	496,464	548,656	510,143	496,396	493,341
Deferred tax assets		72	1,091	1,278	72	1,091	1,278
Tax Recoverable		28,372	28,142	28,223	28,372	28,142	28,223
Reinsurance contract assets	5	396,636	443,977	577,531	396,636	443,977	577,531
Other receivables		1,801	2,481	1,863	1,800	2,481	1,863
Cash and bank balances		11,468	18,068	3,820	11,462	17,486	3,660
Total assets		980,572	1,015,770	1,179,850	979,930	1,015,120	1,124,375
Equity							
Share capital		103,348	103,348	103,348	103,348	103,348	103,348
Retained earnings		219,506	202,437	200,898	219,506	202,437	200,898
Equity attributable to owners of the parent		322,854	305,785	304,246	322,854	305,785	304,246
Non-controlling interests		630	625	55,413	-	-	-
Total equity		323,484	306,410	359,659	322,854	305,785	304,246
Liabilities							
Insurance contract liabilities	6	637,473	669,458	794,667	637,473	669,458	794,667
Lease liabilities		3,635	2,846	3,253	3,635	2,846	3,253
Other payables		15,980	37,056	22,271	15,968	37,031	22,209
Total liabilities		657,088	709,359	820,191	657,076	709,334	820,129
Total equity and liabilities		980,572	1,015,770	1,179,850	979,930	1,015,120	1,124,375

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

TUNE INSURANCE MALAYSIA BERHAD

Registration No. 197601004719 (30686-K)

Condensed consolidated statements of comprehensive income For the 6 months period ended 30 June 2023 - unaudited

	Note	Group		Company	
		6 months		6 months	
		period ended		period ended	
		30 June	30 June	30 June	30 June
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
			Restated		Restated
Insurance revenue		189,231	182,241	189,231	182,241
Insurance service expenses		(102,146)	(93,819)	(102,146)	(93,819)
Insurance service result before reinsurance contracts held		87,085	88,422	87,085	88,422
Allocation of reinsurance premiums		(58,661)	(90,872)	(58,661)	(90,872)
Amounts recoverable from reinsurers for incurred claims		(17,256)	4,218	(17,256)	4,218
Net expense from reinsurance contracts held		(75,917)	(86,654)	(75,917)	(86,654)
Insurance service result	7	11,168	1,768	11,168	1,768
Investment income	8	4,367	6,873	4,244	5,559
Realised gains and losses		(1,550)	431	(1,550)	200
Fair value gains or losses		9,730	(13,123)	9,845	(11,253)
Total investment income		12,547	(5,819)	12,539	(5,494)
Insurance finance expenses for insurance contracts issued		(17,973)	(12,013)	(17,973)	(12,013)
Reinsurance finance income for reinsurance contracts held		12,902	10,169	12,902	10,169
Net insurance financial result		(5,071)	(1,844)	(5,071)	(1,844)
Other operating income		2,111	1,389	2,111	1,389
Other operating expenses		(1,637)	(1,094)	(1,625)	(947)
Other finance costs		-	-	-	-
Total other income and expenses		474	295	486	442
Profit/(loss) before tax	9	19,118	(5,600)	19,122	(5,128)
Income tax expense	10	(2,053)	990	(2,053)	990
Profit/(loss) for the period		17,065	(4,610)	17,069	(4,138)
Profit/(Loss) attributable to:					
Owners of the parent		17,069	(4,138)		
Non-controlling interests		(4)	(472)		
		17,065	(4,610)		
Basic and diluted earnings/(loss) per share attributable to owners of the parent (sen per share)	11	16.51	(4.46)		

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

TUNE INSURANCE MALAYSIA BERHAD

Registration No. 197601004719 (30686-K)

Condensed consolidated statement of changes in equity
For the 6 months period ended 30 June 2023 - unaudited

Group	Attributable to the owners of the parent				
	Non Dis-tributable	Distributable		Non-Controlling Interest	Total equity
	Share capital	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023, as previously reported	103,348	199,246	302,594	625	303,219
Impact on initial application of MFRS 17	-	3,191	3,191	-	3,191
At 1 January 2023, restated	103,348	202,437	305,785	625	306,410
Net (loss)/profit for the period	-	17,069	17,069	(4)	17,065
Increase in non-controlling interests arising from reduction in interest in subsidiary	-	-	-	1,435	1,435
Dividends reinvested by non-controlling interests	-	-	-	(1,427)	(1,427)
At 30 Jun 2023	103,348	219,506	322,854	629	323,484
At 1 January 2022, as previously reported	103,348	199,140	302,488	55,413	357,901
Impact on initial application of MFRS 17	-	1,758	1,758	-	1,758
At 1 January 2022, restated	103,348	200,898	304,246	55,413	359,659
Net (loss)/profit for the period	-	(4,138)	(4,138)	(472)	(4,610)
Increase in non-controlling interests arising from reduction in interest in subsidiary	-	(4,138)	(4,138)	1,421	(2,717)
Dividends reinvested by non-controlling interests	-	-	-	(55,735)	(55,735)
At 30 June 2022, restated	103,348	196,760	300,108	1,099	296,597

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Condensed consolidated statement of changes in equity
For the 6 months period ended 30 June 2023 - unaudited

Company	Attributable to the owners of the parent		
	Non Dis-tributable	Distributable	
	Share capital	Retained earnings	Total equity
	RM'000	RM'000	RM'000
At 1 January 2023, as previously reported	103,348	199,246	302,594
Impact on initial application of MFRS 17	-	3,191	3,191
At 1 January 2023, restated	103,348	202,437	305,785
Net (loss)/profit for the period	-	17,069	17,069
At 30 Jun 2023	103,348	219,506	322,854
At 1 January 2022, as previously reported	103,348	199,140	302,488
Impact on initial application of MFRS 17	-	1,758	1,758
At 1 January 2022, restated	103,348	200,898	304,246
Net (loss)/profit for the period	-	(4,138)	(4,138)
At 30 June 2022, restated	103,348	196,760	300,108

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

TUNE INSURANCE MALAYSIA BERHAD

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Condensed consolidated statement of cash flows For the 6 months period ended 30 June 2023 - unaudited

	Group		Company	
	6 months		6 months	
	period ended		period ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	RM'000	RM'000	RM'000	RM'000
				Restated
Cash flows from operating activities				
Profit/(Loss) before taxation	19,118	(5,600)	19,122	(5,128)
Adjustments for:				
Investment income	(4,367)	(6,873)	(4,244)	(5,559)
Realised gains and losses on disposal of investments	1,544	(413)	1,544	(182)
Realised gains and losses on disposal of property and equipment	6	(19)	6	(19)
Depreciation of property and equipment	566	594	566	594
Depreciation of right-of-use assets	869	868	869	868
Finance costs	85	91	85	91
Fair value gains/losses on FVTPL investments	(9,730)	13,123	(9,845)	11,253
Amortisation of intangible assets	1,112	940	1,112	940
Operating (loss)/profit before working capital changes	9,203	2,711	9,216	2,858
Reinsurance contract assets	47,341	46,769	47,341	46,769
Other receivables	(409)	(239)	(408)	(239)
Insurance contract liabilities	(31,985)	(34,917)	(31,985)	(34,917)
Other payables	(21,074)	2,824	(21,063)	2,840
Cash generated/(used in) from operating activities	3,076	17,148	3,101	17,311
Net interest received	2,345	2,863	2,345	671
Net dividend received	1,713	4,363	1,724	5,242
Income tax paid	-	-	-	-
Net cash (used in)/generated from operating activities	7,135	24,374	7,170	23,224
Cash flows from investing activities				
Purchases of fair value through profit or loss ("FVTPL") financial assets	(350,220)	(15,311)	(348,878)	(15,311)
Proceeds from disposal of FVTPL financial assets	345,516	7,379	345,516	5,182
Dividend Reinvestment	(1,724)	(4,363)	(1,724)	(5,242)
Movements in amortised cost financial assets	(1,692)	(1,144)	(1,692)	(1,144)
Proceeds from disposal of property and equipment	3	18	3	18
Purchase of property and equipment	(514)	(731)	(514)	(731)
Purchase of intangible assets	(6,311)	(7,625)	(6,311)	(7,625)
Net cash (used in)/generated from investing activities	(14,942)	(21,777)	(13,600)	(24,853)
Cash flows from financing activity				
Payment of principal portion of lease liabilities	(926)	(952)	(926)	(952)
Cash paid to non-controlling interests on units cancelled in subsidiaries	11	2	-	-
Dividends paid to owners of the parent	-	-	-	-
Net cash used in financing activities	(915)	(950)	(926)	(952)
Net (decrease)/increase in cash and cash equivalents	(8,723)	1,647	(7,357)	(2,581)
Cash and cash equivalents at beginning of period	25,229	56,424	23,857	45,262
Cash and cash equivalents at end of period	16,506	58,071	16,500	42,681

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Condensed consolidated statement of cash flows
For the 6 months period ended 30 June 2023 - unaudited

Cash and cash equivalents comprise:

Fixed and call deposits (with original maturities of less than
three months) with licensed financial institutions

Cash and bank balances

Group		Company	
6 months		6 months	
period ended		period ended	
30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
RM'000	RM'000	RM'000	RM'000
			Restated
5,038	56,405	5,038	41,045
11,468	1,666	11,462	1,636
16,506	58,071	16,500	42,681

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

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Explanatory Notes Pursuant to MFRS 134

For the 6 months period ended 30 June 2023 - unaudited

1. Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2023, have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable.

The condensed consolidated interim financial statements should be read in conjunction with the Group and Company audited financial statements for the financial year ended 31 December 2022.

The explanatory notes attached to this condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to gain an understanding of the changes in the financial position and performance of the Group and Company since the last financial year ended 31 December 2022.

2. Changes in accounting policies

2.1 Adoption of New MFRS and Amendments to MFRSs

The accounting policies adopted are consistent with those of the previous financial year, except for the following which were adopted on 1 January 2023:

MFRS 17 *Insurance Contracts*

Amendments to MFRS 17 *Insurance Contracts*

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

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

Amendments to MFRS 108 *Definition of Accounting Estimates*

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

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

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Explanatory Notes Pursuant to MFRS 134

For the 6 months period ended 30 June 2023 - unaudited

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

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

MFRS 17 *Insurance Contracts* and Amendments to MFRS 17

The Group and Company has applied MFRS 17, including any consequential amendments to the other standards, from 1 January 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Company has restated certain comparative amounts.

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

Changes to recognition, classification and measurement

The adoption of MFRS 17 did not change the classification of the Group and Company insurance contract.

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

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

Plus

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

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For the 6 months period ended 30 June 2023 - unaudited

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

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

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

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

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

MFRS 17 introduces different measurement models in calculating re(insurance) contract liabilities where the core is General Measurement Model ("GMM") based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM"), supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach) which is not applicable to the Group and Company insurance contracts; and
- A simplified approach, Premium Allocation Approach ("PAA") mainly for re(insurance) contracts with a coverage period of 12 months or less, or for which such simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced applying the GMM. However, the liability for incurred claims ("LIC") will need to be measured based on GMM.

The Group and Company applies PAA for its non-life segment, of which such simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced applying the GMM. However, the liability for incurred claims ("LIC") will need to be measured based on GMM.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group and Company under MFRS 4 in the following key areas:

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

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Explanatory Notes Pursuant to MFRS 134

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

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

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

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

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

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

Changes to presentation and disclosures

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

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

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

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

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

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

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

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

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

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

Instead, IFRS 17 requires separate presentation of:

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

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

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

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

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

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

Transition

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

On transition date, 1 January 2022, the Group and Company

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

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

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Explanatory Notes Pursuant to MFRS 134

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

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

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

Transition

Effects from applying MFRS 17 resulted a reduction of total equity of RM1.76 million, net of tax, as at 1 January 2022. The opening MFRS 17 Statement of Financial Position and related adjustments as at 1 January 2022 are presented below:

	As reported as at 31 Dec 2021 RM'000	Adjustments due to adoption of MFRS 17 RM'000	Opening balances as at 1 Jan 2022 RM'000
Deferred tax assets	1,832	(554)	1,278
Reinsurance contract assets	-	577,531	577,531
Reinsurance assets	649,331	(649,331)	-
Insurance receivables	75,636	(75,636)	-
Other receivables	49,367	(47,504)	1,863
Other assets	543,703	-	543,703
Total assets	1,319,869	(195,494)	1,124,375
Retained earnings	199,140	1,758	200,898
Share Capital	103,348	-	103,348
Total equity	302,488	1,758	304,246
Insurance contract liabilities	905,350	(110,683)	794,667
Insurance payables	67,228	(67,228)	-
Other payables	41,550	(19,341)	22,209
Other liabilities	3,253	-	3,253
Total liabilities	1,017,381	(197,252)	820,129
Total equity and liabilities	1,319,869	(195,494)	1,124,375

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

2.2 Standards issued but not yet effective

The following are Standards and Amendments to Standards issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of these condensed interim financial statements. The Group and Company intends to adopt these Standards and Amendments to Standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investment in Associates and Joint Ventures</i>	To be announced by MASB

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements of the Group and Company in the period of initial application.

3. Change in estimates

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

4. Changes in composition

There were no changes in composition of the Group and Company during the period ended 30 June 2023.

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5. Reinsurance contract assets

Group and Company

Group and Company	30 June 2023					
	Liabilities for remaining coverage			Liabilities for incurred claims		
				Contracts under PAA		
	Excluding loss components RM'000	Loss components RM'000	Contracts not under PAA RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
Opening assets as at 1 January 2023	9,528	(5,521)	(436,821)	(10,294)	(869)	(443,977)
Contracts under PAA	3,183	-	-	(10,294)	(869)	(7,980)
Contracts Non PAA	6,345	(5,521)	(436,821)	-	-	(435,997)
Net opening balances as at 1 January 2023	9,528	(5,521)	(436,821)	(10,294)	(869)	(443,977)
Net income/expense from reinsurance contracts held						
Allocation of reinsurance premiums	58,661	-	-	-	-	58,661
Reinsurance expenses	58,661	-	-	-	-	58,661
Amounts recoverable from reinsurers for incurred claims	-	2,089	31,535	(14,560)	(1,265)	17,799
Other incurred directly attributable expenses	-	-	-	-	-	-
Incurred claims recovery	-	-	(415,788)	(22,053)	(2,134)	(439,975)
Changes that relate to past service-changes in the						
Future Cash Flow ("FCF") relating to incurred claims recovery	-	-	447,323	7,493	869	455,685
FCF for RI contracts held	-	2,089	-	-	-	2,089
Net income/expense from reinsurance contracts held	58,661	2,089	31,535	(14,560)	(1,265)	76,460
Insurance finance expenses	(1,285)	-	(11,397)	(221)	-	(12,902)
Total changes in statement of profit or loss and other comprehensive income	57,376	2,089	20,138	(14,781)	(1,265)	63,558
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses	(17,417)	-	-	-	-	(17,417)
Recoveries from reinsurance	-	-	(3,498)	4,698	-	1,200
Total cash flows	(17,417)	-	(3,498)	4,698	-	(16,217)
Net closing balances	49,487	(3,432)	(420,181)	(20,377)	(2,134)	(396,636)

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5. Reinsurance contract assets (cont'd.)

Group and Company

	30 June 2023					
	Liabilities for remaining coverage		Liabilities for incurred claims			
	Excluding loss components RM'000	Loss components RM'000	Contracts not under PAA RM'000	Contracts under PAA		Total RM'000
				Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
Closing assets	49,487	(3,431)	(420,181)	(20,377)	(2,134)	(396,636)
Contracts under PAA	(14,801)	(269)	-	(20,377)	(2,134)	(37,581)
Contracts Non PAA	64,288	(3,162)	(420,181)	-	-	(359,055)
Net closing balances as at 30 June 2023	49,487	(3,431)	(420,181)	(20,377)	(2,134)	(396,636)

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5. Reinsurance contract assets (cont'd.)

Group and Company

	31 December 2022					
	Liabilities for remaining coverage			Liabilities for incurred claims		
			Contracts not under PAA RM'000	Contracts under PAA		Total RM'000
	Excluding loss components RM'000	Loss components RM'000		Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
Opening assets as at 1 January 2022	659	(6,891)	(548,574)	(20,579)	(2,146)	(577,531)
Contracts under PAA	1,075	(261)	-	(20,579)	(2,146)	(21,911)
Contracts Non PAA	(416)	(6,630)	(548,574)	-	-	(555,620)
Net opening balances as at 1 January 2022	659	(6,891)	(548,574)	(20,579)	(2,146)	(577,531)
Net income/expense from reinsurance contracts held						
Allocation of reinsurance premiums	187,945	-	-	-	-	187,945
Reinsurance expenses	187,945	-	-	-	-	187,945
Amounts recoverable from reinsurers for incurred claims	-	1,371	37,415	4,317	1,276	44,379
Incurred claims recovery	-	-	(520,967)	(13,555)	(869)	(520,967)
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	558,382	17,872	2,146	558,382
FCF for RI contracts held	-	1,371	-	-	-	-
Net income/expense from reinsurance contracts held	187,945	1,371	37,415	4,317	1,276	232,324
Insurance finance expenses	(2,938)	-	(7,669)	(314)	-	(10,921)
Total changes in statement of profit or loss and other comprehensive income	185,007	1,371	29,746	4,003	1,276	221,403
Cash flows						
Premiums paid net of ceding commissions and other directly attributable expenses	(176,138)	-	-	-	-	(176,138)
Recoveries from reinsurance	-	-	82,007	6,282	-	88,289
Total cash flows	(176,138)	-	82,007	6,282	-	(87,849)
Net closing balances	9,528	(5,520)	(436,821)	(10,294)	(870)	(443,977)

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Group and Company

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6. Insurance contract liabilities

Group and Company

	30 June 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		
			Contracts under PAA		
	Excluding loss components RM'000	Loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	Total RM'000
Opening liabilities as at 1 January 2023	(15,643)	25,078	587,355	72,667	669,458
Contracts under PAA	(15,643)	25,078	587,355	72,667	669,458
Net opening balances as at 1 January 2023	(15,643)	25,078	587,355	72,667	669,458
Insurance revenue	(189,231)	-	-	-	(189,231)
Insurance service expenses	44,036	(18)	61,426	(3,298)	102,146
Incurred claims and other insurance service expenses	-	-	648,664	69,373	718,037
Amortisation of insurance acquisition cash flows	44,036	-	-	-	44,036
Losses on onerous contracts and reversal of those losses	-	(18)	-	-	(18)
Changes that relate to past service-Changes in Future Cash Flow ("FCF") relating to LIC	-	-	(587,238)	(72,671)	(659,909)
Insurance service results	(145,195)	(18) -	61,426	(3,298)	(87,085)
Insurance finance expenses	1,332	-	16,641	-	17,973
Total changes in statement of profit or loss and other comprehensive income	(143,863)	(18)	78,067	(3,298)	(69,112)

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6. Insurance contract liabilities (cont'd.)

Group and Company

Group and Company	30 June 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Contracts under PAA				
	Excluding loss components RM'000	Loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows					
Premium received	207,499	-	-	-	207,499
Premiums received ex taxes	219,138	-	-	-	219,138
Premium tax outflows	(11,639)	-	-	-	(11,639)
Claims and other insurance service expenses paid	-	-	(76,817)	-	(76,817)
Claims related payment of direct taxes for policyholders	-	-	(76,817)	-	(76,817)
Insurance acquisition cash flows	(69,363)	-	(24,193)	-	(93,556)
Acquisition cash flows	(69,363)	-	(24,193)	-	(93,556)
Total cash flows	138,136	-	(101,010)	-	37,126
Net closing balances as at 30 June 2023	(21,370)	25,060	564,412	69,370	637,473
Closing liabilities	(21,370)	25,060	564,412	69,370	637,473
Contracts under PAA	(21,370)	25,060	564,412	69,370	637,473
Net closing balances as at 30 June 2023	(21,370)	25,060	564,412	69,370	637,473

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6. Insurance contract liabilities (cont'd.)

Group and Company

	31 December 2022				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
			Contracts under PAA		
	Excluding loss components RM'000	Loss components RM'000	Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	RM'000
Opening liabilities as at 1 January 2022	11,160	20,051	676,280	87,176	794,667
Contracts under PAA	11,160	20,051	676,280	87,176	794,667
Net opening balances as at 1 January 2022	11,160	20,051	676,280	87,176	794,667
Insurance revenue	(413,048)	-	-	-	(413,048)
Insurance service expenses	85,998	5,027	103,551	(14,509)	180,068
Incurred claims and other insurance service expenses	-	-	769,883	72,669	842,553
Amortisation of insurance acquisition cash flows	85,998	-	-	-	85,998
Losses on onerous contracts and reversal of those losses	-	5,027	-	-	5,027
Changes that relate to past service-Changes in Furure Cash Flow ("FCF") relating to LIC	-	-	(666,332)	(87,178)	(753,510)
Insurance service results	(327,050)	5,027	103,551	(14,509)	(232,980)
Insurance finance expenses	1,057	-	10,867	-	11,924
Effects of movements in exchange rates	-	-	-	-	-
Total changes in statement of profit or loss and other comprehensive income	(325,993)	5,027	114,418	(14,509)	(221,056)

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6. Insurance contract liabilities (cont'd.)

Group and Company

	31 December 2022				Total RM'000
	Liabilities for remaining coverage		Liabilities for incurred claims Contracts under PAA Estimates of the present value of future cash flows RM'000	Risk adjustments RM'000	
	Excluding loss components RM'000	Loss components RM'000			
Cash flows					
Premium received	420,855	-	-	-	420,855
Premiums received ex taxes	447,516	-	-	-	447,516
Premium tax outflows	(26,661)	-	-	-	(26,661)
Claims and other insurance service expenses paid	-	-	(160,198)	-	(160,198)
Claims related payment of direct taxes for policyholders	-	-	(160,198)	-	(160,198)
Insurance acquisition cash flows	(121,665)	-	(43,145)	-	(164,810)
Acquisition cash flows	(121,665)	-	(43,145)	-	(164,810)
Total cash flows	299,190	-	(203,343)	-	95,847
Net closing balances as at 31 December 2022	(15,643)	25,078	587,355	72,667	669,458
Closing liabilities	(15,643)	25,078	587,355	72,667	669,458
Contracts under PAA	(15,643)	25,078	587,355	72,667	669,458
Contracts Non PAA	-	-	-	-	-
Net closing balances as at 31 December 2022	(15,643)	25,078	587,355	72,667	669,458

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7. Insurance service result

	Group and Company	
	6 months	
	period ended	
	30 Jun	30 Jun
	2023	2022
	RM'000	RM'000
		Restated
Insurance revenue :		
- Contracts measured under the PAA	189,231	182,241
Insurance service expenses:		
- Incurred claims and other expenses	(58,128)	(54,924)
- Amortisation of insurance acquisition cash flows	(44,036)	(34,220)
- Losses on onerous contracts and reversal of those losses	18	(4,675)
	<u>(102,146)</u>	<u>(93,819)</u>
Allocation of reinsurance premium	<u>(58,661)</u>	<u>(90,872)</u>
Amounts recoverable from reinsurers for incurred claims:		
- Amounts recoverable for incurred claims	365,262	460,660
- Changes to amounts recoverable for incurred claims	<u>(382,518)</u>	<u>(456,442)</u>
	<u>(17,256)</u>	<u>4,218</u>
Insurance service result	<u>11,168</u>	<u>1,768</u>

8. Investment income

	Group		Company	
	6 months		6 months	
	period ended		period ended	
	30 Jun	30 Jun	30 Jun	30 Jun
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income:				
- FVTPL financial assets	108	2,190	108	127
- Bank balances	168	554	149	448
Share of investment income from Malaysian Motor Insurance Pool ("MMIP")	2,263	(258)	2,263	(258)
Dividend income:				
- FVTPL financial assets	1,713	4,363	1,724	5,242
	<u>4,252</u>	<u>6,849</u>	<u>4,244</u>	<u>5,559</u>
Net amortisation of premiums on investments	115	24		
	<u>4,367</u>	<u>6,873</u>	<u>4,244</u>	<u>5,559</u>

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

	Group		Company	
	6 months		6 months	
	period ended		period ended	
	30 Jun	30 Jun	30 Jun	30 Jun
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of property and equipment	1,794	1,534	1,794	1,534
Depreciation of right-of-use assets	869	868	869	868
(Reversal of)/Allowance for impairment losses on insurance receivables and reinsurance assets	(2,073)	(420)	(2,073)	(420)
Realised losses/(gains) on disposal of:				
- property and equipment	(6)	18	(6)	18
- FVTPL financial assets	(1,544)	413	(1,544)	182
Net realised (gains)/losses	(1,550)	431	(1,550)	200
Fair value (gains)/losses on FVTPL financial assets	9,730	(13,123)	9,845	(11,253)
Interest expense on lease liabilities	85	91	85	91

10. Taxation

	Group and Company	
	6 months	
	period ended	
	30 Jun	30 Jun
	2023	2022
	RM'000	RM'000
		Restated
Income tax expense	1,034	-
Deferred tax expense/(benefits)	1,019	(990)
	2,053	(990)
Effective tax rate	11%	19%

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11. Earnings per share

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

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

	Group	
	6 months	
	period ended	
	30 Jun	30 Jun
	2023	2022
	RM'000	RM'000
		Restated
Profit/(Loss) net of tax attributable to owners of the parent (RM'000)	17,065	(4,610)
Number of ordinary shares in issue ('000)	103,348	103,348
Basic and diluted earning/(loss) per share (sen per share)	<u>16.51</u>	<u>(4.46)</u>

12. Share capital

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

13. Dividends

No interim dividend has been declared for the financial period ended 30 June 2023.

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14. Fair value measurement

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

The Group and Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table provides an analysis of assets measured and/or disclosed at fair value on a recurring basis in accordance with the fair value hierarchy:

Group	Date of valuation	<-- Valuation technique using -->			Total RM'000
		Quoted market price (Level 1) RM'000	Ob-servable inputs (Level 2) RM'000	Unob-servable inputs (Level 3) RM'000	
Assets measured at fair value:					
30 June 2023					
Financial assets at FVTPL:					
Unquoted debt securities in Malaysia	30 June 2023	-	5,054	-	5,054
Quoted unit trust funds in Malaysia	30 June 2023	489,466	-	-	489,466
		489,466	5,054	-	494,520
31 December 2022					
Unquoted debt securities in Malaysia	31 December 2022	-	5,016	-	5,016
Quoted unit trust funds in Malaysia	31 December 2022	476,120	-	-	476,120
		476,120	5,016	-	481,136

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14. Fair value measurement (cont'd.)

Company	Date of valuation	<-- Valuation technique using -->			Total RM'000
		Quoted market price (Level 1) RM'000	Ob- servable inputs (Level 2) RM'000	Unob- servable inputs (Level 3) RM'000	
Assets measured at fair value:					
30 June 2023					
Financial assets at FVTPL:					
Unquoted debt securities in Malaysia	30 June 2023	-	5,054	-	5,054
Quoted collective investment schemes in Malaysia	30 June 2023	726	-	-	726
Quoted unit trust funds in Malaysia	30 June 2023	489,466	-	-	489,466
		<u>490,192</u>	<u>5,054</u>	<u>-</u>	<u>495,246</u>
31 December 2022					
Financial assets at FVTPL:					
Unquoted debt securities in Malaysia	31 December 2022	-	5,016	-	5,016
Quoted collective investment schemes in Malaysia	31 December 2022	722	-	-	722
Quoted unit trust funds in Malaysia	31 December 2022	476,120	-	-	476,120
		<u>476,842</u>	<u>5,016</u>	<u>-</u>	<u>481,858</u>

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

Determination of fair value and fair value hierarchy

The fair values of the Group's assets which are carried at fair value or for which fair value is disclosed, are determined as follows:

- (i) The fair values of unquoted corporate bonds are determined by reference to Bond Pricing Agency Malaysia.
- (ii) The fair value of investments in unit trust funds is determined by reference to published net asset values.

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15. Capital commitments

Group and Company	
As at	As at
30 Jun	31 Dec
2023	2022
RM'000	RM'000

Capital expenditure:

Approved but not contracted for:

Intangible assets

27,893 25,990

Property and equipment

1,229 1,356

29,123 27,346

16. Contingencies

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

17. Related party transactions

For the purposes of these Condensed financial statements, parties are considered to be related to the Group and Company if the Group and Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(i) Ultimate holding company

The ultimate holding company is Tune Protect Group Berhad ("TPG"), a company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

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17. Related party transactions (cont'd.)

(ii) Affiliated companies

The affiliated companies are AirAsia Digital Sdn Bhd and Tune Group Sdn Bhd which have equity interests of 13.65% and 15.77% respectively in Tune Protect Group Berhad and including other corporations related to the said affiliated companies.

	Group and Company	
	6 months	
	period ended	
	30 Jun	30 Jun
	2023	2022
Income/(expenses):	RM'000	RM'000
Transactions with related companies of AirAsia Digital Sdn Bhd:		
AirAsia Berhad:		
Gross written premium	14,963	11,167
Fee and commission expenses	(3,737)	(2,787)
Thai AirAsia Co. Ltd		
Gross written premium	688	73
PT Indonesia AirAsia		
Gross written premium	453	395
Philippines AirAsia		
Gross written premium	20	13
Air Asia X Berhad		
Gross written premium	2,674	1
Fee and commission expenses	(668)	-
BigLife Sdn Bhd		
Other expenses	(23)	(5)
Teleport Commerce Malaysia Sdn Bhd		
Gross written premium	1	3
Airasia Com Travel Sdn Bhd		
Gross written premium (net of rebate)	1,392	49
Fee and commission expenses	(76)	(12)
Transactions with related companies of Tune Group Sdn Bhd:		
Tune Group Sdn Bhd		
Gross written premium	1	1
Tune Talk Sdn Bhd		
Gross written premium	58	50
ECM Libra Financial Group Berhad		
Gross written premium	114	107
SP&G Gallagher Insurance Brokers		
Gross written premium	12,532	2,049
Fee and commission expenses	(1,483)	(291)
Epsom College in Malaysia		
Gross written premium (net of rebate)	71	16

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17. Related party transactions (cont'd.)

	Group and Company	
	6 months	
	period ended	
	30 Jun	30 Jun
	2023	2022
	RM'000	RM'000
Income/(expenses):		
Fellow subsidiaries:		
Tune Protect Re Ltd.		
Premiums ceded to reinsurers	(4,452)	(2,571)
Fee and commission income	1,203	787
Claims recovery	324	132
Other expenses	-	-
Other income	73	268
Management fee income	-	415
Reimbursement of expenses	-	-
Gross written premium	-	-
Tune Insurance Public Company Limited		
Management fee expenses	(59)	(118)
Other income	-	91
White Label Sdn Bhd		
Gross written premium	2	1
Other income/(expenses) (net of recovery)	12	37
Management fee income	-	100
Management fee expenses	(2,548)	(836)
Tune Protect Commercial Brokerage		
Management expenses Recovery	-	31
Tune Protect Venture Sdn Bhd		
Insurance Premium	9	-
Management fee expenses	-	(2)
Management fee income	7	5
Holding company:		
Tune Protect Group Berhad		
Insurance premium	7	10
Management fee expenses	(6,773)	(4,209)
Management fee income	-	481
Rental paid	(483)	(553)
Other expenses (net of recovery)	506	717

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

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18. Events after the reporting period

There were no significant events after the reporting period.

19. Profit forecast or profit guarantee

The Group and Company did not issue any profit forecast or profit guarantee for the financial period ended 30 June 2023.

20. Status of corporate proposal

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

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21. Material litigation

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

On 22 February 2017, the general insurance subsidiary, TIMB received a notice from the Malaysia Competition Commission ("MyCC") concerning a proposed decision ("proposed decision") which found that TIMB and 21 other general insurance companies in Malaysia who are all members of the General Insurance Association of Malaysia ("PIAM") had infringed one of the prohibitions under the Competitions Act 2010 ("CA") in Malaysia, pursuant to its investigation outcome in respect of the agreement entered into between PIAM and the Federation of Automobile Workshop Owners' Association of Malaysia ("FAWOAM") concerning the cap on the parts trade discount rates and minimum agreed labour rates payable by the insurers to the PIAM Approved Repairer's Scheme workshops. These rates were subsequently approved and adopted by PIAM members, including TIMB.

Subsequent to MyCC's issuance of its proposed decision, PIAM and its 22 members, including TIMB, were given the opportunity to make written representations in their defence and TIMB had on 5 April 2017 filed in its written representations with MyCC. TIMB's oral representations were presented before MyCC on 29 January 2018.

Subsequently, TIMB received a notice from MyCC informing TIMB of its decision dated 14 September 2020, wherein they have found that TIMB and 21 other members of PIAM had infringed Section 4 of the CA ("Decision").

The MyCC in its Decision, had imposed a financial penalty of RM2,571,078 only on the part of TIMB and a consolidated amount of RM130,241,475 on all 22 members of PIAM, net of a 25% reduction granted on the final penalties after taking into consideration the economic impact arising from the Covid-19 pandemic. The MyCC had also granted the parties a moratorium period of six (6) months up to 24 March 2021 to pay the financial penalty imposed. The MyCC had also allowed the parties, including TIMB, to pay the financial penalty imposed by way of up to six (6) equal monthly instalments.

The MyCC had also directed TIMB to cease implementing the agreed parts trade discount and the hourly labour rate previously agreed upon with the workshops with immediate effect ("Cease and Desist Order"). All future parts trade discount rate and future hourly labour rates with the workshops would be negotiated independently.

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.

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For the 6 months period ended 30 June 2023 - unaudited

21. Material litigation (cont'd.)

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

On 2 September 2022, TIMB and the other general insurance companies succeeded in their appeal to the CAT ("Appeal Decision").

MyCC applied for leave to apply for judicial review of the Kuala Lumpur High Court Decision ("Application"). TIMB and the other general insurance companies filed their affidavits on 03 January 2023 to oppose the Application. Hearing date of the Application is fixed on 30 November 2023 at the Kuala Lumpur High Court.

(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.

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21. Material litigation (cont'd.)

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

With this, the total amount currently on appeal before the SCIT is RM3.8 million.

The matter is fixed for mention on 25 July 2023, LHDN requested the Court for an additional month to respond to TIMB's settlement proposal. The Court allowed the same and fixed the next case mention on 29 August 2023 for parties to record settlement. In the event no settlement has been achieved, hearing dates will be fixed.

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 its case, based on legal advice received.

22. Disclosure of nature of outstanding derivatives

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

23. Rationale for entering into derivatives

The Group and Company did not enter into any derivative transactions during the period ended 30 June 2023 or the previous year ended 31 December 2022.

24. Risks and policies for derivatives

The Group and Company did not enter into any derivative transactions during the period ended 30 June 2023 or the previous year ended 31 December 2022.

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

The Group and Company did not have any financial liabilities measured at fair value through profit or loss as at 30 June 2023 and 31 December 2022.

26. Auditors' report on preceding annual financial statements

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