

7. BUSINESS OVERVIEW

7.1 OVERVIEW

Our Company was incorporated and registered in Malaysia on 5 August 1970 under the Companies Act 1965 under the name of Jerneh Insurance Corporation Sendirian Berhad. Our Company has been a licensed insurer since 1970. Over the years, our Company has undergone several corporate exercises. See Section 6.1.1 of this Prospectus for the history and background of our Company.

The table below sets out the key events and milestones in the history and development of our business since 2010 (after the acquisition by Chubb INA (formerly known as ACE INA International Holdings Ltd.)):

Year	Key event and milestone
2010	We changed our name to ACE Jerneh Insurance Berhad following the acquisition by ACE INA International Holdings Ltd. (now known as Chubb INA), whose ultimate holding company is Swiss-incorporated ACE Limited (now known as Chubb Limited).
2012	<p>We launched <i>ACE Home Guard</i> insurance in Malaysia, which combines home insurance with personal insurance, with an inclusion of coverage for accidental death and/or disability for policyholders.</p> <p>This product targeted individuals with inadequate insurance of their personal possessions and/or place of residence. Unlike standard home insurance products, this product can be sold to customers without the need for them to be the homeowner.</p>
2015	We launched <i>ACE Elite Medical Malpractice Insurance</i> in Malaysia, a policy designed to provide individual medical practitioners and healthcare facilities with financial relief in the event of medical malpractice liability claims.
2016	<p>We launched the <i>Group Personal Accident Maximum Protection (MaxPro)</i> plan for employers in Malaysia. This product was designed to provide employers with a range of group personal accident coverage that is renewable up to the age of 80 years, ensuring those employees who continue working are protected.</p> <p>We changed our company name to Chubb Insurance Malaysia Berhad in 2016. This was in line with the name change of our Company's ultimate holding company, Chubb Limited (formerly known as ACE Limited) following the completion of its acquisition of The Chubb Corporation in January 2016.</p>
2017	<p>We launched <i>Cyber Enterprise Risk Management (ERM) Solutions</i> in Malaysia, a product which is structured to provide financial protection against business interruption loss, cyber extortion, liability arising from privacy and security incidents, and crisis response expenses.</p> <p>In addition, the <i>Cyber ERM Solutions</i> policyholders have access to the <i>Chubb eRisk Hub</i> which is a 24/7 incident response team providing guidance on the risks of data and privacy breaches and assistance.</p> <p>Following the phased liberalisation of motor and fire tariffs for the general insurance industry announced by BNM, we launched the following non-tariff insurance products in 2017:</p> <ul style="list-style-type: none"> - <i>MY Car Insurance</i>, a non-tariff motor insurance product which takes into consideration the risk profile of drivers. This product offers coverage for loss or damage of a vehicle due to accident, third-party liability and flood. This policy also offers other benefits to compensate drivers and alleviate the inconveniences that they may encounter as a result of an accident, vehicle breakdown or flood. - <i>JMB Elite package</i>, a property all-risk insurance policy designed to protect entities that manage high-rise buildings and properties, such as the joint management body or management corporation. The package also offers an option for terrorism coverage, which includes political violence for properties with high-risk exposure.
2018	As part of our product portfolio expansion strategy, we launched an e-hailing insurance plan in 2018, which is a supplementary insurance plan to support the drivers who venture into e-hailing services to ensure they and their passengers are protected throughout the journey. This e-hailing insurance plan covers loss or damage to the car, liability to third parties, legal liability to fare-paying passengers and personal accident coverage for the driver.

7. BUSINESS OVERVIEW (Cont'd)

Year	Key event and milestone
2019	Following a regional partnership announced in March 2018, we partnered with a Grab entity in Malaysia to offer an in-app insurance solution in Malaysia in 2019. Our insurance solution provides personal accident coverage for drivers and passengers via the Grab application. Users are covered under pay-per-ride options and real-time enrolment at their convenience via the application.
2020	We became the exclusive insurance underwriter for Doctor Shield policies for professional indemnity insurance in Malaysia. This was followed by an announcement between the Association of Private Hospitals of Malaysia and JA Assure (a multinational InsurTech firm) to offer Doctor Shield in September 2020. Doctor Shield is an online professional indemnity insurance platform for all medical professionals in 147 Association of Private Hospitals of Malaysia member hospitals in 2020.
2021	We expanded our motor insurance portfolio with the launch of <i>MY Smart Car Insurance</i> , a flexible, comprehensive and mileage-based insurance designed for low-mileage drivers in Malaysia. At the end of the policy period, up to 2,000 km of unused mileage can be carried forward to the following year upon renewal at no additional cost. Additional coverage options include windscreen coverage, special perils and all drivers coverage, as well as access to Chubb-approved car repairers nationwide.
	We partnered with the Malaysian Pharmacists Society to offer Professional Indemnity Insurance to its members. Under this Professional Indemnity Insurance scheme, pharmacists are protected against potential civil liability claims arising from an error or omission in the provision of professional healthcare services, such as negligence and vicarious liability.
2023	We expanded the digitisation of our operational platform with the launch of the following in 2023: <ul style="list-style-type: none"> - Chubb Claims Centre (now known as the Claims Service Portal), an online platform for travel, accident and medical claims services, accessible on all digital devices, which allows customers to upload supporting documentation to accelerate the claim process; and - MY Chubb Motor Assist, a digital roadside assistance solution for motor insurance customers, offers round-the-clock vehicle roadside assistance, accessible on all digital devices. Our customers can use it to share their accident or breakdown location, select their preferred destination workshop, track the tow-truck in real time, view towing fees based on distance and get updates on their vehicle repair status.
2024	We expanded into the financial technology (fintech) market, where we partnered with an Atome entity in Malaysia to offer insurance to their customers in Malaysia following the regional partnership announced in March 2024. The launch of the first insurance product, namely <i>Bill Secure</i> , is designed for consumers who use buy now, pay later services. The policy covers up to five times the purchase price in the event of permanent disability or accidental death, ensuring outstanding amounts for the purchased item can be paid off. The remaining payout is then directed to the insured or their next of kin. We subsequently launched an enhanced product, <i>Shopping Secure</i> , which replaced <i>Bill Secure</i> . <i>Shopping Secure</i> covers accidental death, permanent disability, as well as unforeseen risks associated with online purchases, such as accidental damage, stolen items and non-delivery of items.

7. BUSINESS OVERVIEW (Cont'd)

7.2 ACCREDITATIONS, AWARDS AND RECOGNITIONS

In the past five years and up to the LPD, we obtained the following awards and recognitions:

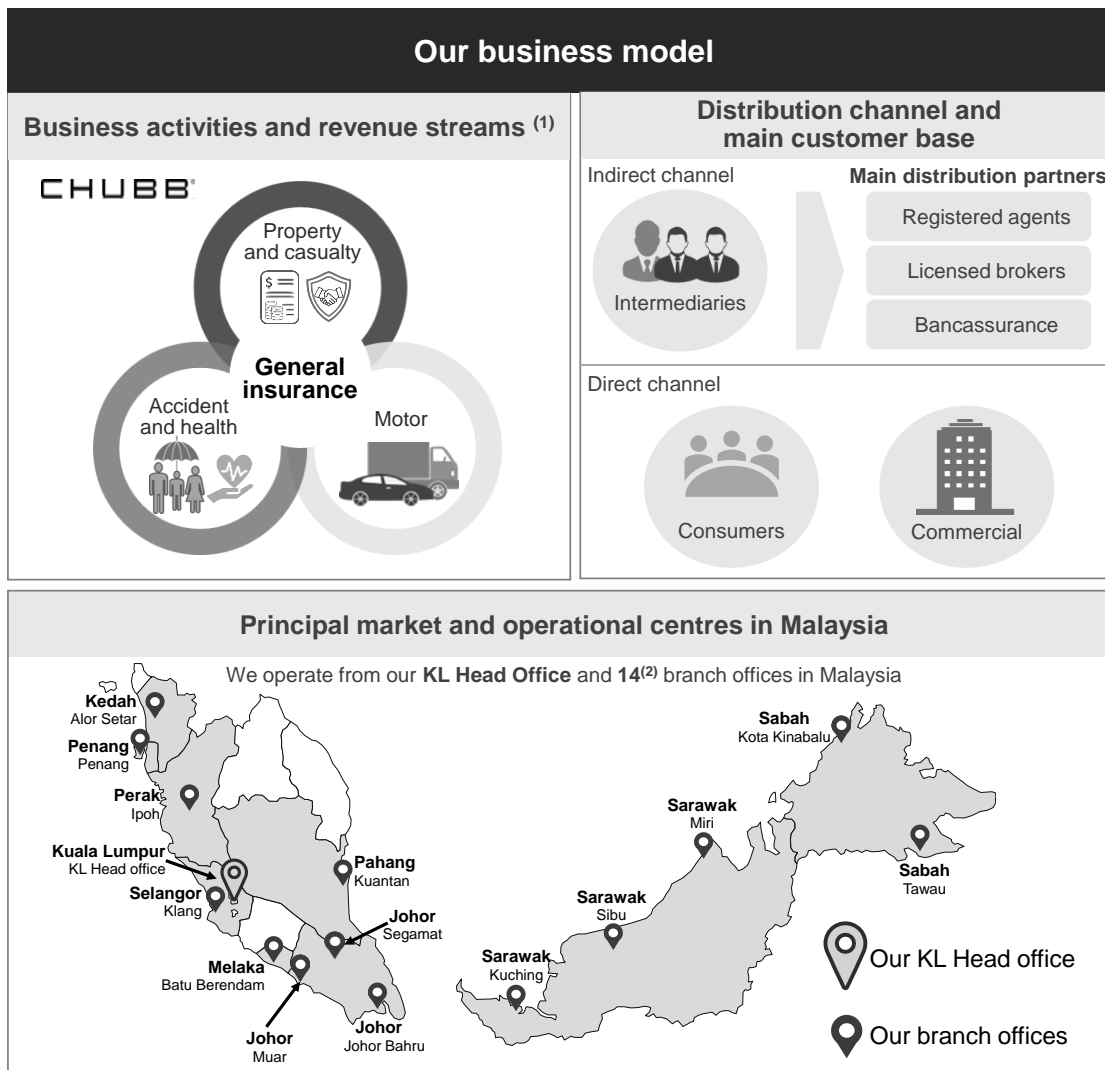
Year	Key award and recognition
2021	Company of The Year Award - General Insurance Exemplary CSR Contributions by CSR Malaysia
2022	Most Improved Average Estimate to Approval Time for Own Damage Claims 2021 by Motordata Research Consortium (" MRC ")
2023	Most Improved Average Estimate to Approval Time for Own Damage Claims 2022 by MRC
2023	Fastest Estimating Claims Approval Time for Own Damage Claims 2022 by MRC
2024	Fastest Estimating Claims Approval Time for Own Damage Claims 2023 by MRC
2025	Fastest Estimating Claims Approval Time for Own Damage Claims 2024 by MRC

7. BUSINESS OVERVIEW (Cont'd)

7.3 OUR BUSINESS

7.3.1 Our business model

Our business model is as follows:



Notes:

- (1) For the Financial Years and Period Under Review, all our insurance revenue was derived from the provision of general insurance. The property and casualty segment comprises liability, fire and other insurance products (including cargo, bond, contractor's all risks and engineering, workmen, marine hull and aviation, offshore-related services and general accident), and the accident and health segment comprises personal accident, and medical and health insurance (mainly foreign workers hospitalisation and surgical insurance, and group medical insurance to the employees of a company or organisation under a single group policy).
- (2) We ceased the operations of three branch offices (namely the Muar, Miri and Sibiu branch offices) in November 2025. This decision was made having regard to the low GWP from these three branch offices, and their proximity to other branch offices nearby or within the same state. The closure of these three branch offices is not expected to adversely affect our business operation and financial condition as we will continue to service the customers from nearby branch offices and in some instances maintain our agents in the location while operating remotely. As at the LPD, our branch offices are located in the entire Malaysia except Negeri Sembilan, Kelantan, Terengganu and Perlis. At this stage, our Company has no immediate plans to establish branch offices in these states as GWP from Kelantan and Terengganu are currently minimal, and customers and agents in Negeri Sembilan can be serviced effectively by branch offices in Melaka or Klang Valley while customers and agents in Perlis can be serviced effectively by the Alor Setar branch office.

7. BUSINESS OVERVIEW (Cont'd)

7.3.2 Business activities and revenue streams

Overview

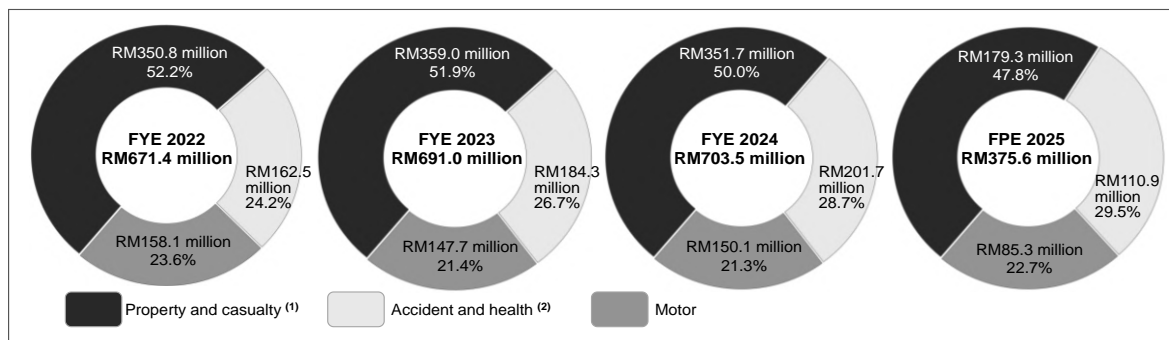
We are a licensed insurer in Malaysia, specialising in general insurance. Under the “Chubb” brand, our Company offers a wide range of products catering to both the consumer and commercial sectors. Our Company is an indirect wholly-owned subsidiary of Chubb Limited, the Swiss-incorporated ultimate holding company of the Chubb Group, whose shares are listed on the NYSE.

Our operations are supported by our head office in Kuala Lumpur and a network of 14 branch offices located across Malaysia as at 1 October 2025. We primarily serve the mass market through an extensive network of distribution partners, including 1,962 active registered agents and 5 active digital partners, 24 licensed brokers and two bancassurance partners as at the LPD. This distribution network enables us to expand our market reach, which is reflected in the growth of our customer base. Our customer base grew from approximately 229,000 customers in the FYE 2022 to approximately 260,000 customers in the FYE 2024, representing a CAGR of approximately 6.6%.

We offer a broad range of general insurance products that cater to the diverse needs of both consumers and commercial customers. Our comprehensive portfolio ranges from the standard motor and fire coverage to customised policies for unique risks. This product diversity is evident in our growth in policies underwritten, which increased from approximately 735,000 policies in the FYE 2022 to approximately 1,026,000 policies in the FYE 2024, representing a CAGR of approximately 18.1%.

Insurance revenue segmentation

For the Financial Years and Period Under Review, all our insurance revenue is derived from the general insurance business. For the Financial Years and Period Under Review, as per MFRS 17, our insurance revenue segmentation by the three main product categories is set out below:



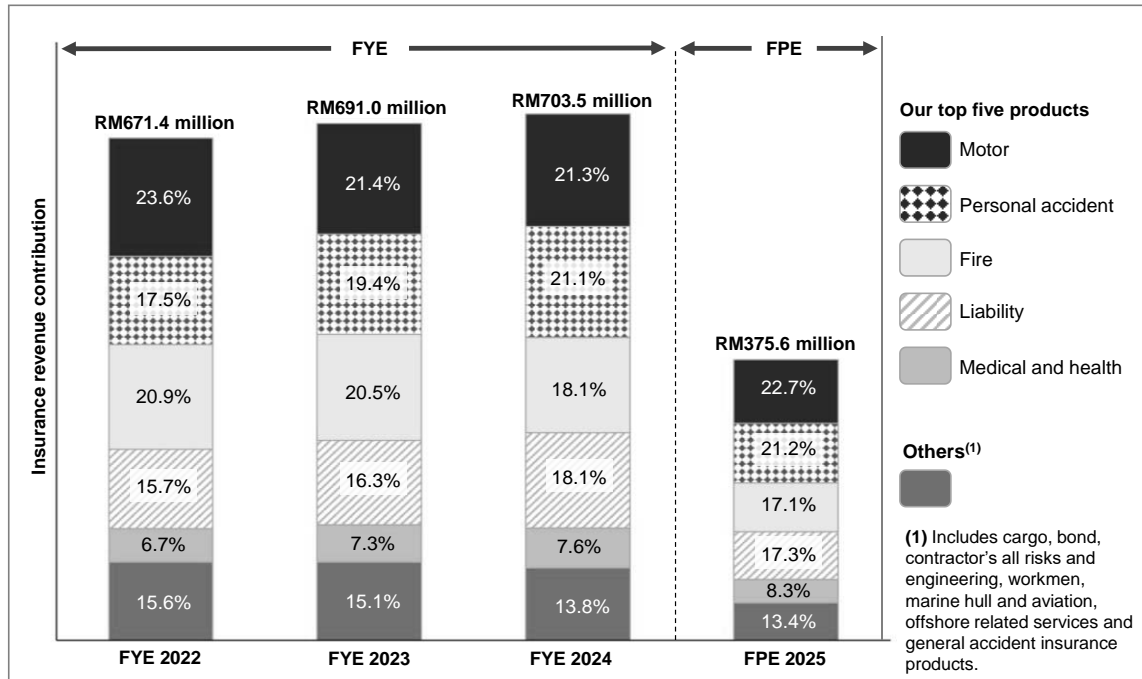
Notes:

- (1) Comprises liability, fire, cargo, bond, contractor's all risks and engineering, workmen, marine hull and aviation, offshore-related services and general accident.
- (2) Comprises personal accident, and medical and health.

Our top five insurance products are motor, personal accident, liability, fire, and medical and health. Our top five insurance products collectively accounted for 84.4%, 84.9%, 86.2% and 86.6% of our insurance revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. The other remaining insurance products collectively accounted for 15.6%, 15.1%, 13.8% and 13.4% of our insurance revenue for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

7. BUSINESS OVERVIEW (Cont'd)

For the Financial Years and Period Under Review, as per MFRS 17, our insurance revenue contribution of our top five and other insurance products in Malaysia is set out below:



See Section 7.6.1 of this Prospectus for a summary of GWP, based on MFRS 4, for our top five products and others for the full years of 2022, 2023 and 2024, and the 1st half of 2025.

7.3.3 Principal markets and geographical operations

We operate a general insurance business in Malaysia with our head office in Kuala Lumpur supported by 14 branch offices across Malaysia as at 1 October 2025.

For the full years of 2022, 2023 and 2024, and the 1st half of 2025, all of our GWP has been derived from our operations in Malaysia, and based on MFRS 4, the GWP by operational locations is set out below:

GWP ⁽¹⁾ by operational locations	Full year							
	2022		2023		2024		1 st half of 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Peninsular Malaysia	626,584	93.0	658,767	93.5	678,697	93.8	385,441	93.8
East Malaysia	47,296	7.0	45,827	6.5	44,824	6.2	25,297	6.2
Total	673,880	100.0	704,594	100.0	723,521	100.0	410,738	100.0

Note:

(1) Based on MFRS 4.

We primarily offer insurance services to customers in Malaysia including inward reinsurance services to foreign and domestic customers.

7. BUSINESS OVERVIEW (Cont'd)

For the full years of 2022, 2023 and 2024, and the 1st half of 2025, based on MFRS 4, our GWP by domestic and foreign customers is set out below:

GWP ⁽¹⁾ by customers location	Full year							
	2022		2023		2024		1 st half of 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Domestic customers	649,416	96.4	682,960	96.9	691,739	95.6	398,901	97.1
Foreign customers	24,464	3.6	21,634	3.1	31,782	4.4	11,837	2.9
Total	673,880	100.0	704,594	100.0	723,521	100.0	410,738	100.0

Note:

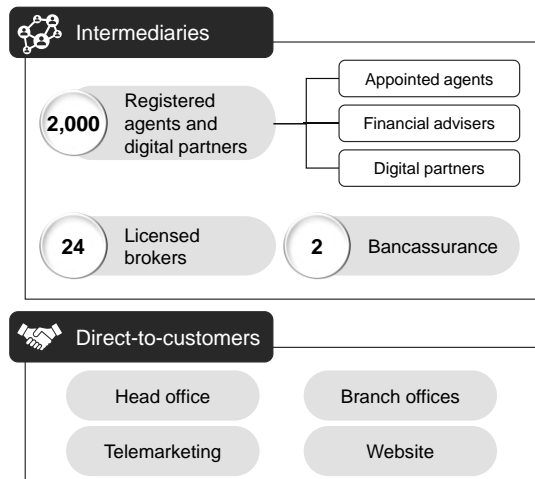
(1) Based on MFRS 4.

7.3.4 Distribution channels and customer base

7.3.4.1 Overview

We utilise both direct and indirect distribution channels for our general insurance business, as outlined below:

- Indirect distribution channel:** We work with intermediaries, including registered agents and digital partners, licensed brokers, and bancassurance partners, to market and sell our products. These intermediaries are not the end users or policyholders but act as distributors, selling our products in their original form to end users. The policyholders then sign contracts directly with us.



This indirect channel enables us to expand our market reach and increase sales volume through intermediaries, without requiring significant investment in additional human or infrastructure resources. It also allows faster market entry into markets where our presence is limited.

- Direct distribution channel:** We also sell our products directly to consumer and commercial end users. One of the main targets of this channel is our larger corporate clients such as public listed companies in Malaysia and/or its subsidiaries, as well as the Malaysian entities or subsidiaries of multinational corporations, who at times require us to customise policies and pricing to meet their specific needs.

7.3.4.2 Indirect distribution channel: Our distribution partners

We work closely with our distribution partners, enhancing face-to-face interactions while incorporating technology to expand our reach to both potential and underserved markets in Malaysia. Based on MFRS 4, the majority of our GWP is generated through our extensive distribution network, which accounted for 84.2%, 88.2%, 88.3% and 88.1% of our GWP for the full years of 2022, 2023 and 2024, and the 1st half of 2025, respectively.

7. BUSINESS OVERVIEW (Cont'd)

Our distribution partners are intermediaries, that is, third-party individuals or companies appointed by us to solicit, arrange or distribute insurance policies on our behalf. These partners include the following:

- Registered agents and digital partners:** As at the LPD, we have 1,962 active registered agents and 5 active digital partners across Malaysia. The number of active agents and digital partners, and new agents and digital partners recruited during the Financial Years and Period Under Review are as follows:

Registered agents and digital partners



	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Number of active agents and digital partners*	2,437	2,118	2,003	1,999
New agents and digital partners recruited	134	205	159	122

Note:

- * *The decline in the number of active agents and digital partners was primarily attributed to the discontinuation of underperforming agents and digital partners. Our business operations and financial performance were not materially affected by the said reduction as reflected in the growth of GWP during the Financial Years and Period Under Review.*

They play a crucial role in educating prospective clients and raising awareness about the importance of insurance coverage. Our agents conduct face-to-face sales, assist clients in completing paperwork and ensure that all required documents are accurately submitted digitally. Their physical presence in diverse communities enables our products to reach areas that may be difficult to access through other channels, such as online platforms. This local presence is vital for tapping into various market segments. Through this network, our customer base grew from approximately 201,000 in the FYE 2022 to approximately 248,000 in the FYE 2024, reflecting a CAGR of approximately 11.1%. While we continuously undertake recruitment of new agents to maintain or increase our agency force, our business growth, sustainability and financial performance also depends on the ability of our existing agents to grow the customer base and sell our products.

Our registered agents and digital partners are categorised as follows:

- Appointed agents:** These are individuals or agencies (entities) authorised by us to sell our insurance products. In accordance with BNM's guidelines, appointed agents must be registered with PIAM and can represent up to two licensed general insurers, including us, and they are licensed to sell both insurers' general insurance products. Our appointed agents typically have in-depth knowledge of our insurance offerings and are equipped to assess clients' needs and risk profiles. They provide expert guidance, recommend suitable coverage and build strong customer relationships. Their responsibilities also include ongoing support such as policy renewals, upgrades and assisting with claims processing by handling paperwork and submissions to ensure smooth and timely claim settlements.
- Financial advisers:** These are companies authorised and licensed by BNM to provide financial advisory services, including financial planning and insurance protection. They recommend insurance products based on the client's needs and typically offer products from at least three licensed insurers or takaful operators. Unlike appointed agents, financial advisers are independent and do not represent any particular insurer or takaful operator.

7. BUSINESS OVERVIEW (Cont'd)

- **Digital partners:** Our products are sometimes distributed through the platforms of our digital partners such as Grab and Atome, who may be registered as our agents. Our digital partners offer our insurance products as part of their existing products or services. This collaboration allows us to leverage our partners' user base, expanding our reach and customer base. The entire process, from quote to purchase, can be digitised through our partners' websites or mobile applications, making insurance more accessible and convenient for customers. Our digital partners are registered with PIAM, and can represent up to two licensed general insurers, including us.

Our appointed agents, financial advisers and digital partners which are registered agents are compensated via commissions based on the GWP of policies sold, and the commission rate varies from 10% up to 25% of the GWP depending on product type. The maximum commission rate is in accordance with BNM's Operating Costs Control ("OCC") Guidelines. Additionally, appointed agents and digital partners which are registered agents may be eligible for sales incentives upon meeting specific performance criteria. As for digital partners who are not registered agents, they are compensated in the form of commercial services fee and/or other payments, which are negotiated on a case-by-case basis. All payments to our Company's intermediaries which include digital partners are subject to BNM's OCC Guidelines.

- **Licensed insurance brokers:** We work with 24 licensed insurance brokers throughout the Financial Years and Period Under Review and up to the LPD. Insurance brokers act as intermediaries, helping clients identify suitable coverage from a range of insurers. Licensed insurance brokers are not exclusive to any one insurer. Our collaboration with brokers helped increase our customer base from approximately 7,000 in the FYE 2022 to approximately 8,000 in the FYE 2024, representing a CAGR of approximately 6.9%.

Licensed brokers



Brokers are independent and not tied to any particular insurer or takaful operator. They have access to a wide range of insurance products from multiple insurance providers. Generally, brokers will assess their clients' risk profiles, potential exposures and coverage requirements. They then obtain quotes from various insurance or takaful operators, allowing them to compare policies, terms, conditions and prices to recommend the most suitable solutions to their clients.

Brokers are mainly compensated via commission based on the GWP of policies sold, and the commission rate varies from 10% up to 25% of the GWP depending on product type. The maximum commission rate is in accordance with BNM's OCC Guidelines.

- **Bancassurance:** We maintain ongoing partnerships with two licensed banks in Malaysia as at the LPD. Through our bancassurance partnership, we sell our insurance products via telemarketing, the operations for which we engage a third-party company to conduct. This partnership grants us access to the banks' extensive customer bases, establishing a synergistic relationship that enhances our distribution capabilities. By leveraging on these banking networks, we can significantly expand our reach, grow our policyholder base and strengthen our brand presence.

Licensed banks



The products typically marketed via telemarketing are personal accident products, which are simple to explain over the phone and do not require a complex underwriting process. Sales are typically finalised during the call and all calls are recorded for quality assurance and compliance purposes.

7. BUSINESS OVERVIEW (Cont'd)

Our bancassurance partners are compensated through commissions based on the GWP of policies sold or lead fees based on contactable leads, and the commission rate varies from 10% up to 25% of the GWP depending on product type. The maximum commission rate is in accordance with BNM's OCC Guidelines.

- **Others** include inward reinsurance and the MMIP. MMIP is an insurance pool established to provide insurance coverage for high-risk vehicles or drivers who find it difficult to obtain insurance through the standard commercial market. Under this arrangement, all general insurers collectively share the risks associated with the MMIP policies. The premiums collected and claims incurred under MMIP are pooled, and the resulting profit and loss is allocated and shared among the insurers.

7.3.4.3 Direct distribution channel: Our direct-to-customers

We also offer our products directly to customers through our head office in Kuala Lumpur and branch offices, telemarketing, as well as through our online platforms, including our website. We use our internal resources and employees to sell our products through direct-to-customer channels.

Based on MFRS 4, GWP derived from our direct-to-customer channels accounted for 15.8%, 11.8%, 11.7% and 11.9% of our GWP for the full years of 2022, 2023 and 2024, and the 1st half of 2025 respectively. Our customer base remained at approximately 4,000 for the FYE 2022 to the FYE 2024.

7.3.4.4 GWP by distribution channel

For the full years of 2022, 2023 and 2024, and the 1st half of 2025, based on MFRS 4, our GWP by distribution partners and direct-to-customer business is set out below:

GWP ⁽¹⁾ by distribution channel	Full year						1 st half of 2025	
	2022		2023		2024		RM'000	%
	RM'000	%	RM'000	%	RM'000	%		
Distribution partners	567,698	84.2	621,294	88.2	638,553	88.3	361,999	88.1
Registered agents	376,380	55.9	382,480	54.3	414,724	57.3	232,379	56.6
Licensed brokers	134,001	19.9	149,093	21.2	142,189	19.7	93,287	22.7
Bancassurance	10,986	1.6	16,670	2.4	16,621	2.3	8,052	2.0
Others ⁽²⁾	46,331	6.8	73,051	10.3	65,019	9.0	28,281	6.8
Direct-to-customer business	106,182	15.8	83,300	11.8	84,968	11.7	48,739	11.9
Total	673,880	100.0	704,594	100.0	723,521	100.0	410,738	100.0

Notes:

(1) Based on MFRS 4.

(2) Includes reinsurance inwards and the MMIP.

7.3.4.5 Customer base by distribution channel

The number of customers through our indirect and direct distribution channels is set out below:

Approximate number of customers	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	'000	%	'000	%	'000	%	'000	%
Distribution partners	225	98.3	221	98.2	256	98.5	176	98.3
Direct-to-customer business	4	1.7	4	1.8	4	1.5	3	1.7
Total	229	100.0	225	100.0	260	100.0	179	100.0

7. BUSINESS OVERVIEW (Cont'd)

7.3.4.6 Types of policyholders

Our customers, also referred to as policyholders, comprise the following:

- **individual** policyholders who hold the right to an insurance policy; and
- **group** policyholders, which consist of corporate and master policyholders, who own the rights to an insurance policy and determine the eligible participating members under these policies.

For the full years of 2022, 2023 and 2024, and the 1st half of 2025, based on MFRS 4, our GWP by each type of policyholders is set out below:

GWP ⁽¹⁾ by type of policyholder	Full year						1 st half of 2025	
	2022		2023		2024		RM'000	%
	RM'000	%	RM'000	%	RM'000	%		
Individuals	108,102	16.0	104,088	14.8	122,661	17.0	77,048	18.8
Groups	565,778	84.0	600,506	85.2	600,860	83.0	333,690	81.2
Total	673,880	100.0	704,594	100.0	723,521	100.0	410,738	100.0

Note:

(1) Based on MFRS 4.

7.3.5 Mode of operation

7.3.5.1 Insurance underwriting

As a general insurer, our customers are secured mainly through our distribution partners. Nevertheless, we also secure customers directly through our head office in Kuala Lumpur, branch offices, telemarketing and online platforms, including our website.

Generally, our distribution partners are responsible for identifying and securing customers. They assist by completing and submitting the application or proposal forms to us, collecting premiums on our behalf, and subsequently remitting them to us.

7.3.5.2 Premium collections

Premium collection process		Policyholders pay		
		direct to us	us through partners	Timing to remit to us
Distribution partners:				
Registered agents	- Agents collect the premium and then remit to us as specified in the agency agreement; or - Customers directly bank the premium to our designated bank account.	✓	✓	7 and up to 90 days ⁽¹⁾
Licensed brokers	- Brokers collect the premium and then remit to us as specified in the broker's agreement; or - Customers directly bank the premium to our designated bank account.	✓	✓	7 and up to 90 days
Bancassurance	- Bank processes the settlement to us via auto-debit from the insured's account; or - Customers directly bank the premium to our designated bank account.	✓		Instant / 7 and up to 90 days
Direct-to-customers	- Customers directly bank the premium to our designated bank account.	✓		Instant / 15 and up to 90 days ⁽¹⁾

7. BUSINESS OVERVIEW (Cont'd)

Note:

- (1) *Except for certain insurance products that are provided on a cash-before-cover basis such as motor and personal accident products. For insurance products provided on a cash-before-cover basis, the insured is required to pay the premium in full before the policy takes effect.*

7.3.5.3 Claims management

The claims process involves our claims department, external adjusters and the policyholders. Our distribution partners, including registered agents, licensed brokers and bancassurance play supporting roles in assisting policyholders.

Among these partners, registered agents and licensed brokers typically provide more active, hands-on support to policyholders throughout the claims process. In contrast, bancassurance partners and digital partners primarily serve as intermediaries and the initial point of contact for claim reporting, while the actual claims management is handled by our inhouse claims department.

7.4 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

7.4.1 We have an established track record in underwriting across multiple insurance products to meet the needs of the commercial and consumer sectors

Our Company has been a licensed insurer since 1970, with an extensive 55-year operating history. Since the Chubb Group's acquisition of Jerneh Insurance Sdn Bhd in 2010, our Company has built a 15-year track record of growth with GWP, based on MFRS 4, in Malaysia reaching RM723.5 million in 2024, representing a CAGR of 3.2% since 2011.

Our track record has provided us with an extensive understanding of the local market, including commercial and consumer behaviours, risk profiles and market dynamics. This enables us to offer a broad range of general insurance products that cater to the diverse protection needs of both commercial and individual consumers in Malaysia. Our comprehensive portfolio allows us to develop customised and innovative products, from standard motor and fire coverage to tailored policies for unique risks. By combining our market coverage with product flexibility, we are able to offer and deliver insurance products that enhance customer confidence and improve risk management. This is reflected in the growth in the number of policies underwritten, from approximately 735,000 policies in the FYE 2022 to approximately 1,026,000 policies in the FYE 2024, representing a CAGR of approximately 18.1%.

In 2024, the total market GWP in Malaysia was RM23.1 billion. Based on our GWP of RM723.5 million in the same year, we had a market share of approximately 3%. Our personal accident and liability segments were particularly strong, capturing 11% and 13% of their respective segments. According to the IMR Report, our medical and health segment accounted for approximately 5% of the market, while the motor and fire segments had market shares of less than 5% each in 2024. According to the IMR Report, as of October 2025, we ranked 13th of 19 general insurers in Malaysia based on our insurance revenue of RM703.5 million for the FYE 2024.

Our strong and reputable market position enables us to fulfil the commercial and consumer insurance needs of our customers in Malaysia.

7.4.2 We have a large customer base, leveraging on our wide network of distribution partners and direct sales to expand market reach

Our business benefits from a large and growing customer base built through our network of distribution partners, complemented by direct sales through our offices and digital platforms. This multi-channel approach strengthens our market presence, ensuring broad accessibility for customers while enhancing convenience and choice. Furthermore, this enables us to reach different customer segments more effectively to sustain and grow our business.

7. BUSINESS OVERVIEW (Cont'd)

Leveraging on the network of our distribution partners and direct sales, our overall customer base increased from approximately 229,000 customers in the FYE 2022 to approximately 260,000 customers in the FYE 2024, representing a CAGR of approximately 6.6%.

The scale of our customer base presents opportunities for cross-selling and upselling products, enhances brand recognition and drives operational efficiency through economies of scale. Our digital platforms further enable us to gather valuable customer insights, supporting data-driven decision-making and the development of tailored insurance solutions to better meet evolving customer needs. Our in-house digital capabilities enable us to facilitate seamless interaction with our distribution partners, including by integrating our products into their platforms through a secured and controlled environment, as well as allowing customers to submit their applications digitally to our platform. Digital platforms and direct-to-customer channels commonly cater to tech-savvy customers who are looking for convenience, speed and affordability.

Our GWP underwritten through distribution partners accounted for 84.2%, 88.2%, 88.3% and 88.1% of our GWP for the full years of 2022, 2023 and 2024, and the 1st half of 2025 respectively. As at the LPD, our pool of distribution partners include:

- 1,962 active registered agents and 5 active digital partners;
- 24 licensed insurance brokers; and
- two bancassurance partners.

Our extensive network of distribution partners drives a competitive advantage for our operations in Malaysia, as follows:

- Broadens our market coverage and customer accessibility, which enables us to extend our reach across different customers and locations within Malaysia. For instance, agents and brokers are key for customers who value personalised advice and face-to-face interaction, particularly for complex products. Meanwhile, our partnership with banks enables us to tap into their extensive customer base, making it a channel for selling our products to the banks' customers and reaching the mass market.
- Enhances our insurance revenue, leading to cost efficiency from strategic partnerships with our distribution partners. For instance, our partnership with agents, brokers and bancassurance enables us to leverage their existing networks and customer bases, which reduces the need for costly physical branches and a large direct sales force. Our GWP has been growing at a CAGR of 3.6% between 2022 and 2024.
- Builds trust through proactive customer engagement to enhance relationships that are essential for securing customer commitment. General insurance products typically offer coverage for one year, making it vital to foster customer engagement to retain existing clients and acquire new ones. Our distribution partners, especially agents and brokers, play an important role in this process; they serve as the first point of contact, keep the "Chubb" brand top-of-mind with customers and provide professional information and critical support to gain customer confidence, ensuring they are well-informed and supported. The ongoing effort not only encourages policy renewals but also creates opportunities for upselling and cross-selling new products, ensuring that our customers' evolving needs are met. A loyal customer base is a strong foundation for sustained growth and profitability. Additionally, a positive claim experience is a key motivator for customers to renew their policies, encouraging repeat business and positive word-of-mouth referrals. This was reflected in the growth of our number of renewal policies at a CAGR of approximately 8.6% between the FYE 2022 and the FYE 2024.

7. BUSINESS OVERVIEW (Cont'd)

7.4.3 We have a broad and diversified general insurance portfolio to provide us with diversity and business growth

As at the LPD, our general insurance product portfolio mainly comprises 11 product categories, namely motor, personal accident, medical and health, cargo, marine hull, fire, bonds, contractor's all risks and engineering, liability, workmen's compensation, and employer's liability.

Our broad portfolio positions us strongly in Malaysia's highly competitive and regulated insurance landscape. This extensive product suite enables us to serve a wide spectrum of policyholders, ranging from individuals to micro, small and medium-sized enterprises ("MSMEs") and large corporations, giving us both breadth and depth in market coverage and bringing the benefits set out below.

- Comprehensive customer reach: By offering products across the consumer and commercial segments, we are able to meet the diverse protection needs of individuals, families, households, businesses, institutions and government entities. This not only strengthens customer loyalty but also enhances cross-selling and up-selling opportunities across multiple products.
- Diversified revenue streams: With 11 product categories within our portfolio, we are not overly reliant on a single product category. This diversification provides greater resilience against market cycles, regulatory shifts or claims volatility in any one segment.
- Stronger market competitiveness: With 11 product category offerings, we are better positioned to compete with other insurers. We can bundle various products to offer overall price competitiveness, as well as convenience from a one-stop insurance provider perspective.
- Cross-sector expertise: Managing such a broad portfolio enhances our technical expertise, underwriting capability and risk management across multiple classes of insurance. This translates into stronger product innovation, more customised solutions and the ability to support sector-specific needs – for example, customised products for small to medium enterprises, motor owners or industrial customers.

Our wide portfolio of general insurance products provides a strong platform to reduce reliance on any single product line or specific consumer and commercial segment. At the same time, it positions us to address new opportunities and drive sustainable business growth.

7.4.4 Our strategic position and brand are backed by our NYSE-listed parent company with regional and global expertise and presence

Our strategic market positioning is backed by our ultimate holding company, Chubb Limited, the Swiss-incorporated holding company of the Chubb Group. Chubb Limited is a component of the S&P 500 index and its shares are listed on the NYSE. As at 30 September 2025, Chubb Limited had total assets of USD270.21 billion and shareholders' equity, which excludes non-controlling interests, of USD71.9 billion. The Chubb Group has operations in 54 countries and territories and provides commercial and consumer property and casualty insurance, accident and health, reinsurance, and life insurance to a diverse group of clients. This enables us to access and implement international best practices including, leveraging on the Chubb Group's regional and global knowledge in risk management, underwriting, claims processing, reinsurance, technology and product development. This also enables us to bring innovative products and services to the Malaysian market.

This can be demonstrated by the regional partnerships entered into by the Chubb Group. We partnered with a Grab entity in Malaysia in 2019 to provide an in-app insurance solution in Malaysia, following a regional partnership announced in March 2018. Further, in March 2024, we entered into a local arrangement with an Atome entity in Malaysia to provide embedded insurance products to Atome's customers in Malaysia, following a regional partnership announced earlier that year.

7. BUSINESS OVERVIEW (Cont'd)

Our strategic position allows us to leverage international support for reinsurance and technology. We access reinsurance capacity from our related companies, benefitting from competitive rates, streamlined processes and enhanced risk management. Our reinsurance selection complies with regulatory requirements set by BNM and involves a rigorous, independent assessment of each reinsurer's financial strength, focusing on credit ratings to mitigate counterparty risk effectively.

Furthermore, our ultimate holding company has invested in technology on a global and regional scale. This includes complex systems for data analytics to drive business decisions, enhance product offerings and digital customer experiences that provide a seamless end-to-end journey from price quotes to claims administration within a digital platform. As a local company in Malaysia, we can leverage our parent company's existing digital infrastructure for the latest technology deployments.

By leveraging on synergistic support, we gain a competitive edge in offering innovative products, effectively managing risk and delivering a technology-driven customer experience, which sustains and grows our business in Malaysia.

7.4.5 We possess the financial strength and regulatory compliance required to operate in a highly regulated industry

The general insurance industry in Malaysia is highly regulated, requiring new market participants to obtain an operating licence and approval from BNM. According to the IMR Report, based on a publication by BNM on 2 September 1997, the Malaysian Government maintains a policy of not issuing new licences for direct insurance business in Malaysia, including general insurance. As of October 2025, there are 19 general insurance companies registered with BNM.

Adhering to BNM's requirements is vital for our operational certainty as it ensures continuity of our licence to operate and minimises the risks of non-compliance or business restrictions. Both corporate and consumer clients place greater trust in an insurer that demonstrates strict adherence to regulation and solvency requirements.

As a general insurer, we are subject to stringent financial requirements. This includes the requirement to maintain a minimum paid-up capital of RM100 million and comply with the RBC Framework. Since 2010, we have consistently complied with relevant regulatory and capital requirements, maintaining sufficient capital adequacy.

Our commitment to regulatory compliance is a core component of our operational excellence. Our proven track record of consistently working with BNM has not only streamlined our internal processes but also earned us a high degree of trust and credibility with regulators. This strong relationship is a significant competitive advantage in our highly regulated industry.

Our adherence to regulatory and compliance standards in Malaysia is key as a general insurer in Malaysia to ensure business sustainability and foster public trust in a highly regulated environment.

7.4.6 We have an experienced key management team to facilitate proactive and responsive execution

We have an experienced key management team that enables us to manage our business operations proactively and execute promptly. This enables us to navigate local complexities effectively and build crucial engagement with customers, distribution partners and regulators.

Our local management team possesses an in-depth understanding of Malaysian commercial and consumer behaviour and market dynamics, as this knowledge is crucial for developing and pricing insurance products that are relevant to local needs. This localised insight allows us to be more proactive in our strategies and planning.

7. BUSINESS OVERVIEW (Cont'd)

In addition, our local management team strives to enhance engagement with key stakeholders, including regulators such as BNM, distribution partners and corporate clients. Having a management team that is familiar with the local business landscape and can engage directly with these stakeholders gives us a significant advantage in negotiations, compliance and partnership building.

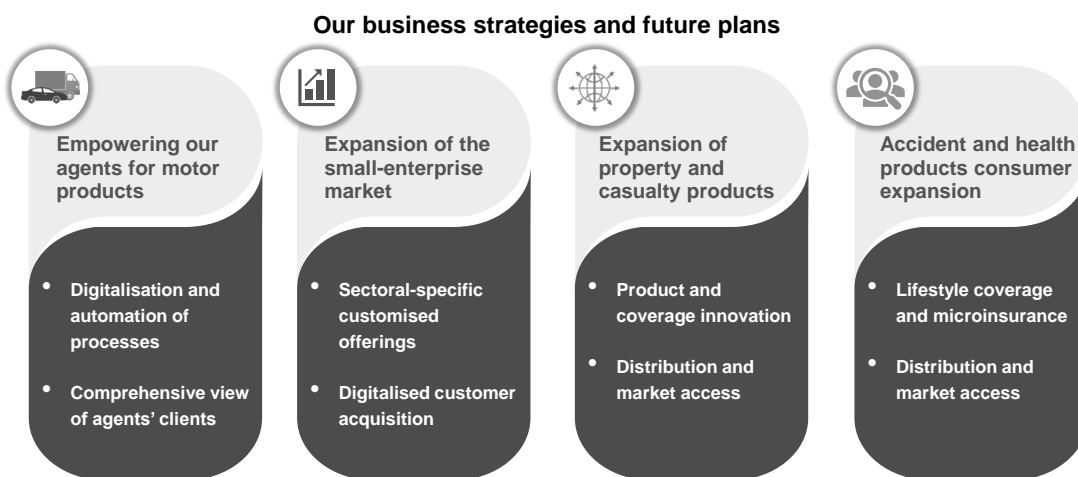
Our Country President, Jon Eric Longmore, has approximately 14 years of experience in the general insurance industry, and is responsible for overseeing the operations, development and implementation of the overall strategies in Malaysia. He is supported by our other experienced Key Senior Management team as follows:

- (i) Jenni Harjanto, our Chief Financial Officer, who brings with her approximately 29 years of experience in finance and risk related matters;
- (ii) Tan Wee Keat, our Chief Operating Officer, who brings with him approximately 20 years of experience in the general insurance industry;
- (iii) Lee Pei Ling, our Chief Consumer Lines Officer, who brings with her approximately 22 years of experience in the general insurance industry; and
- (iv) Danil Bugakov, our Head of Property and Casualty, who brings with him approximately 12 years of experience in the general insurance industry.

7.5 BUSINESS STRATEGIES AND FUTURE PLANS

7.5.1 Overview of our business strategies and future plans

Our business strategies and future plans are focused on driving business growth and expansion. They are summarised in the diagram below:



7. BUSINESS OVERVIEW (Cont'd)

7.5.2 Empowering our agents for motor products

We are digitalising our internal motor product processes for our agents to make their workflow more efficient. By automating key processes, we aim to free our agents from administrative tasks, enabling them to focus on client interactions.

We intend to leverage our digital platform to integrate agent automation for our motor products. Our key areas of focus include the following:

- automating the process of creating quotes and issuing policies to instantly generate accurate quotes for standard motor product policies. Our agents will input a customer's personal and vehicle information, and the system will automatically retrieve data, assess risks and calculate the premium.
- providing our agents with a comprehensive view of their clients through new automated digital tools, which enable them to track a customer's policy history, view past interactions and monitor renewal dates to manage their client relationships proactively.
- streamlining claims support by providing our agents with digital tools to help their clients file claims quickly and accurately. Our agents will be able to access a customer's policy details and guide them through a digital claims submission portal to accelerate the entire claims process for the customer, improving their overall experience.

By adopting these solutions, we are empowering our distribution partners to improve process efficiency and enhance client engagement, transforming the agent's role from a transactional one to a more consultative one. This will enable them to provide faster and higher quality service to their clients. The digitalising of motor product processes is ongoing. The enhancement of the existing digital platform will be undertaken progressively over the next 12 months with an estimated cost of RM11.4 million, which is funded using internally generated funds.

7.5.3 Expand the small-enterprise market through sector-specific offerings and digital customer acquisition

We plan to expand our market reach in Malaysia's small-enterprise segment, recognizing the significant market opportunity and strong economic performance of the sector.

In 2024, Malaysia's MSMEs contributed RM652.4 billion to the national GDP, representing a 5.8% increase. This sector makes up 39.5% of the total Malaysian GDP. According to the IMR Report, there were 1.1 million MSME firms across various sectors in Malaysia, including services (84.4%), construction (8.7%), manufacturing (5.3%), agriculture (1.4%), and mining and quarrying (0.2%).

To strengthen our presence, we are developing:

- Flexible packages: Bundling essential coverages relevant for our target customer segments.
- Sector-specific insurance offerings: We have developed and will continue to customise insurance products, with tailored coverage and benefits for particular sectors like information technology services, construction and manufacturing.
- Micro-insurance products: We will continue creating simple, low-premium micro-insurance products specifically for microenterprises and sole proprietors.

We also plan to enhance our digital platform to automate processes for our registered agents and digital partners, as well as licensed brokers. This is expected to streamline workflows and improve efficiency, similar to our agent automation initiatives in other areas.

7. BUSINESS OVERVIEW (Cont'd)

The expansion of our small-enterprise market through flexible packages, sector-specific insurance offerings and micro-insurance products are an ongoing effort and will be funded using internally generated funds.

Our expansion strategy for the small-enterprise segment is built on three core pillars: customised products, diverse distribution channels and enhanced service delivery through digitalisation and automation.

7.5.4 Expansion of our property and casualty products to the medium-sized enterprise market

Our plans are to expand our medium-sized enterprise segment by growing our property and casualty insurance portfolio and to capture opportunities in the underserved commercial segment. According to the IMR Report, this segment comprises 17,725 medium-sized firms in and is an attractive target for the following reasons:

- The medium-sized enterprise market has evolved beyond the basic risks faced by micro or small enterprises. Such companies now encounter a range of operational challenges, including supply chain disruptions from geopolitical uncertainties and reliance on imported sources. In addition, the growing adoption of digital infrastructure and the storage of sensitive data presents opportunities for specialised cyber liability insurance.
- There are opportunities to enhance customer engagement for cross-selling of our products by offering a customised and comprehensive suite of products. This will enable us to generate multiple premiums across various products and improve customer retention.

Targeting the medium-sized enterprise market with customised property and casualty insurance products is our strategy for generating sales beyond our existing customer base. These enterprises often require more comprehensive risk management, including coverage for property damage, liability, employee protection, cyber threats and business interruption. This approach is expected to lead to higher average premium size, as the average premium size of our property and casualty segment generally is already two to three times higher than the overall average premium size. The expansion of our property and casualty products to target the medium-sized enterprise market is an ongoing effort, and the sales and marketing expenses relating to these products will be funded using internally generated funds.

7.5.5 Expansion of our accident and health products for the consumer market

To capitalise on growth opportunities, we are expanding our accident and health products portfolio and making our products more accessible to a broader range of consumers. This expansion is driven by both market demand and industry trends. Our accident and health portfolio has shown strong growth, as evidenced by a CAGR of 10.8% in our GWP from the full years of 2022 to 2024, reaching RM205.2 million in 2024.

The consumer accident and health segment is an attractive target for our portfolio growth, taking into consideration the following factors:

- Given the low insurance penetration at 1.4% in 2024 (*Source: IMR Report*) and growing household sizes in Malaysia, there are opportunities for Chubb Malaysia to address the protection gap. This presents an opportunity for the industry to increase insurance adoption, with a focus on personal insurance products and raising public awareness.
- Rising health awareness and escalating medical costs are expected to boost demand for medical and health insurance products. Furthermore, tax relief on medical and insurance premiums further encourages insurance uptake (*Source: IMR Report*).

7. BUSINESS OVERVIEW (Cont'd)

- To accelerate growth, we intend to leverage on the digital partners and platforms available to us to make our products more accessible to a wider range of customers. At the same time, the presence of digital partners and platforms enable us to improve service delivery by providing customers with convenient and accessible channels to obtain product information, purchase our products and manage their policies. These channels allow us to strengthen customer engagement through personalised communications and provide timely updates to our customers.

The expansion of our accident and health products for the consumer market is an ongoing effort, and the sales and marketing expenses relating to these products will be funded using internally generated funds.

7.6 OUR PRODUCTS AND SERVICES

7.6.1 Overview

We are a licensed provider of general insurance in Malaysia, offering protection against a wide range of risks, excluding life and takaful insurance. Our general insurance products are designed to protect individuals, families, households, businesses, government bodies and other institutions from financial losses caused by unforeseen events such as accidents, natural disasters, illness or liability claims. Our insurance coverage includes:

- **Property and assets:** protection for homes, buildings, motor vehicles, equipment and other valuables against risks such as fire, theft, accidents or natural disasters.
- **Liability risks:** including third-party liability, public liability and employer's liability, to cover legal obligations and compensation costs.
- **Health and personal accident:** providing coverage for medical expenses, hospitalisation, disability or accidental death.
- **Business protection:** such as business interruption, marine and cargo, and engineering-related insurance to ensure operational continuity.
- **Specialised solutions:** including travel insurance, professional indemnity and customised policies tailored to unique customer needs.

As part of Malaysia's regulated insurance industry, we operate under the supervision of BNM, ensuring compliance with prudential standards, consumer protection and fair market conduct. Through our role, we help individuals and organisations manage risks, achieve financial security and recover from unexpected events.

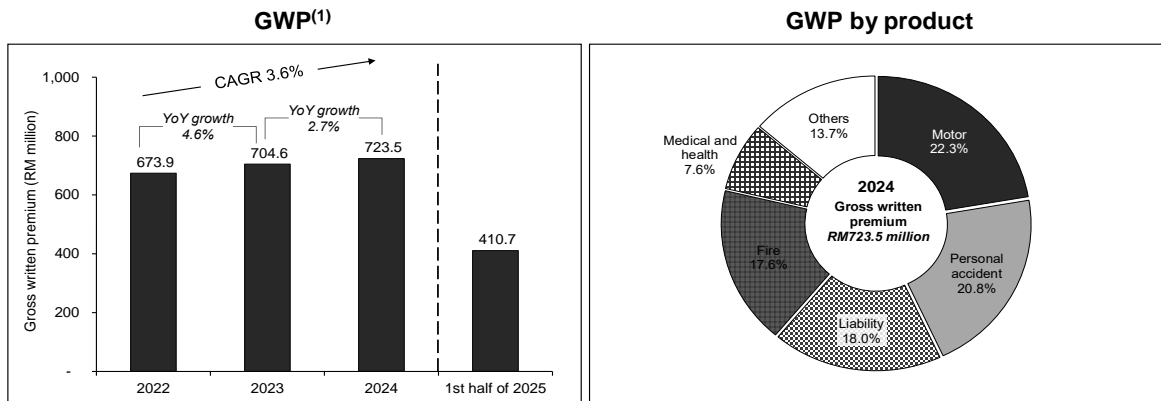
Our customer base generally comprises two main segments:

- **Consumers**, including individuals, families and households, who purchase various types of general insurance to protect themselves and their assets. Common products include motor insurance for private vehicles, fire and property insurance for residential homes and personal belongings, and personal accident insurance for financial protection against accidental injury, disability or death.
- **Commercial**, including businesses, government entities and other organisations that require insurance to safeguard their operations, assets, employees, employers and directors. Their coverage typically includes, motor insurance for commercial vehicles and fleets; fire and property insurance for operational premises such as offices, factories, warehouses, and retail outlets; group medical and health insurance for employees and employers; liability insurance such as public liability, professional indemnity, product liability and employer's liability, to protect against third-party claims; workmen's compensation and employees' protection for workplace-related injuries; contractors' all risks and engineering insurance for construction, infrastructure and industrial projects; marine, cargo and aviation insurance for transportation, shipping and logistics-related risks; and other specialised solutions tailored to industry-specific needs.

7. BUSINESS OVERVIEW (Cont'd)

Our role is to provide comprehensive protection and risk management solutions that help both individuals and organisations mitigate financial losses, comply with regulatory requirements and ensure long-term security and business continuity.

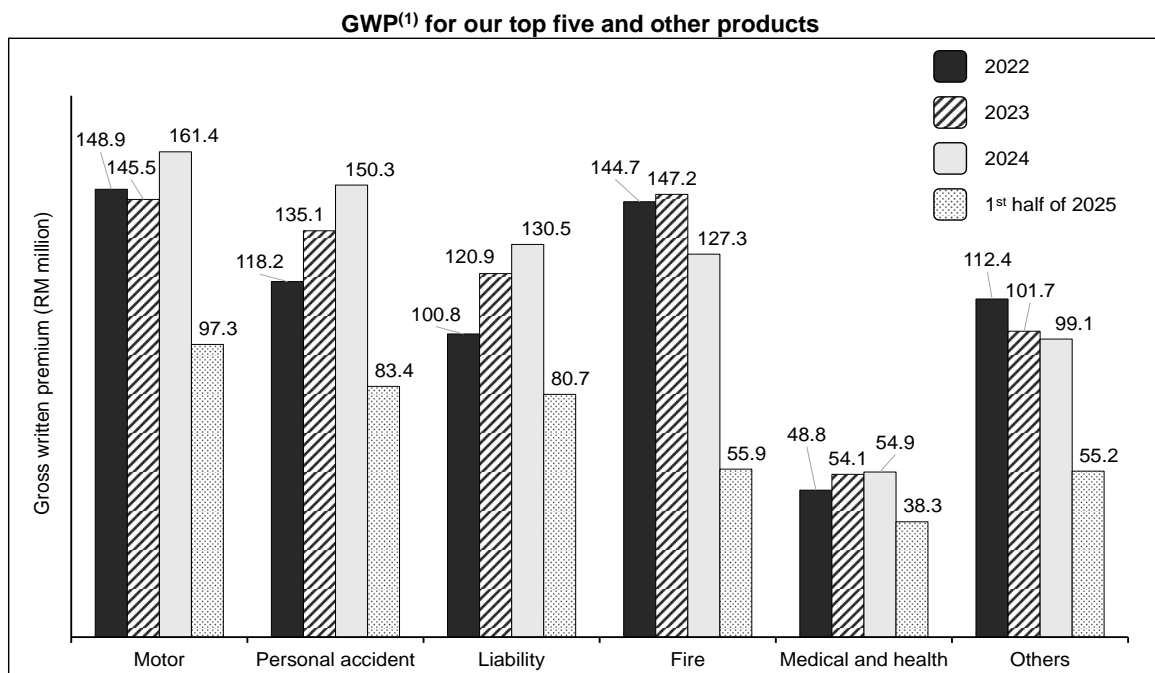
Between the full years of 2022 and 2024, based on MFRS 4, our GWP grew at a CAGR of 3.6% from RM673.9 million in 2022 to RM723.5 million in 2024. Our top 5 products in 2024 comprised motor, personal accident, liability, fire as well as medical and health insurance, which collectively contributed 86.3% of our GWP in 2024.



Note:

(1) Based on MFRS 4.

The summary of GWP for our top five products and others for the full years of 2022, 2023 and 2024, and the 1st half of 2025 is as follows:



Note:

(1) GWP is based on MFRS 4.

7. BUSINESS OVERVIEW (Cont'd)

GWP ⁽¹⁾	Full year								CAGR (2022-2024)
	2022		2023		2024		1 st half of 2025		
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
Top 5 products	561,470	83.3	602,866	85.6	624,422	86.3	355,537	86.6	5.5%
Motor	148,904	22.1	145,528	20.6	161,357	22.3	97,319	23.7	4.1%
Personal accident	118,211	17.5	135,084	19.2	150,289	20.8	83,351	20.3	12.8%
Liability	100,780	15.0	120,881	17.2	130,546	18.0	80,692	19.7	13.8%
Fire	144,732	21.5	147,231	20.9	127,330	17.6	55,852	13.6	(6.2%)
Medical and health	48,843	7.2	54,142	7.7	54,900	7.6	38,323	9.3	6.0%
Others⁽²⁾	112,410	16.7	101,728	14.4	99,099	13.7	55,201	13.4	(6.1%)
Total	673,880	100.0	704,594	100.0	723,521	100.0	410,738	100.0	3.6%

Notes:

(1) Based on MFRS 4.

(2) Others include mainly cargo, general accident, bonds, workmen's compensation and employer's liability, contractor's all risks and engineering, marine hull and aviation, offshore related services insurance products.

7.6.2 Our insurance products

7.6.2.1 Motor

In Malaysia, under the Road Transport Act 1987, motor insurance is mandatory for all vehicles to provide coverage against third-party risks. The provision of motor products is our largest business in terms of GWP, accounting for 22.3% and 23.7% of our GWP for 2024 and the 1st half of 2025, respectively.

We offer the following types of motor insurance coverage for all types of motor vehicles including electric vehicles:

(a) Third-party coverage: This is the minimum level of protection and is compulsory under the Road Transport Act 1987. It covers:

- bodily injury or death to third parties; and
- loss or damage to third-party property caused by the insured vehicle.

However, it does not cover loss or damage of any kind to the insured's own vehicle. In the event of an accident, the insured must bear the full cost of repairs to the insured's own vehicle.

(b) Third-party, fire and theft coverage: This policy provides the same protection as the third-party coverage policy, with additional coverage for the insured's own vehicle in the event of theft or damage caused by fire. However, it does not cover accidental damage to the insured's own vehicle. In such cases, the insured will be responsible for bearing the repair costs.

(c) Comprehensive coverage: This is the widest form of protection. It covers third-party bodily injury and death, third-party property loss or damage, and loss or damage to the insured's own vehicle due to fire, theft or accident.

Currently, we do not offer specific insurance products for electric vehicles, and the same motor insurance coverage is provided for both internal combustion engine and electric vehicles. However, electric vehicles insured under our existing motor insurance products attract different premiums due to the conversion of electric motor power that are measured in kilowatts (kW) to engine capacity measured in cubic centimetres (cc).

7. BUSINESS OVERVIEW (Cont'd)

7.6.2.2 Accident and health

(i) Personal accident

Personal accident products provide financial compensation in the event of an injury, disability or death caused by an accident. Based on MFRS 4, the personal accident segment is our second-largest business in terms of GWP, accounting for 20.8% and 20.3% of our GWP for the full year of 2024 and the 1st half of 2025, respectively.

Generally, personal accident products provide coverage for the following:

- (a) Accidental death, which provides a lump sum payout to the beneficiary in the event of the insured's death caused by accident;
- (b) Permanent disablement such as loss of limbs or sight due to accidents, which provides a lump sum payout depending on the severity of the disability;
- (c) Temporary disablement, which provides a weekly benefit for the period where the insured is unable to work due to injury arising from the accident;
- (d) Medical expenses covering the medical fees incurred as a result of the accidents, including hospitalisation, surgery and doctor's fees;
- (e) Hospital allowance, which provides a cash allowance for each day of hospitalisation due to accident; and
- (f) Other types of coverage, including snatch theft or robbery, funeral or bereavement expenses, home nursing care and others.

Under our personal accident products, we also offer travel insurance, which provides coverage for losses arising from unexpected events which may occur while travelling. Travel insurance typically provides the following coverage:

- (a) Medical coverage, which covers emergency medical expenses, including doctor's fees, hospitalisation or surgery in the event of any medical conditions or accidents that arise during the trip;
- (b) Emergency medical evacuation and repatriation, which covers the costs of transportation to the nearest medical facility or back to the home country for treatment;
- (c) Accidental death or disablement, which provides a lump sum payout to the beneficiary in the event of the insured's death or disability caused by accident while travelling; and
- (d) Travel inconvenience, including trip cancellation or curtailment; travel and baggage delay; loss or damage of personal belongings, money, luggage and travel documents.

(ii) Medical and health

Medical and health insurance provides medical coverage for hospitalisation, surgery, outpatient treatment and other related expenses. Based on MFRS 4, the medical and health segment is our fifth-largest business in terms of GWP, which accounted for 7.6% and 9.3% of our GWP for the full year of 2024 and the 1st half of 2025, respectively.

The coverage we offer under our medical and health products mainly comprises the following:

- (a) Foreign workers hospitalisation and surgical insurance is a mandatory insurance policy provided by the employer for foreign workers in Malaysia with a maximum annual limit of RM20,000. The benefits covered under this policy include hospitalisation, surgical fees and treatment expenses due to accidents or illness.

7. BUSINESS OVERVIEW (Cont'd)

- (b) Group medical insurance, which provides medical insurance to the employees of a company or organisation under a single group policy with standardised benefits and coverage for all employees. Group medical insurance provides coverage for employees' medical expenses, including hospitalisation, surgery, outpatient treatment and related healthcare costs.

7.6.2.3 Property and casualty

(i) Liability

Liability insurance covers the financial consequences that the insured is responsible for paying if the insured is found legally liable. This includes legal fees, medical expenses, costs for repair or replacement for property damage, and financial settlements arising from claims by third parties. Based on MFRS 4, the liability segment is our third-largest business in terms of GWP, which accounted for 18.0% and 19.6% of our GWP for the full year of 2024 and the 1st half of 2025 respectively.

The type of liability products that we offer mainly comprises the following:

- (a) Public/general liability, which provides protection for individuals and businesses against a wide range of claims from third parties, including customer injuries at a business' premises and damage to clients' property, in specified circumstances.
- (b) Product liability, which provides coverage against legal claims arising from defective products sold, which cause injury or damage to third parties or their properties. The insurance will indemnify the insured for the defence costs and expenses incurred in respect of claims by third parties.
- (c) Professional liability, which protects professionals such as lawyers, doctors, accountants, architects and engineers against the legal liability arising from clients' claims for the professional's negligence or poor advice during the conduct of the business, which resulted in financial loss.

(ii) Fire

Fire insurance protects property against loss or damage caused by fire and other perils, such as explosion, lightning or other natural disasters. Based on MFRS 4, the fire segment is our fourth-largest business in terms of GWP, accounting for 17.6% and 13.6% of our GWP for the full year of 2024 and the 1st half of 2025, respectively.

The coverage offered for our fire products typically comprises the following:

- (a) Basic fire insurance protection which provides coverage for the insured's property arising from the loss or damage caused by fire, lightning or explosion.
- (b) Houseowner and householder policy, which provides a broader coverage for the owner of a residential property, in addition to the coverage of basic fire insurance protection for the property. Houseowner insurance provides coverage for the building, including the home structure, fixtures and fittings. In contrast, householder insurance covers the contents in the home against unexpected loss or damage arising from fire, lightning, explosion, theft, burglary, natural disasters including floods, windstorms and earthquakes. Our houseowner and householder policy also covers for loss of rent as well as liability to the public for accidents that happen in the insured's property.

7. BUSINESS OVERVIEW (Cont'd)

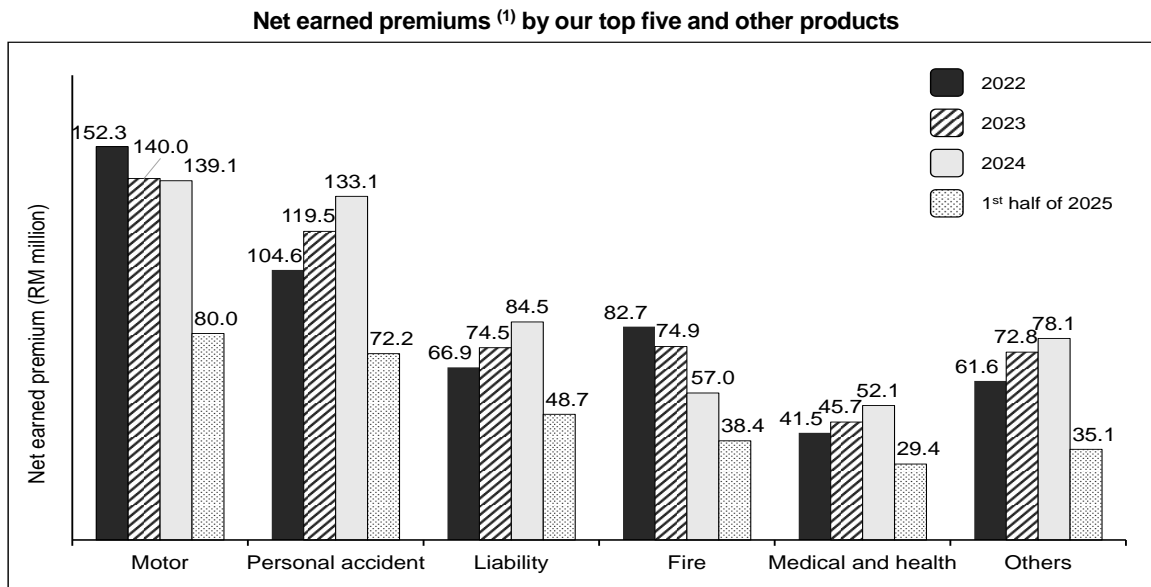
(iii) Other insurance

Other insurance we offer under the property and casualty segment mainly covers commercial activities, including the following:

- Cargo insurance, which is designed to protect goods which are being transported against loss or damage due to accidents, thefts or natural disasters which may occur during transit via land, sea or air.
- Bond insurance, including contract bonds, advance payment guarantees, and tender bonds. Bond insurance provides financial protection to the beneficiaries in the event the principal fails to fulfil its contractual or statutory obligations.
- Contractor’s all risks and engineering insurance, which provides coverage for construction projects, including the construction site and works, for loss or damage to the construction works, materials, machinery and equipment at the site.
- Workmen’s compensation and employer’s liability insurance, which provides coverage to employers for liabilities arising from accidental injury, illness or death of employees during the course of their employment. Subject to the terms of each insurance policy, the coverage generally includes financial protection for employee compensation and also covers the legal fees and related costs associated arising from employee claims.
- Marine-hull insurance, which provides coverage against loss or damage to marine vessels and their machinery and equipment.

7.6.3 Our underwriting profitability

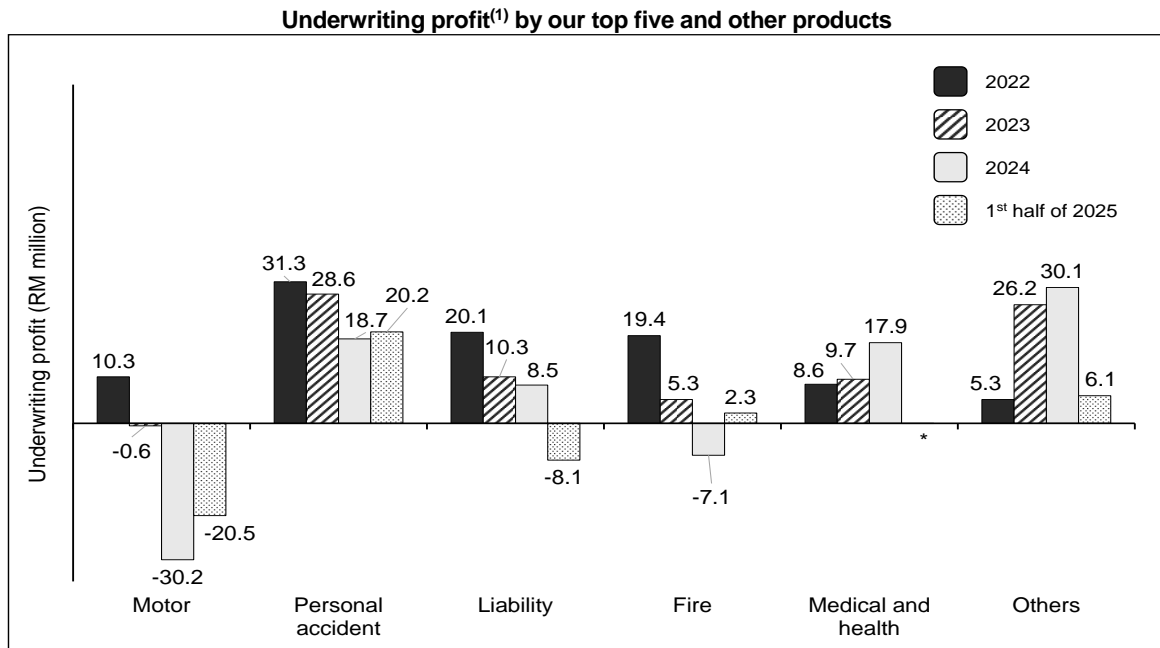
Underwriting profitability measures the profit generated from the core insurance business (excluding investment income), which is calculated by subtracting claims paid and underwriting expenses from net earned premiums. Net written premium refers to the total premium collected by an insurance company on all policies issued during a particular period after deduction of reinsurance costs incurred in the period.



Note:

(1) Based on MFRS 4.

7. BUSINESS OVERVIEW (Cont'd)

**Note:**

(1) Based on MFRS 4.

A summary of our net earned premium and underwriting profit by product segments is set out below:

	Net earned premium ⁽¹⁾				Underwriting profit ⁽¹⁾⁽³⁾			
	2022	2023	2024	1 st half of 2025	2022	2023	2024	1 st half of 2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Top 5 products	447,998	454,633	465,725	268,709	89,824	53,372	7,712	(6,125)
Motor	152,349	140,017	139,128	80,011	10,293	(550)	(30,215)	(20,450)
Personal accident	104,607	119,527	133,100	72,183	31,342	28,609	18,682	20,246
Liability	66,855	74,461	84,462	48,679	20,148	10,301	8,455	(8,147)
Fire	82,661	74,941	56,958	38,398	19,395	5,271	(7,074)	2,273
Medical and health	41,526	45,687	52,077	29,438	8,646	9,741	17,864	(47)
Others⁽²⁾	61,591	72,759	78,062	35,125	5,273	26,240	30,091	6,112
Total	509,589	527,392	543,787	303,834	95,097	79,612	37,803	(13)

Notes:

(1) Based on MFRS 4.

(2) Others include mainly cargo, general accident, bonds, workmen's compensation and employer's liability, contractor's all risks and engineering, marine hull and aviation, offshore related services insurance products.

(3) Our underwriting profit has been on a declining trend between 2022 and 2024 and recorded negative underwriting profit for the 1st half of 2025. This was mainly due to the increase in claims for the motor segment, following the gradual return of mobility to pre-pandemic conditions. Between 2020 and 2021, the Malaysian Government imposed various movement control orders which included restrictions on movements as well as economic activities, which contributed to a lower claims ratio during these periods. Additionally, the higher motor claims were also driven by the increase in the cost of prosthesis and orthosis relating to bodily injury claims from the commercial vehicle portfolio.

7. BUSINESS OVERVIEW (Cont'd)

One of the key metrics used to assess underwriting profitability is the combined ratio, which is computed as follows:

$$\text{Combined ratio} = \text{Claims ratio}^{(1)} + \text{Commission ratio}^{(2)} + \text{Operating expense ratio}^{(3)}$$

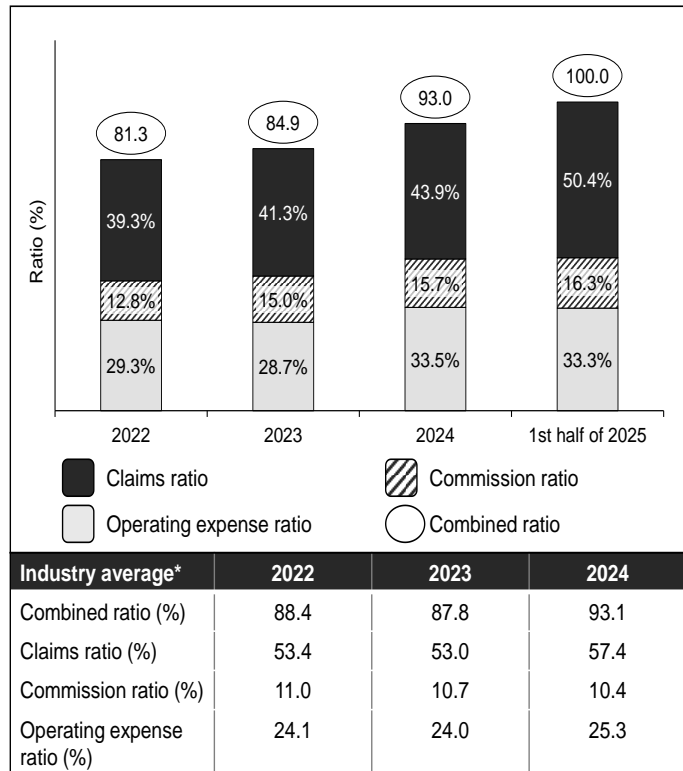
Notes:

- (1) *Claims ratio = Total net claims incurred / Net earned premium*
- (2) *Commission ratio = Net commission / Net earned premium*
- (3) *Operating expense ratio = Operating expense / Net earned premium*

A lower combined ratio indicates better profitability for the insurer. A combined ratio of less than 100% indicates that the insurer's underwriting is profitable. In contrast, a combined ratio above 100% suggests the insurer is operating at a loss, as the outgoings, including claims and expenses, exceed the premiums collected.

From 2022 to the 1st half of 2025, our Company's combined ratio has increased from 81.3% in 2022 to 93.0% in 2024 and further increased to 100.0% for the 1st half of 2025, on the back of a higher claims ratio, commission ratio and operating expense ratio. The increasing trend in the claims ratio was mainly attributed to the motor segment following the gradual return of mobility to pre-pandemic conditions. Between 2020 and 2021, the Malaysian Government imposed various movement control orders which included restrictions on movements as well as economic activities, which contributed to a lower claims ratio during these periods. Following the easing of restrictions and the gradual resumption of activities, the claims ratio for the motor segment has been on an increasing trend driven by the increase in the cost of prosthesis and orthosis relating to bodily injury claims from the commercial vehicle portfolio. To address the increasing trend in the combined ratio, our Company is implementing several measures to improve the performance of our motor products, which include underwriting, product, claims cost containment and distribution initiatives.

Overall Company's claims ratio, commission ratio, operating expense ratio and combined ratios⁽¹⁾



* Source: IMR Report

Note:

- (1) *The claims ratio, commission ratio, operating expense ratio and combined ratio are computed based on MFRS 4.*
- (2) *The combined ratio for the 1st half of 2025 was 100.0%. This was mainly attributable to the liability segment due to a number of large professional indemnity losses during the 1st half of 2025.*

7. BUSINESS OVERVIEW (Cont'd)

Our Company's combined ratio, claims ratio, commission ratio and operating expense ratio by products are set out below:

(a) Combined ratio

	Combined ratio ⁽¹⁾			
	2022	2023	2024	1 st half of 2025
	%	%	%	%
Motor ⁽²⁾	93.2	100.4	121.7	125.6
Personal accident ⁽³⁾	70.0	76.1	86.0	72.0
Liability ⁽⁴⁾	69.9	86.2	90.0	116.7
Fire ⁽⁵⁾	76.5	93.0	112.4	94.1
Medical and health ⁽⁶⁾	79.2	78.7	65.7	100.2
Others	91.4	63.9	61.5	82.6
Chubb Malaysia⁽⁷⁾	81.3	84.9	93.0	100.0
Industry average*	88.4	87.8	93.1	-

* Source: IMR Report

Notes:

(1) Based on MFRS 4.

(2) The combined ratio for the motor segment has been on an increasing trend and exceeded 100.0% in 2023, 2024 and 1st half of 2025. This was mainly due to the increase in claims following the gradual return of mobility to pre-pandemic conditions. Between 2020 and 2021, the Malaysian Government imposed various movement control orders which included restrictions on movements as well as economic activities, which contributed to a lower claims ratio during these periods. Following the easing of restrictions and the gradual resumption of activities, the claims ratio for the motor segment has been on an increasing trend driven by the increase in the cost of prosthesis and orthosis relating to bodily injury claims from the commercial vehicle portfolio. To address the increasing trend in the combined ratio, our Company is implementing several measures to improve the performance of our motor products, which include underwriting, product, claims cost containment and distribution initiatives.

(3) The combined ratio for the personal accident segment has been on an increasing trend mainly due to higher claims arising from an increase in frequency of claims. This was on the back of increased travelling activities following the easing of restrictions and the gradual resumption of activities after the movement control orders imposed by the Malaysian Government between 2020 and 2021. To address the increasing trend in the combined ratio, our Company is implementing measures such as product and pricing review to ensure policy terms and pricing remain sustainable and enhanced claims data analytics to promptly identify claims patterns and potential claims leakage points.

(4) The combined ratio for the liability segment has been on an increasing trend mainly due to the growth and long-tail nature of this segment with adverse prior year developments on several large losses, particularly in 2025 which resulted in the combined ratio exceeding 100.0%. To address the increasing trend in the combined ratio, our Company is implementing measures such as product and pricing review to ensure policy terms and pricing remain sustainable and enhanced claims data analytics to promptly identify claims patterns and potential claims leakage points.

(5) The combined ratio for the fire segment exceeded 100.0% in 2024 mainly due to high operating expense arising from the expenses incurred on EDP systems enhancement mainly for the implementation of a new digital platform for our fire product.

(6) The combined ratio for the medical and health segment exceeded 100.0% in the 1st half of 2025 mainly due to higher claims driven by the changes in portfolio mix where there had been a higher proportion of group hospitalisation scheme that had higher frequency of claims and costs.

7. BUSINESS OVERVIEW (Cont'd)

- (7) Our combined ratio was lower than the industry average as we take prudent risk selection, pricing discipline and consistently enhance our operational efficiency, which we intend to continue moving forward.

(b) Claims ratio

	Claims ratio ⁽¹⁾			
	2022	2023	2024	1 st half of 2025
Chubb Malaysia	%	%	%	%
Motor	66.5	70.8	86.3	86.2
Personal accident	16.7	26.8	35.8	21.4
Liability	33.0	36.9	39.5	64.5
Fire	28.4	39.7	27.8	33.8
Medical and health	33.6	36.5	30.0	56.3
Others	35.4	17.1	7.8	22.4
Chubb Malaysia	39.3	41.3	43.9	50.4

	Claims ratio		
	2022	2023	2024
Industry average*	%	%	%
Motor	64.8	60.6	68.3
Personal accident	24.6	27.8	34.7
Liability	32.7	37.6	42.5
Fire	29.4	35.1	34.1
Medical and health	61.7	65.6	68.1
Others	46.2	40.7	34.8
Industry average*	53.4	53.0	57.4

* Source: IMR Report

Note:

- (1) Based on MFRS 4.

(c) Commission ratio

	Commission ratio ⁽¹⁾			
	2022	2023	2024	1 st half of 2025
Chubb Malaysia	%	%	%	%
Motor	9.9	10.4	11.6	12.7
Personal accident	15.8	17.2	17.7	17.5
Liability	20.9	25.5	24.0	25.6
Fire	9.7	17.0	22.1	17.8
Medical and health	6.2	6.7	5.4	6.2
Others	14.7	12.5	12.9	16.3
Chubb Malaysia⁽²⁾	12.8	15.0	15.7	16.3
Industry average*	11.0	10.7	10.4	-

* Source: IMR Report

7. BUSINESS OVERVIEW (Cont'd)**Notes:**

- (1) Based on MFRS 4.
- (2) Our commission ratio was higher than the industry average for the full years of 2022, 2023 and 2024, mainly attributed to product mix as the commission rates vary depending on product type and is in accordance with BNM's OCC Guidelines.

(d) Operating expense ratio

	Operating expense ratio ⁽¹⁾			
	2022	2023	2024	1 st half of 2025
Chubb Malaysia	%	%	%	%
Motor	16.9	19.2	23.8	26.7
Personal accident	37.6	32.0	32.5	33.1
Liability	16.0	23.8	26.5	26.6
Fire	38.4	36.2	62.6 ⁽²⁾	42.5
Medical and health	39.3	35.5	30.4	37.6
Others	41.3	34.3	40.8	43.9
Chubb Malaysia⁽³⁾	29.3	28.7	33.5	33.3
Industry average*	24.1	24.0	25.3	-

* Source: IMR Report

Notes:

- (1) Based on MFRS 4.
- (2) The high operating expense ratio for the fire segment in 2024 is due to the expenses incurred on EDP systems enhancement mainly for the implementation of a new digital platform for our fire products.
- (3) Our operating expense ratio was higher than the industry average for the full years of 2022, 2023 and 2024. This was primarily driven by EDP expenses mainly for the development and enhancement of existing systems and software including digital platform to automate processes, as well as to comply with regulatory requirements. EDP expenses comprised expenses for maintenance and repairs, rental of equipment, annual licence fees, software and system development costs not capitalised, payments to IT service providers and disaster recovery costs, including monthly charges on back-up system and costs for off-site storage and other IT peripherals. For the Financial Years and Period Under Review, EDP expenses was one of our major components of cost of services, which accounted for 5.3%, 4.6%, 5.7% and 6.3% of our cost of services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. To address the increasing trend in the operating expenses ratio, our Company is implementing measures such as realised efficiencies through the digitalisation of our small commercial business including enhancement of our digital platform to automate processes for our registered agents and digital partners as well as licensed brokers to streamline workflows and improve efficiency.

7. BUSINESS OVERVIEW (Cont'd)

7.7 OPERATIONAL FACILITIES

As at the LPD, we operate from our head office located in Kuala Lumpur:

Address	Status	Built-up (sq. m.)
Wisma Chubb, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur, Wilayah Persekutuan	Owned	20,850

As at 1 October 2025, we have 14 branch offices in Malaysia, comprising nine branch offices in Peninsular Malaysia and five branch offices in East Malaysia. All our branch offices operate from rented premises, save for our Penang branch office.

Location	Address	Status	Built-up (sq. m.)
Peninsular Malaysia			
Penang	No. 266 & 268, Victoria Street, 10300 Pulau Pinang	Owned	999
Johor Bahru	No. 47, Jalan Kebun Teh 1, Pusat Perdagangan Kebun Teh, 80250 Johor Bahru, Johor	Rented	269
Melaka	No. 63-1, Jalan Merdeka Permai 3, Taman Merdeka Permai, Batu Berendam, 75350 Melaka	Rented	229
Segamat	1 st Floor, No. 1 Jalan Genuang Perdana, Taman Genuang Perdana, 85000 Segamat, Johor	Rented	201
Alor Setar	No. 225-B, Medan Putra, Seberang Jalan Putra, 05150 Alor Setar, Kedah	Rented	195
Kuantan	Ground Floor, B-30 Lorong Tun Ismail 11, Jalan Tun Ismail, 25300 Kuantan, Pahang	Rented	176
Klang	No. 31 (Ground Floor), Jalan Tiara 2C/KU1, Pusat Perniagaan BBK Bandar Baru Klang, 41150 Klang, Selangor	Rented	137
Muar ⁽¹⁾	No. 55-4, 2 nd Floor, Jalan Bentayan, Mukim Bandar Maharani, 84000 Muar, Johor	Rented	130
Ipoh	No. 16 (Ground Floor), Jalan Pusat Perniagaan Falim 6, Pusat Perniagaan Falim, 30200 Ipoh, Perak	Rented	116
East Malaysia			
Kuching	Lot 7686 & 7687, 1 st Floor, Section 64, Jalan Pending, 93450 Kuching, Sarawak	Rented	323
Tawau	TB 305, 2 nd Floor, Leong Hua Building, Jalan Dunlop, 91000 Tawau, Sabah	Rented	204
Kota Kinabalu	Lot A-1-3, Block A, Signature Office, Times Square, Off Coastal Highway, 88100 Kota Kinabalu, Sabah	Rented	129
Miri ⁽¹⁾	Lot 1199, 1 st Floor, Jalan Sylvia, 98000 Miri, Sarawak	Rented	111
Sibu ⁽¹⁾	No. 41B, 1 st Floor, Brooke Drive, 96000 Sibu, Sarawak	Rented	90

Note:

- (1) We ceased the operations of three branch offices (namely the Muar, Miri and Sibu branch offices) in November 2025. However, we will continue to service the customers from nearby branch offices and in some instances maintain our agents in the location while operating remotely.

7. BUSINESS OVERVIEW (Cont'd)

7.8 MACHINERY AND EQUIPMENT

As at 30 June 2025, our main ICT systems, hardware and software are as follows:

Main ICT systems, hardware and software	No. of units	Average age (years)	Audited NBV as at 30 June 2025 (RM'000)
Computer hardware	1,580	4	2,775
Computer software	58	6	10,783
Total	1,638		13,558

We also incur EDP expenses, mainly comprising expenses for maintenance and repairs, rental of equipment, annual license fees, software and system development costs not capitalised, payments to IT service providers, disaster recovery costs, including monthly charges on back-up system and costs for off-site storage and other IT peripherals. These hardware and software support a wide range of business functions, including, among others, policy administration, underwriting, claims processing, distribution, customer relationship management, billing and financial management and business intelligence and analytics.

Our EDP expenses including hardware and software support are mainly provided by our related parties. For the Financial Years and Period Under Review, our EDP expenses were as follows:

	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	FPE 2025 (RM'000)
EDP expenses	16,521	15,122	20,342	11,700

7.9 OPERATING CAPACITY AND UTILISATION

Our general insurance business is service-based. As such, the measurement of capacity, output and utilisation rate is not applicable.

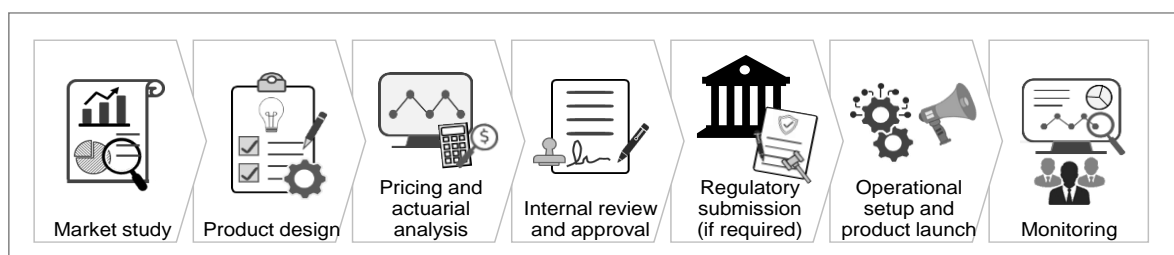
7.10 PROCESS FLOW

7.10.1 Development and introduction of new products

The development and introduction of new products is guided by BNM's policy document on Introduction of New Products by Insurers and Takaful Operators, which sets out the applicable regulatory procedures and expectations. A new product refers to one that is being offered by us in Malaysia for the first time; a combination of two or more of our existing insurance products; or a variation to an existing insurance product that results in a material change to its structure, features or risk profile.

We maintain policies and procedures to guide the development and introduction of new products. Our product line managers are responsible for preparing and submitting all new product proposals, while our product approval committee, comprising members of senior management, is responsible for reviewing and approving these proposals before submission to BNM (where required).

Generally, the process flow is as follows:



7. BUSINESS OVERVIEW (Cont'd)

(i) Market study

The process begins with conducting a market study to validate the need for a new product offering. This involves gathering insights through surveys and focus groups with our registered agents and data analysis to understand customer preferences. Based on these findings, we identify gaps in the market and assess the level of financial protection required by different customer segments.

We also benchmark against competing products to evaluate existing coverage, features and pricing in the market. In addition, we closely monitor regulatory developments and industry trends to ensure proposed products are relevant and compliant. At the end of the market study, we will have a clearly defined target market and an initial product concept.

(ii) Product design

The product design process involves defining the proposed product's coverage, exclusions, benefits and limits, based on findings from the market study. We also determine suitable distribution channels based on the target customer segment, which may include agents, brokers and/or digital platforms.

Each product is designed to meet the needs of its target market and provide appropriate financial protection. During this stage, the policy wording is drafted and undergoes review to ensure compliance with legal and regulatory requirements and internal underwriting criteria, while operational requirements such as system readiness and claims handling procedures are also considered and/or developed.

(iii) Pricing and actuarial analysis

Once the product design is finalised, the actuarial department undertakes pricing and risk analysis. This involves identifying and assessing key product risks based on our risk appetite, capacity and risk limits. Based on this assessment, appropriate risk mitigation measures are developed and relevant risk limits are defined for the new product.

Premiums are then calculated using historical loss data, risk modelling and expected claims frequency and severity to ensure pricing is both competitive and sufficient to cover projected losses and expenses. A profitability assessment is also conducted to evaluate the expected financial performance of the product, including claims costs, expenses, customer acquisition costs, capital requirements and return on capital.

In addition, sensitivity and scenario analyses are performed to assess the product's financial resilience and to ensure that it remains viable and adequately priced under a range of adverse conditions. All pricing assumptions are documented and reviewed to ensure consistency, transparency and compliance with regulatory requirements.

During this stage, reinsurance requirements are evaluated to manage risk exposure.

After the actuarial department determines the pricing of new products, our pricing committee plays a vital role in reviewing the underlying assumptions, models and results made by the actuarial department. This process ensures that our pricing accurately reflects associated risks and costs, complies with regulatory requirements, safeguards policyholders' interests and balances commercial competitiveness and our Company's strategic financial objectives.

(iv) Internal review and approval

The proposed product including its documentation undergoes internal review and approval by our Product Approval Committee. The committee evaluates key aspects including, among others, the product's objective, target market, strategic alliance arrangements (if any), key features, distribution methods, draft policy documents, promotional materials, profitability assessment, financial impact, associated risks and compliance with legal and regulatory requirements.

7. BUSINESS OVERVIEW (Cont'd)

(v) Regulatory submission (if required)

When a new product passes our internal review, if required by regulations, we will submit the product documentation to BNM, together with the declaration by our Country President. Under BNM's "launch-and-file" system, we can proceed to offer the new product to consumers after submitting the required information. However, this "launch-and-file" system excludes insurance products being introduced in Malaysia for the first time and existing product lines that contain innovative features. For such products, additional information, including the proposed capital and accounting treatment for the new product must be submitted to BNM at least 30 calendar days prior to the proposed launch date, in accordance with regulatory requirements.

(vi) Operational setup and product launch

We begin preparing for the product launch by configuring the ICT systems to support policy administration, underwriting workflows and claims processing. This includes setting up necessary system rules, documentation templates and reporting tools.

During this stage, the user acceptance testing ("UAT") of the ICT systems will be conducted internally by the distribution, underwriting and operations departments. The UAT will validate the end-to-end business processes, including product issuance, policy fulfilment and claims handling. This is conducted by simulating a range of scenarios and cases to identify any defects or issues. Once all acceptance criteria are satisfied, the UAT team will provide formal sign-off, confirming that the system is ready for go-live.

Prior to the product launch, we provide training to our employees, appointed agents and brokers on the product's features, underwriting criteria, system usage and compliance requirements. At the same time, marketing and sales materials including brochures, digital content and frequently asked questions are developed and vetted by the underwriting team, corporate committee and legal department before being distributed to support the rollout.

Once operational readiness is confirmed, the product is launched to the market through the selected distribution channels.

(vii) Monitoring

Periodic reviews are conducted to assess the product's profitability, suitability and customer satisfaction. These include evaluating the product against specific criteria such as loss ratios, lapse rates, distribution effectiveness and feedback from customers and intermediaries.

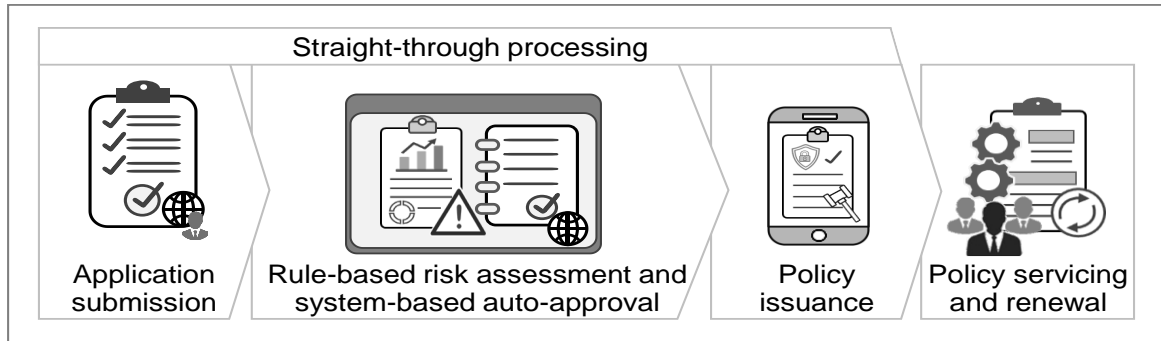
We also actively monitor product-related risks on a continuous basis. If a product is found to be unsuitable for its target market, whether due to poor performance, persistent complaints or a shift in market needs, we may take corrective actions such as revising product features, repricing or withdrawing the product from the market altogether. Prior to the official withdrawal of any insurance product from the market, we will review the product's performance, risk profile and impact on policyholders, obtain the necessary internal approvals, and also, where necessary, notify BNM in writing prior to the effective date of the withdrawal. We will ensure that the existing policyholders and all other stakeholders receive termination notices and where applicable, continue to run off these policies with servicing and claims support until the end of the policy period. These steps were taken when our Company had to withdraw two personal accident products in 2025, which were previously distributed via a former digital partner's platform when the digital partner decided to shut down its platform. Apart from the two personal accident insurance products withdrawn in 2025, we have not withdrawn any other insurance products from the market during the Financial Years and Period Under Review and up to the LPD.

7. BUSINESS OVERVIEW (Cont'd)

7.10.2 Underwriting

Our underwriting process commences when we receive a new insurance proposal or application from an intermediary or consumer through digital submission via our online portal or email, or in hard copy at our office. Generally, the underwriting process flow can be distinguished between pre-underwritten (standardised) and complex underwriting (non-standardised) products as follows:

Pre-underwritten product (Standardised product)

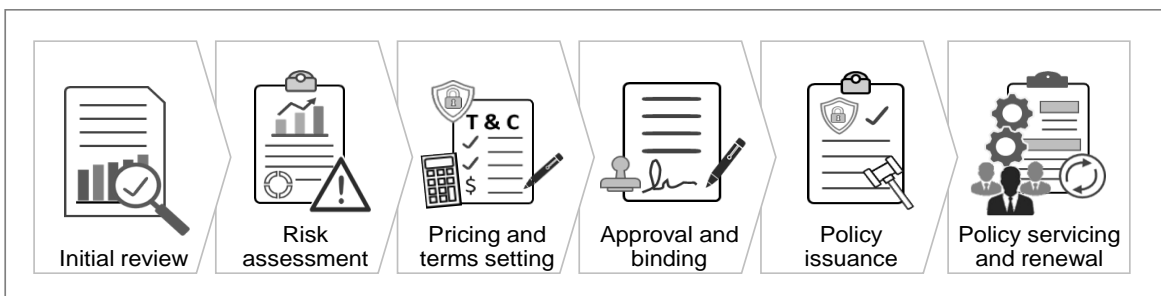


The underwriting process for pre-underwritten products (such as travel and motor products) is typically guided by pre-approved underwriting rules and scoring models. This process is carried out digitally through our business-to-business (“B2B”) platform, Chubb eBiz, which enables applications to be processed digitally.

Once an application is submitted, our B2B platform captures the data, validates its accuracy and completeness and cross-verifies information (where permitted) from external databases such as Insurance Services Malaysia or Jabatan Pengangkutan Jalan Malaysia’s databases. The application is then assessed against pre-determined underwriting rules and scoring models to automatically evaluate and categorise the risk. If the risk falls within our appetite, the system applies automated approvals, calculates the premium through rule-based engines and pricing tools, and generates a digital quotation slip. Upon acceptance and premium payment, the system will issue the formal policy documentation, which legally confirms the terms and conditions of the coverage.

Once the policy is active, ongoing servicing is also largely automated, covering requests such as mid-term endorsements and cancellations. As the policy approaches its expiry date, the system will automatically reassess the risk using pre-approved rules, recalculate the premium and issue the renewal quotation slip, all without human intervention.

Complex underwriting product (Non-standardised product)



(i) Initial review

Our underwriting department conducts an initial review of the submitted documents to ensure completeness and assess basic eligibility. We verify whether that risk falls within our underwriting parameters and complies with applicable regulatory guidelines. This involves a preliminary assessment of factors such as the applicant’s industry, geographical location, size or value of the risk, claims history and the relevant legal and regulatory environment.

7. BUSINESS OVERVIEW (Cont'd)

If the risk falls within our parameters, we proceed with a more detailed analysis. However, if the risk does not meet our criteria, the submission will be declined.

(ii) Risk assessment

If the initial review is satisfactory, our underwriting department conducts a comprehensive risk assessment to evaluate the nature, frequency and severity of potential exposures associated with the proposal. This stage involves deeper analysis of the applicant's operations, risk characteristics and supporting data.

Key considerations may include, among others:

- financial strength and stability;
- operational and safety practices,
- risk mitigation measures;
- prior insurance coverage and claims history; and
- benchmarking against similar risks in the same industry.

For complex products such as liability, fire, contractor's all risk and engineering, workmen, and marine hull products, additional underwriting information and a detailed questionnaire with supporting documentation may be required before an underwriting decision is made.

Additional data or clarification may be requested from the applicant or intermediary to support the assessment depending on the complexity of the risk.

(iii) Pricing and terms setting

Based on the outcome of the risk assessment, the underwriter determines pricing and coverage terms. This involves aligning the premium with the level of risk, expected loss ratio and prevailing market conditions, while ensuring compliance with internal pricing models and regulatory guidelines.

For tariff classes such as motor and fire insurance, pricing must follow the tariffs and rating structures prescribed by BNM. For non-tariff classes, pricing is determined using actuarial models, subject to internal governance and fair customer treatment principles. The Phased Liberalisation of Motor and Fire Tariffs, took effect on 1 July 2016, and this is applicable for motor comprehensive, and motor third-party, fire and theft coverage, where tariff and rating structure are used as reference to determine the minimum and maximum rate deviation allowable. As for motor third-party coverage and fire insurance, tariff and rating structure are still applicable.

At this stage, we also define the coverage limits and sub-limits, applicable deductibles or excesses, exclusions or endorsements, conditions precedent to coverage and any risk improvement requirements. If necessary, terms may be negotiated with the intermediary or applicant to arrive at mutually acceptable conditions.

The underwriter determines the appropriate pricing and terms taking into consideration the associated risks and costs, compliance with regulatory requirements and safeguards policyholders' interests. Where the proposed pricing, coverage, or policy limits fall outside the underwriter's authority, the quotation will be referred to the relevant higher authority for further review and approval.

To ensure pricing adequacy and compliance with our Company's risk appetite, we have established controls and monitoring mechanisms. These include comprehensive underwriting guidelines which set out, among others, the risk acceptance criteria, premium setting, required documentation, policy terms and coverage limits, as well as approval limits with delegation of authority based on underwriter seniority and experience. In addition, we regularly review and stress test our risk management framework to assess the potential impact under volatile conditions and ensure compliance with our risk appetite.

7. BUSINESS OVERVIEW (Cont'd)

(iv) Approval and binding

Once the pricing and coverage terms for complex underwriting products have been finalised, the proposal is subject to manual underwriting approval.

After approval is obtained, the underwriter makes an offer of coverage by issuing a formal quotation slip or offer letter. If the applicant or intermediary accepts the quotation or offer letter, the initial premium payment must be paid by the stipulated deadline. Generally, premium must be paid in full by policyholders and intermediaries. However, certain intermediaries such as brokers or agents may be granted a credit term of 60 to 90 days to remit the premium. Coverage is bound effective from the agreed date, subject to these payment terms.

(v) Policy issuance

Once payment is received or the premium terms are confirmed, the underwriting department issues the formal policy documentation, which legally confirms the terms and conditions of the coverage. This typically includes:

- policy schedule outlining limits, premiums and period of insurance;
- applicable clauses, endorsements and exclusions;
- certificates of insurance (if applicable); and
- invoices or premium billing instructions.

All policies issued are subject to a final quality check for accuracy. Documents are then sent to the intermediary or policyholder either digitally or in hard copy.

(vi) Policy servicing and renewal

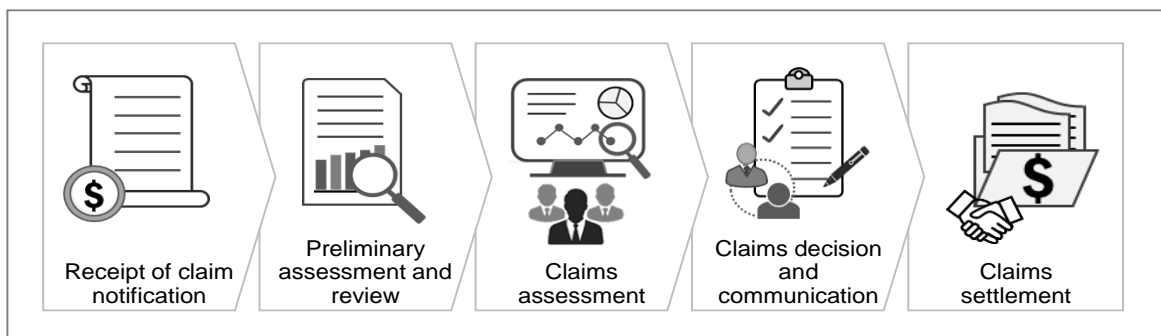
Once the policy is active, ongoing servicing is carried out by our distribution and operations department, in coordination with intermediaries and policyholders respectively. This includes managing requests for changes such as mid-term endorsements, cancellations and premium adjustments. Where material changes to the risk profile occur, an underwriting reassessment may be required.

As the policy approaches its expiry date, the underwriter initiates a renewal review. This involves reviewing claims experience during the policy term, identifying any significant changes in risk profile, evaluating compliance with risk improvement measures, considering market conditions and price adequacy.

Based on this review, the underwriter may offer renewal on expiring terms, proposed revised terms or decline the renewal if the risk no longer meets underwriting parameters. Renewal terms are typically communicated to the intermediary or policyholder in advance of the expiry date to allow sufficient time for review and response.

7.10.3 Claims settlement

Claims settlement procedures are guided by BNM's policy document on Claims Settlement Practices, which sets out minimum standards on handling and assessing claims. Generally, the process flow is as follows:



7. BUSINESS OVERVIEW (Cont'd)

(i) Receipt of claim notification

The process begins when we receive a notification of claim from an intermediary or policyholder, either through digital submission via our online portal or email notification, or in hard copy at our office. Policyholders are required to complete the claim form and provide relevant supporting documents such as a police report (if applicable), photographs, medical reports or repair estimates.

For digital submissions, the system generates an acknowledgement receipt upon submission and the claim is automatically routed to our claims department for registration and review. For physical submissions or email notification, the claim documents are received and logged manually by our front office personnel. Once logged, the documents are forwarded to the claims department. An official written acknowledgement note will be issued to the policyholder, either via email or post, depending on the contact details provided.

In accordance with BNM's policy document, a written acknowledgement of the claim notification must be issued within three working days for motor claims and seven working days for non-motor claims from the date of notification.

(ii) Preliminary assessment and review

Once the claim is registered and acknowledged, the claims department conducts a preliminary review of the submitted documents to assess the completeness and validity of the claim form and supporting documents. The review includes verifying policy coverage and whether the claim event falls within the insured scope of coverage, policy status, sum insured and any applicable limits, deductibles or exclusions.

Generally, where the claimant has provided sufficient information and documents to enable a preliminary review to determine the validity of the claim and the verification of policy coverage, and the claim is a non-complex claim that does not involve extensive vehicle damage, natural catastrophe losses or suspected fraud, the preliminary assessment would be completed within five working days for motor claims and 10 working days for non-motor claims.

If any documents are missing or further clarification is needed, our claims personnel will contact the policyholder or intermediary to request the outstanding information. If we do not receive the additional information requested within seven working days from the date of request, we will send a reminder to the policyholder as a follow up.

(iii) Claims assessment

Following the receipt of all required information and supporting documents, we will either appoint a registered adjuster, or assign an internal adjuster or in-house assessor, to conduct an assessment of loss within five working days. Their scope of work includes conducting field inspections, interviewing involved parties, verifying the cause and extent of loss, and evaluating liability to determine if we are legally responsible for the loss under the policy. All findings must be clearly documented and the final assessment report is submitted to us. We will assign an internal adjuster or in-house assessor for routine or low-complexity claims, whereas we will appoint a registered adjuster when the claim is a more complex claim requiring further investigation, such as claims involving extensive geographical reach, claims requiring specialist expertise, or claims which are potentially fraudulent.

The adjusting work or loss assessment is expected to be completed within 10 working days for motor claims and 14 working days for non-motor claims, except in circumstances involving, among others:

- complex insurance claims such as marine cargo, aviation, transit, contractors' all risk, liability, engineering, and business interruption claims;
- motor accidents involving extensive vehicle damage that require longer time to inspect;

7. BUSINESS OVERVIEW (Cont'd)

- natural catastrophe losses and large event losses such as major floods or other significant disaster events; and
- suspected fraud cases that require further investigation.

For motor claims, the registered loss adjuster or in-house assessor will conduct a second inspection within five working days from the date of receiving the supplementary claim request from the policyholder or repairer.

(iv) Claims decision and communication

Upon completion of the assessment, we will notify the policyholder or beneficiary of the claim decision in writing within five working days for motor claims and seven working days for non-motor claims. In the event of a claim rejection, we will provide the reasons for the decision, with reference to the relevant policy terms and conditions.

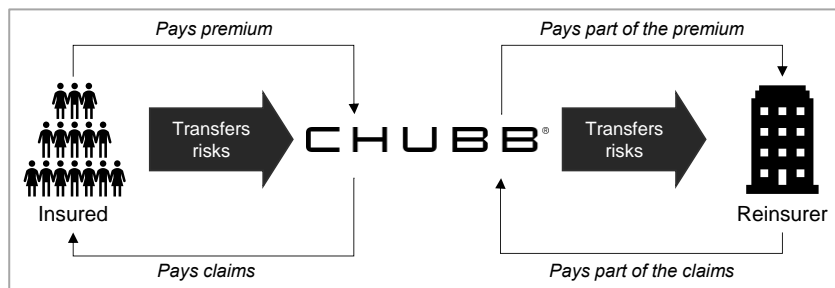
(v) Claims settlement

If the claim is approved, we will make payment of the claim to the policyholder or beneficiary within seven working days for motor claims and 14 working days for non-motor claims, from the date we accept the claim filed by the insured once all relevant documents are submitted, or from the date of receipt of a sealed court order in relation to payment of a judgment sum.

7.11 REINSURANCE

As part of our risk management strategy, we transfer a portion of our risks from the insurance products we offer through reinsurance arrangements with other reinsurers. Under the reinsurance arrangements, the reinsurer assumes a portion of the underlying claim in exchange for reinsurance premium.

Flow of premiums and claims between the insured, insurer and reinsurer



Reinsurance allows us to transfer our risk and reduces our exposure to large or unexpected losses. Under the RBC Framework, insurers are required to maintain a certain amount of capital to ensure that the insurer has sufficient funds for its liabilities including claims. Ceding a portion of our risks to reinsurers reduces our capital requirements, which enables us to maintain our capital position within our risk appetite limits.

We adopt various reinsurance arrangements, depending on the risk profile of the products including their claims experience, which can be generally categorised as follows:

- Proportional reinsurance, where the reinsurer shares the premium and claims in a predetermined fixed proportion. There are two types of proportional reinsurance: quota share and surplus.

7. BUSINESS OVERVIEW (Cont'd)

- For quota share, a fixed percentage is agreed upon between the insurer and reinsurer. For every policy entered into by the insurer, the insurer will then cede the fixed percentage of the premium under the portfolio to the reinsurer and in return the reinsurer will pay the same fixed percentage of every claim arising from that portfolio.
- For surplus, the insurer retains risks of up to a certain limit (retention limit), and the portion of sum insured which exceeds the retention limit (surplus) will then be ceded to the reinsurer. The percentage of premium and loss ceded to the reinsurer varies from policy to policy depending on the sum insured amount and the retention limit. For example, the insurer has a surplus share reinsurance arrangement with a RM100,000 retention limit, and has a policy with sum insured of RM300,000. The insured will retain RM100,000 of the risk and the remaining surplus of RM200,000 will be ceded to the reinsurer. Under this situation, 67% of the premium will be ceded to the reinsurance who in turn will be responsible for the same proportion of claim arising from this policy. For a claim amount of RM150,000, the insurer will pay RM50,000 (33%) while the reinsurer will pay RM100,000 (67%).
- Non-proportional reinsurance, also referred to as excess of loss reinsurance where the reinsurer only pays if the losses exceed a specified amount. This type of reinsurance arrangement is typically used for catastrophic or high-severity losses. For example, the insurer has a policy with sum insured of RM300,000 and has an excess of loss reinsurance arrangement with the reinsurer with a retention of RM100,000. Under this arrangement, the insurer pays the reinsurer based on a fixed reinsurance premium based on the negotiated terms, and the reinsurer is only responsible for the portion of claims that exceeds the retention, therefore in this example, for a claim amount of RM150,000, the insurer will cover the retention amount of RM100,000, while the reinsurer will pay the remaining RM50,000, which represents the amount in excess of the retention.

Our reinsurance arrangements are mainly with our related party, Chubb Tempest, Labuan Branch, which reinsures a portion of the risks we have undertaken for certain products. In addition, we have reinsurance arrangements with other third-party reinsurance companies in Malaysia and foreign countries to reinsure certain products.

Our reinsurance selection fully complies with all regulatory requirements set by BNM and our selection process involves an independent and rigorous assessment of each reinsurer's financial strength, with a particular emphasis on credit ratings, to effectively manage counterparty risk.

For the Financial Years and Period Under Review, the allocation of reinsurance premiums as well as amounts recoverable from the reinsurers for incurred claims are as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Allocation of reinsurance premiums	122,441	142,565	143,873	71,942
Less: Amounts recoverable from reinsurers for incurred claims	101,224	5,268	(22,905)	48,991
Net expense from reinsurance contracts held	21,217	137,297	166,778	22,951
Proportion of allocation of reinsurance premiums over our insurance revenue	18.2%	20.6%	20.5%	19.2%

The decrease in amounts recoverable from reinsurers for incurred claims arose mainly from adjustments to the incurred claims, as well as a decrease in incurred claims and other expenses recovered from our reinsurers. The higher claims recovered from our reinsurers for the FYE 2022 were mainly due to large claims for our fire products which resulted in a large recovery from our non-proportional reinsurance. Subsequently for the FYE 2024, the amounts recoverable from reinsurers for incurred claims was negative RM22.9 million mainly due to the decrease in incurred claims and other expenses recovered from our reinsurers, as well as adjustments made to incurred claims as a result of favourable claims experience, particularly for liability and general accident products.

7. BUSINESS OVERVIEW (Cont'd)

Generally, amounts recoverable from reinsurers for incurred claims are reductions in expenses. However, downward adjustments of expected recoveries from reinsurers caused by downward adjustments of incurred claims reserves may result in the total amount recoverable from reinsurers for incurred claims to be an expense position.

7.12 INVESTMENTS

As a general insurer, our insurance policy terms are usually for a one-year period and must be renewed annually. Some of our products such as travel insurance are shorter and only provide coverage for the travel duration. In this respect, our investment strategy mainly focuses on ensuring solvency and liquidity to meet the short-to-medium-term and unpredictable claims payouts.

The investment strategy of general insurers in Malaysia is governed by the RBC Framework to ensure that the insurer has sufficient capital to meet short-to-medium term liabilities. The RBC Framework imposes regulatory limits on the types and concentration of investments that insurers may hold. The limits apply primarily to general insurance funds (policyholders' funds) and the shareholders' funds. For instance, insurers must maintain a minimum proportion of liquid assets (such as government securities), commonly a minimum of 10% of the general insurance fund assets, to ensure sufficient liquidity to meet immediate claims obligations.

In accordance with the RBC Framework, we undertake a prudent investment strategy with the objective of generating sufficient return to meet our liabilities, and our asset allocations mainly focus on low-risk and liquid instruments. We have engaged an asset management company to provide investment related advisory services and monitor our investment portfolio. Our Company's investment decisions, including considerations when acquiring or disposing of the relevant investments such as MGS, corporate bonds and guaranteed loans, are guided by several factors. These include the credit ratings of the investments, our sector exposure, our overall asset allocation, portfolio duration, as well as the impact of investment exposures on our capital adequacy ratio.

Our investments are mainly focused on fixed income assets comprising investment-grade securities:

- government bonds such as MGS. MGS are fixed-rate coupon bonds issued by the Malaysian Government to raise funds. MGS are considered risk-free investment and provide fixed income in the form of a coupon. MGS are also actively traded in the secondary bond market which provides liquidity for investors who wish to sell their bonds before maturity.
- unquoted debt securities are fixed-income instruments such as corporate bonds which are not listed or publicly traded. Corporate bonds are issued by corporations including private companies and government-linked corporations to raise funds.

During the Financial Years and Period Under Review, our investment leverage ratio increased from 125.8% as at 31 December 2022 to 137.9% as at 31 December 2023, and further increased to 166.8% as at 31 December 2024. The increase in the FYE 2023 was mainly attributed to higher investments driven by the increased investment in financial assets, as well as net fair value gains on financial assets, while the increase in the FYE 2024 was mainly attributed to a reduction in total equity, driven by a decrease in retained earnings following the payment of a RM110.0 million dividend and the declaration of a further RM164.0 million dividend for the FYE 2024. There is no prescribed regulatory limit on the investment leverage ratio. The increase in our investment leverage ratio does not materially impact our results of operations and financial condition. This is demonstrated by our insurance service result margin of 35.8%, 32.2% 27.6% and 23.7% for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. See Section 5.1.5 of this Prospectus for further details on risks relating to investment performance.

7. BUSINESS OVERVIEW (Cont'd)

For the FPE 2025, our investment portfolio comprised RM1.5 billion in investment assets and the breakdown of our investments by asset class for the Financial Years and Period Under Review are as follows:

	As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 30 June 2025	
	RM million	%	RM million	%	RM million	%	RM million	%
MGS and guaranteed loans	748	57.5	957	64.5	899	61.6	938	62.0
Unquoted debt securities	552	42.5	527	35.5	559	38.3	574	38.0
Unquoted equity securities	*	*	*	*	*	*	*	*
Total	1,300	100.0	1,484	100.0	#1,459	#100.0	1,512	100.0

Note:

Total does not add up due to rounding.

* Less than RM0.5 million or 0.1%.

The maturity profile of our investments are as follows:

	As at 30 June 2025		
	Current (less than 12 months)	Non-current (after 12 months)	Total
	RM million	RM million	RM million
MGS and guaranteed loans	132	806	938
Unquoted debt securities	208	366	574
Unquoted equity securities	*	-	*
Total	340	1,172	1,512

Note:

* Less than RM0.5 million or 0.1%.

Under the RBC Framework, insurance companies are required to satisfy a minimum capital adequacy ratio of 130%. Our capital adequacy ratio for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 well exceeded the minimum requirement.

For the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 we generated total investment income of RM30.7 million, RM77.1 million, RM65.5 million and RM44.1 million respectively, which represented 28.3%, 64.7%, 88.8% and 116.5% of our PAT for each corresponding period.

7.13 RESEARCH AND DEVELOPMENT

Our Company does not have a formal research and development (“R&D”) policy and there was no R&D expenditure incurred during the Financial Years and Period Under Review.

Our R&D activities primarily focus on strengthening our ability to meet evolving market demands, enhance customer experience, and respond effectively to emerging risks.

Generally, our R&D activities include the following:

- **Product development**

We focus on identifying new or unmet customer needs and designing appropriate insurance products to address them. This includes developing products tailored to specific market segments, occupations or risk profiles, as well as enhancing existing product features. We also consider emerging risks such as those related to technology, climate or lifestyle changes, which may require innovative coverage approaches or entirely new types of protection. See Section 7.10.1 of this Prospectus on how we develop and introduce new products.

7. BUSINESS OVERVIEW (Cont'd)

We also explore opportunities for bundling and grouping insurance products to better meet customer needs and improve overall service. Bundling involves combining multiple coverages such as motor, home, personal accident or travel insurance into a single package that offers greater convenience, easier policy management and potential cost savings. Grouping strategies may also be developed for specific customer segments or groups, offering customised benefits, group-based pricing and streamlined onboarding processes.

- **Adoption of technologies**

We evaluate the potential of emerging technologies to enhance the efficiency, accuracy and responsiveness of our insurance operations. This includes integrating tools such as process automation into key functions such as underwriting, pricing, claims handling and customer service with the aim of reducing manual processes, streamlining workflows and improving user experience.

- **New distribution channels and strategic alliances**

We explore and assess distribution channels such as digital platforms and other non-traditional sales points to expand market reach and improve accessibility. In addition, we continuously consider strategic alliances or joint ventures with external parties to co-develop products, tap into new customer segments or leverage complementary capabilities. As at the LPD, we are not in any discussion for strategic alliances or joint ventures.

7.14 TECHNOLOGIES USED

Our operations rely on a wide range of ICT systems to support end-to-end functions across the value chain. From product development and underwriting to policy administration, claims handling, customer servicing and regulatory reporting, we leverage on technology in enhancing operational efficiency, risk assessment accuracy, regulatory compliance and improved customer experience.

Our ICT systems can be categorised into two main components, namely backend and frontend platforms, in supporting our day-to-day operations and strategic initiatives.

Backend

Our backend systems support core processes of our general insurance operations, such as policy administration, underwriting, claims processing, regulatory compliance and data management.

These systems include, among others, the following:

- Our **insurance management system** forms the foundation of our operations, enabling end-to-end policy lifecycle management including new business onboarding, underwriting, endorsements, billing, renewals and cancellations;
- Our **claims management system** facilitates timely claims registration, assessment and settlement, while ensuring compliance with service-level agreements and regulatory requirements. It includes workflows for approvals, document management and fraud checks;
- Our **rating and pricing engine** ensures accurate premium computation by applying defined underwriting rules and risk parameters to support pricing consistency across product classes and channels;
- Our **customer relationship management system** provides a consolidated view of customer profiles, interactions and history across all touchpoints to enhance customer engagement, support cross-selling and enable personalised servicing;
- Our **agency management system** supports the recruitment, onboarding, performance tracking and compensation management of agents; and

7. BUSINESS OVERVIEW (Cont'd)

- Our **business intelligence and analytics tools** enable real-time and historical data analysis, facilitating strategic decision-making, product development, risk monitoring and performance benchmarking through dashboards and reporting tools.

We also rely on **other ICT systems** such as security, compliance and document management systems.

Frontend

We have digital platforms such as online portals designed for both customers and intermediaries.

Through these platforms, our policyholders are able to, among others:

- view and manage their policy details, including coverage information and personal data updates;
- perform premium renewals and payments via internet or mobile banking, including QR code-enabled payment at physical locations;
- submit and track claims in real-time with document uploads and status notifications; and
- access a range of self-service features such as downloading e-policies, requesting policy changes or submitting inquiries.

In addition, we have also developed digital platforms for our intermediaries which allow them to, among others:

- generate quotations and policy illustrations based on customer needs;
- submit new insurance proposals;
- track the status of applications, monitor commission earnings and manage their performance dashboards; and
- access sales tools, product information, training materials and the latest company updates.

7.15 SEASONALITY

For the Financial Years and Period Under Review and up to the LPD, we did not experience any material seasonality in our business.

7.16 MATERIAL INTERRUPTIONS IN OUR BUSINESS

We did not experience any material interruptions to our business in the past 12 months prior to the LPD.

7.17 SALES AND MARKETING ACTIVITIES

We adopt a mix of approaches in sales and marketing to enhance our brand presence and comply with BNM requirements. This includes the following:

- (i) Using multi-channel distribution to maximise our market reach and cater to diverse customer preferences and needs, as well as offer a seamless and integrated customer experience.

We adopt an **indirect distribution channel** using intermediaries comprising distribution partners as follows:

- **Registered agents:** We appoint registered agents and digital partners and equip them with training programmes to strengthen their capabilities and knowledge and broaden our market reach through their networks. Some of our digital partners are also licensed as agents.
- **Licensed brokers:** We collaborate with licensed insurance brokers to serve the commercial sector insurance needs for their clients.

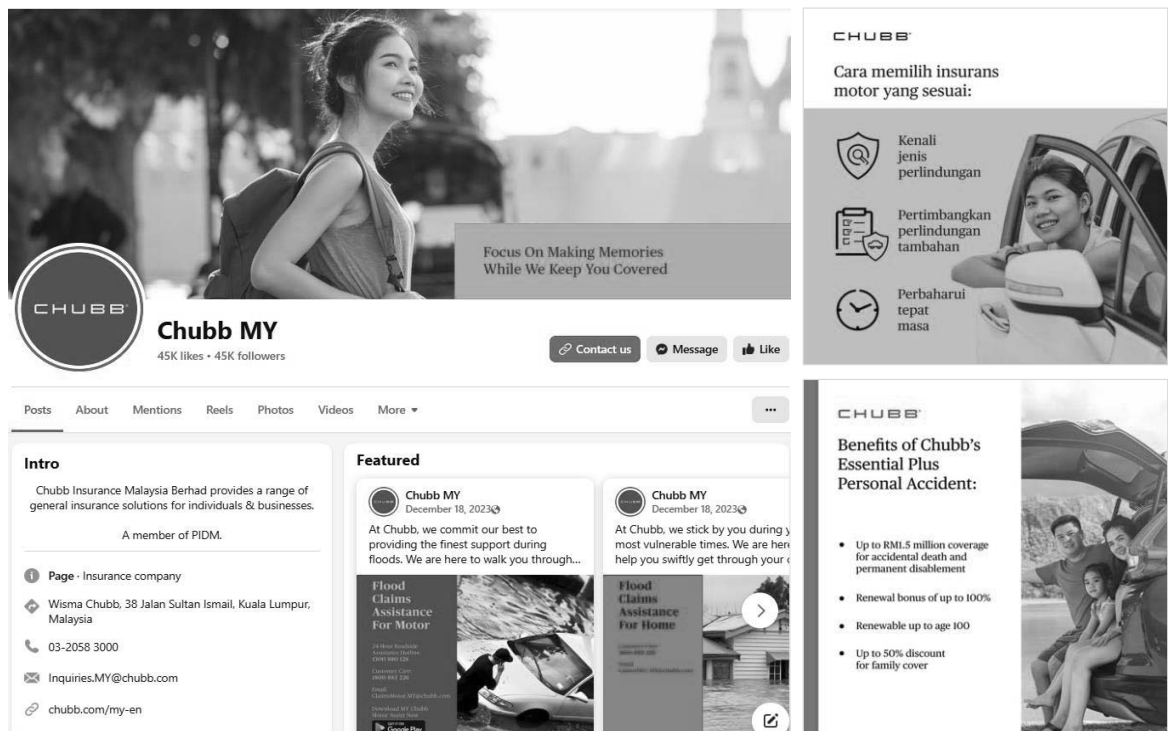
7. BUSINESS OVERVIEW (Cont'd)

- Bancassurance: By collaborating with licensed banks in Malaysia, we gain access to their extensive customer base, which allows us to carry out telemarketing for the sales of our insurance products.

We also adopt a **direct distribution channel** where we sell directly to customers. We have a dedicated inhouse sales and support team focusing on groups and large corporate accounts. In addition, we also market and sell our products through our website.

- (ii) Our brand positioning leverages on our global brand strengths while adapting to the Malaysian market. This includes the localisation of product and marketing campaigns tailored to the needs of both the consumer and commercial segments.
- (iii) We utilise digital marketing to create brand awareness and increase customer engagement, including through social media and content marketing to educate customers.
- (iv) We develop customer retention and loyalty programmes which are supported by enhanced customer service experiences, including effective claim settlement, transparent communication and promotional features, to encourage repeat business and positive word-of-mouth referrals. For instance, we offer no-claim bonuses (NCB) for motor insurance. This was reflected in the growth in the number of renewal policies at a CAGR of approximately 8.6% between the FYE 2022 and the FYE 2024.
- (v) We focus on product and service innovation by introducing innovative products such as on-demand travel insurance, as well as value-added services such as 24-hour roadside assistance. In addition, we offer flexible feature bundling, such as motor insurance with optional add-ons that include coverage for multiple drivers, protection from special perils and windscreen coverage.

Some of our digital promotional and social media content (such as product information and educational content) is depicted below for reference:



We compensate our distribution partners via commissions, computed as a percentage of the premium paid by policyholders, which serve as the primary incentive for selling and promoting our products. In addition, we may also offer other forms of compensation, such as performance-based incentive trips. Commission structures and remuneration of our intermediaries are regulated by BNM.

7. BUSINESS OVERVIEW (Cont'd)

For the full years of 2022, 2023 and 2024, and the 1st half of 2025, the proportion of commission over the GWP through distribution partners ranged between 10% and 14% and are as set out below:

	Full year			1 st half of 2025
	2022	2023	2024	
	RM'000	RM'000	RM'000	RM'000
Commission ⁽¹⁾	65,097	79,005	85,452	49,613
GWP ⁽¹⁾ through distribution partners ⁽²⁾	567,698	621,294	638,553	361,999
<i>Commission over GWP through distribution partners</i>	<i>11.5%</i>	<i>12.7%</i>	<i>13.4%</i>	<i>13.7%</i>

Notes:

- (1) Based on MFRS 4.
- (2) Represents the GWP we underwrite through our distribution partners, including registered agents, licensed brokers and bancassurance partnerships.

7.18 OUR CUSTOMERS AND SUPPLIERS

7.18.1 Major customers

Our customers, referred to as policyholders, are categorised as follows:

- **Individual policyholders:** These are individuals who hold ownership rights to an insurance policy; and
- **Group policyholders:** This includes corporate policyholders and any entity that holds ownership rights to a group insurance policy. A **master policyholder** is the legal owner of a group insurance policy issued by us. Typically, this is an employer, association, trade union, club, cooperative or any organisation that enters into a group insurance contract with us for the benefit of its members, employees or participants.

Based on MFRS 4, our top five customers collectively accounted for 10.3%, 13.5%, 12.5% and 11.6% of our GWP for the full years of 2022, 2023 and 2024, and the 1st half of 2025 respectively. The GWP from each of the top five policyholders accounted for less than 5% of our GWP for the full years of 2022, 2023 and 2024, and the 1st half of 2025. As such, we are not dependent on any one of our customers and we do not have customer concentration risks.

Additionally, we recorded approximately 229,000 customers, 225,000 customers, 260,000 customers and 179,000 customers for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

General insurance products are short-term in nature, typically providing coverage for one year. Our renewals have been growing at a CAGR of approximately 8.6% between the FYE 2022 and FYE 2024. For the Financial Years and Period Under Review, our renewal ratio is set out below:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
Total number of policies underwritten ('000)	735	785	1,026	539
Number of renewals ('000)	386	336	455	253
<i>Renewal ratio ⁽¹⁾</i>	<i>52.5%</i>	<i>42.8%</i>	<i>44.3%</i>	<i>46.9%</i>

Note:

- (1) *Renewal ratio is computed based on number of renewals divided by total number of policies underwritten.*

7. BUSINESS OVERVIEW (Cont'd)

7.18.2 Major service providers

Our top 5 major service providers for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 are as follows:

FYE 2022

Service provider	Location	Main services provided	RM'000	%	Length of relationship ⁽¹⁾ (years)
Chubb Tempest, Labuan Branch ⁽³⁾	Malaysia	Reinsurance	87,919	28.4	20
UTS Marketing Solutions Sdn Bhd	Malaysia	Telemarketing services	15,491	5.0	12
Malaysian Reinsurance Berhad	Malaysia	Reinsurance	14,541	4.7	22
Chubb APAC ⁽³⁾	Singapore	Technical support and consultancy services	11,246	3.6	11
Hannover Rueck SE, Malaysia branch	Malaysia	Reinsurance	5,491	1.8	At least 12 years
Subtotal of top 5			134,688	43.5	
Total cost of services⁽²⁾			309,845		

FYE 2023

Service provider	Location	Main services provided	RM'000	%	Length of relationship ⁽¹⁾ (years)
Chubb Tempest, Labuan Branch ⁽³⁾	Malaysia	Reinsurance	104,120	31.5	20
Malaysian Reinsurance Berhad	Malaysia	Reinsurance	14,008	4.2	22
UTS Marketing Solutions Sdn Bhd	Malaysia	Telemarketing services	12,646	3.8	12
Chubb APAC ⁽³⁾	Singapore	Technical support and consultancy services	12,444	3.8	11
Marsh Insurance Brokers (Malaysia) Sdn Bhd	Malaysia	Brokerage and consulting services	5,198	1.6	15
Subtotal of top 5			148,416	44.9	
Total cost of services⁽²⁾			330,585		

FYE 2024

Service provider	Location	Main services provided	RM'000	%	Length of relationship ⁽¹⁾ (years)
Chubb Tempest, Labuan Branch ⁽³⁾	Malaysia	Reinsurance	117,285	33.1	20
Chubb APAC ⁽³⁾	Singapore	Technical support and consultancy services	18,080	5.1	11
UTS Marketing Solutions Sdn Bhd	Malaysia	Telemarketing services	12,403	3.5	12
Malaysian Reinsurance Berhad	Malaysia	Reinsurance	11,387	3.2	22
Marsh Insurance Brokers (Malaysia) Sdn Bhd	Malaysia	Brokerage and consulting services	5,765	1.6	15
Subtotal of top 5			164,920	46.5	
Total cost of services⁽²⁾			354,641		

7. BUSINESS OVERVIEW (Cont'd)**FPE 2025**

Service provider	Location	Main services provided	RM'000	%	Length of relationship ⁽¹⁾ (years)
Chubb Tempest, Labuan Branch ⁽³⁾	Malaysia	Reinsurance	59,457	31.8	20
Chubb APAC ⁽³⁾	Singapore	Technical support and consultancy services	8,970	4.8	11
UTS Marketing Solutions Sdn Bhd	Malaysia	Telemarketing services	6,538	3.5	12
Malaysian Reinsurance Berhad	Malaysia	Reinsurance	5,464	2.9	22
Marsh Insurance Brokers (Malaysia) Sdn Bhd	Malaysia	Brokerage and consulting services	3,559	1.9	15
Subtotal of top 5			83,988	45.0	
Total cost of services⁽²⁾			186,765		

Notes:

- (1) Length of relationship as at the LPD.
- (2) Based on MFRS 17. See Section 7.19 of this Prospectus for further details of the total cost of services.
- (3) See Section 10.1 of this Prospectus for further details of our related party transactions.

Chubb Tempest, Labuan Branch is our largest service provider which accounted for 28.4%, 31.5%, 33.1% and 31.8% of our cost of services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. This was mainly for ceded reinsurance services. The allocation of reinsurance premiums to them accounted for 71.8%, 73.0%, 81.5% and 82.6% of our Company's allocation of reinsurance premiums for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Notwithstanding the above, we are not dependent on or subject to any concentration risk with Chubb Tempest, Labuan Branch. Additionally, our reinsurance selection fully complies with all regulatory requirements set by BNM. Under these requirements, for reinsurance business to be ceded, our Company must first prioritise domestic-licensed reinsurers, and only if none of them accept the business due to commercial terms offered by the Company which did not meet the domestic licensed reinsurers' risk acceptance standards, our Company would then be permitted to approach licensed reinsurers in Labuan. It is only after the business is also not accepted by Labuan reinsurers that our Company is permitted to approach foreign reinsurers. Additionally, our Company's selection process involves an independent and rigorous assessment of each reinsurer's financial strength including capital adequacy, solvency and liquidity, with a particular emphasis on credit ratings, to effectively manage counterparty risk. This process is to ensure that the reinsurers are able to fulfil their obligations in paying claims. Furthermore, our selection criteria also takes into consideration other commercial terms such as terms of coverage, claims settlement efficiency and pricing.

We are able to procure reinsurance services from third-party reinsurance companies who can offer largely similar commercial terms as Chubb Tempest, Labuan Branch. During the Financial Years and Period Under Review, in addition to Chubb Tempest, Labuan Branch, our Company also deals with 10 other third-party reinsurance companies.

7. BUSINESS OVERVIEW (Cont'd)

7.19 TYPES AND SOURCES OF MATERIALS AND SERVICES

The following are the major cost of services for our operations for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025:

	Cost of services ⁽¹⁾							
	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Allocation of reinsurance premiums	122,441	39.5	142,565	43.1	143,873	40.6	71,942	38.5
Acquisition expenses cashflow amortisation ⁽²⁾	126,548	#40.9	128,731	38.9	133,028	37.5	74,205	39.7
EDP expenses	16,521	5.3	15,122	4.6	20,342	5.7	11,700	6.3
Regional technical service charges	11,338	3.7	12,548	3.8	18,218	5.1	9,109	4.9
Outsourced services fees ⁽³⁾	17,479	5.6	13,653	4.1	13,105	3.7	7,847	4.2
Others ⁽⁴⁾	15,518	5.0	17,966	#5.5	26,075	7.4	11,963	6.4
Total⁽¹⁾	309,845	100.0	330,585	100.0	354,641	100.0	186,766	100.0

Notes:

Percentage has been rounded.

* Less than 0.1%.

(1) Based on MFRS 17.

(2) Comprises commissions paid to our agents and brokers.

(3) Comprises telemarketing service expenses.

(4) Others mainly comprise advertising expenses, bank charges, agent training expenses, asset management and custodian fees, repair and maintenance expenses, management fees for secretary fee, underwriting survey fee, building management fee, consultant fee, utilities, as well as office expenses.

As a general insurer, our main cost of services is the allocation of reinsurance premiums which accounted for 39.5%, 43.1%, 40.6% and 38.5% of our cost of services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We engage with reinsurers to cede a portion of our underwriting risk, which reduces our exposure to large and unexpected losses, and forms part of our capital management strategy to maintain our capital position within our risk appetite limits. We have reinsurance arrangements with various reinsurance companies in Malaysia as well as foreign countries, including our related parties. During the Financial Years and Period Under Review, the allocation of reinsurance premiums to our related parties accounted for RM89.0 million (72.7%), RM105.0 million (73.6%), RM118.2 million (82.1%) and RM59.9 million (83.3%) of our allocation of reinsurance premiums for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Acquisition expenses cashflow amortisation, which comprised commissions to our agents and brokers, also constitute a major component of our costs, accounting for 40.9%, 38.9%, 37.5% and 39.7% of our cost of services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

The next major component of our costs are EDP expenses as well as regional technical service charges. EDP expenses mainly comprised expense for maintenance and repairs, rental of equipment, annual licence fees, software and system development costs not capitalised, payments to IT service providers and disaster recovery costs, including monthly charges on back-up system and costs for off-site storage and other IT peripherals. Regional technical service charges comprise management support services provided by our regional office from front line underwriting consultation through to other important support functions.

7. BUSINESS OVERVIEW (Cont'd)

EDP expenses and regional technical service charges collectively accounted for 9.0%, 8.4%, 10.8% and 11.2% of our cost of services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. These services were mainly provided by our related parties, which accounted for RM20.8 million (74.6%), RM20.6 million (74.6%), RM28.8 million (74.6%) and RM14.6 million (70.0%) of our EDP expenses and regional technical service charges for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively

Outsourced services fees, which comprised telemarketing service expenses, accounted for 5.6%, 4.1%, 3.7% and 4.2% of our cost of services for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively, where we engaged third parties to make phone calls to potential customers to promote and sell our insurance products.

7.20 INSURANCE

Insurance policies have been purchased to cover a variety of risks that are relevant to our business needs and operations. As at the LPD, the following insurance policies are in place:

- (i) Fire insurance;
- (ii) Electronic equipment insurance;
- (iii) Money insurance;
- (iv) Fidelity guarantee insurance;
- (v) Plate glass insurance;
- (vi) All risk insurance;
- (vii) Corporate liability insurance;
- (viii) Comprehensive general liability insurance
- (ix) Cyber and privacy liability insurance;
- (x) Directors and officers liability insurance;
- (xi) Errors & omissions liability insurance;
- (xii) Fidelity bond insurance;
- (xiii) Employment practices liability insurance;
- (xiv) Fiduciary liability insurance;
- (xv) Global property insurance;
- (xvi) Foreign casualty insurance; and
- (xvii) Global umbrella excess liability insurance.

The insurance policies and coverage we have subscribed for are adequate for our business and operational needs. We review our insurance coverage annually.

7.21 MATERIAL DEPENDENCY ON CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

Save as disclosed below, as at the LPD, our Company is not dependent on any other contracts, agreements or other arrangements which are material to our business or profitability:

(i) Trademark Licensing Agreement

Pursuant to the Trademark Licensing Agreement, Chubb Limited and Chubb IH (“**Licensor Parties**”) have granted to, among others, our Company (“**Licensee Party**”), a non-exclusive, royalty-free, fully-sublicensable licence to use certain trademarks, including the “Chubb” brand name and logo for the purposes of our Company’s business in Malaysia. Subject to any change in applicable law, regulation or other circumstances beyond the Chubb Group’s control, there are no current plans for any Licensor Party to impose a fee on any Licensee Party under the Trademark Licensing Agreement.

7. BUSINESS OVERVIEW (Cont'd)

The salient terms of the Trademark Licensing Agreement are as follows:

- (a) The agreement commenced on 27 August 2025 and will continue for an initial term of one year and (unless terminated) and will automatically renew for additional consecutive one-year periods. Any Licensor Party may terminate the agreement with respect to a particular Licensee Party by providing 30 days written notice to the Licensee Party.

The agreement can be terminated by a Licensor Party without cause and in its discretion, however, the risk of that occurring is minimal, as Chubb Limited and Chubb IH will retain 70% equity interest in our Company following the completion of our IPO and our Listing (through the direct ownership by Chubb INA). However, there can be no assurance that there will be no breach of the terms and conditions of the Trademark Licensing Agreement or other event that could lead to termination of the said agreement. In the event of a breach by the Licensor Party, our Company could commence litigation against the Licensor Party for an injunction or damages as appropriate.

- (b) The key obligations of our Company include the following:
- (I) Our Company will at all times, conduct our business, use the Trademarks and render the licensed goods and services consistent with the applicable standards, quality, style and image of the Licensor Parties;
 - (II) Our Company will use the Trademarks only in connection with the licensed goods and services and in compliance with the quality standards established by Licensor Parties;
 - (III) Our Company will comply with any requirements established by a Licensor Party with respect to the Trademarks in accordance with the guidelines set by Chubb Limited from time to time;
 - (IV) Our Company will not use the Trademarks in any manner that would reflect adversely on the image or quality symbolised by the Trademarks or disparage or harm the reputation of the applicable Licensor Party;
 - (V) Our Company will defend, indemnify and hold harmless the applicable Licensor Party from all claims, losses, damages and expenses, including reasonable legal fees and expenses ("**Losses**") resulting from suits, claims, actions, demands or other proceedings, in each case brought by a third party ("**Claims**") arising out of or relating to (i) our Company's material breach of any of the covenants, warranties, or representations made under the agreement; or (ii) our Company's advertising, promotion, or sale of products or services; and
 - (VI) The Licensor Parties will defend, indemnify and hold harmless our Company from all Losses resulting from Claims of a third party arising out of or relating to our Company's use of the Trademarks.

7.22 MAJOR LICENCES, PERMITS AND APPROVALS

We have various licences, permits and approvals for our business operations. See Annexure A of this Prospectus for further details on our major licences, permits and approvals. Save as disclosed in Annexure A of this Prospectus, as at the LPD, our Company is not dependent on any other major licences, permits and approvals for our business operations.

7. BUSINESS OVERVIEW (Cont'd)

7.23 MATERIAL PROPERTIES

See Annexure B of this Prospectus for further details on our material properties, whether owned or leased/tenanted.

7.24 TRADEMARKS, BRAND NAMES AND OTHER INTELLECTUAL PROPERTY RIGHTS

See Annexure C of this Prospectus for further details on the trademarks, brand names and intellectual property rights used by our Company. Save as disclosed in Annexure C of this Prospectus, our Company is not dependent on any other trademarks, brand names and intellectual property rights which could materially affect our business operations or profitability.

7.25 GOVERNING LAWS AND REGULATIONS

Our business is regulated and required to be licensed under specific Malaysian laws. The relevant laws and regulations governing our Company are summarised below. This list does not purport to be an exhaustive description of all laws and regulations to which our business is subject. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made. See Section 7.26 of this Prospectus for further details on non-compliances with the relevant laws, regulations, rules and requirements governing the conduct of the operations of our Company.

(i) FSA

The insurance industry in Malaysia is principally governed by the FSA. The FSA provides the primary legal and regulatory framework for the licensing, supervision and prudential regulation of financial institutions, including insurers.

Under the FSA, insurers are required to be licensed by MoF on the recommendation of the BNM, and to comply with prudential, governance and market conduct standards prescribed by BNM. These include requirements relating to capital adequacy, solvency, corporate governance, risk management, disclosure and fair treatment of policyholders, among others.

Under Part III of the FSA, a person shall not carry on insurance business in Malaysia unless it is a licensed insurer under the FSA. BNM will evaluate an applicant's financial soundness and governance structure, business model, risk management framework and the fitness and propriety of its directors and key responsible persons. A licence granted under the FSA authorises the holder to conduct life insurance or general insurance, as specified in the licence. Insurers are also subject to ongoing prudential and conduct supervision by BNM, including periodic reporting, inspection and compliance requirements. BNM also retains the power to impose conditions or directions to ensure the sound operation of the insurer and protection of policyholders.

Restrictions on business

Pursuant to Section 14 of the FSA, a licensed insurer shall not carry on any business or activity other than insurance business and activities ancillary or incidental to such business, unless otherwise approved by BNM.

In addition, insurers are subject to restrictions on related party transactions, investment limits and outsourcing of key functions. Any corporate restructuring, transfer of insurance business, or merger involving a licensed insurer also requires the prior approval of BNM under the FSA.

7. BUSINESS OVERVIEW (Cont'd)

RBC Framework

Section 47 of the FSA provides that BNM may specify standards on prudential matters to promote the sound financial position of an institution and integrity, professionalism and expertise in the conduct of the business of the institution. Such standards include standards relating to capital adequacy. In this regard, BNM has established the RBC Framework, which applies to all licensed insurers and is designed to ensure that each insurer maintains sufficient capital at all times relative to the risks inherent to their business, including insurance, market, credit and operational risks.

Under the RBC Framework, the capital adequacy of a licensed insurer will be assessed using the capital adequacy ratio, which is used to measure the adequacy of capital available in the insurance and shareholders' funds of a licensed insurer, and is calculated in accordance with a prescribed formula. The total capital required is calculated based on the insurer's exposure to major risks, including credit risk (resulting from asset defaults, related losses of income and inability of a counterparty to meet its contractual financial obligations), market risk (resulting from reduction in market value of assets due to exposures to, among others, currency risks and concentration of exposures to particular counterparties or asset classes), general and life insurance liabilities and operational risks (resulting from risk of losses arising from inadequate or failed internal processes, people and systems). BNM uses this to evaluate an insurer's financial resilience, and as a key input in determining the appropriate level of supervisory intervention, where necessary.

The RBC Framework also imposes requirements relating to the valuation of assets and liabilities, where the insurer is required to value its assets and liabilities in accordance with approved accounting standards and other standards specified by BNM. A licensed insurer is required to value its financial assets in accordance with policy documents issued by BNM. It is also required to value its financial liabilities and insurance liabilities in accordance with minimum requirements per the RBC Framework.

There are also requirements under the RBC Framework relating to the investment of insurance funds, where oversight and accountability for the investment of insurance funds rest ultimately with the licensed insurer's board of directors. Licensed insurers are required to have investment and risk management policies in place, in line with the risk appetite set by its board of directors to ensure proper investment of insurance funds. Such policies are approved and reviewed regularly by the board of directors and cover overall investment strategy and proper risk management systems, including monitoring and control mechanisms. The senior management of a licensed insurer is also responsible for setting, managing and reviewing such policies, and ensuring proper implementation of such policies and the timely and regular reporting of the licensed insurer's investment activities to its board of directors. BNM may impose requirements on an individual licensed insurer to invest in a specified manner, or restrict or prohibit them from investing in certain asset classes or individual assets to safeguard its insurance funds.

The RBC Framework requires each licensed insurer to ensure adequate capital to meet its capital requirements on an ongoing basis as stipulated in the Guidelines on Internal Capital Adequacy Assessment Process for Insurers. Each insurer is required to establish an individual target capital level that reflects its own risk profile and risk management practices. When a licensed insurer's capital adequacy ratio breaches its individual target capital level set by the licensed insurer but remains above the supervisory target capital level, BNM will assess the circumstances and the licensed insurer's remedial plans to restore its capital adequacy ratio above its individual target capital level, before deciding on the level of supervisory intervention required. This will also result in restrictions on payments of dividend. Continued deterioration of a licensed insurer's capital adequacy ratio below its individual target capital level will attract increasing levels of supervisory attention. A licensed insurer whose capital adequacy ratio breaches the supervisory target capital level will face stricter supervisory actions, which may include the imposition of business restrictions and/or restructuring measures. Our capital adequacy ratio for the FYE 2022, FYE 2023, FYE 2024 and FPE 2025 well exceeded the minimum supervisory target capital level of 130%, as well as our individual target capital level.

7. BUSINESS OVERVIEW (Cont'd)

Licensed insurers are required under the RBC Framework to submit its year-end capital adequacy ratio computations to BNM within 90 days after its financial year end, in prescribed forms. Such capital adequacy ratio position shall also be certified by the licensed insurer's external auditor and chief executive officer. In addition, a licensed insurer is required to submit its quarterly capital adequacy ratio computations to BNM within 21 days after the end of each quarter, where these quarterly submissions are only required to be certified by the licensed insurer's chief executive officer.

In relation to payment of dividends, the RBC Framework also provides that any declaration and/or payment of dividends is subject to the prior written approval of BNM. Before submitting an application for declaration and/or payment of dividends, a licensed insurer shall have assessed that its capital adequacy ratio: (a) is not below its individual target capital level; or (b) will not fall below its individual target capital level as a result of the payment of dividends.

Any person who contravenes any provision under the act and/or regulations as mentioned herein shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(ii) **Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA")**

The AMLA is the principal legislation governing measures to prevent and combat money laundering, terrorism financing and other unlawful activities in Malaysia.

Under the AMLA, insurance operators are designated as reporting institutions and are required to comply with various obligations, including customer due diligence, record-keeping, ongoing monitoring of transactions and the reporting of suspicious transactions to BNM.

Pursuant to the AMLA and guidelines issued by BNM, insurers must implement internal controls, compliance frameworks and risk management systems to detect and prevent the use of their products or services for money laundering or terrorism financing activities.

Any person who contravenes any provision under the act and/or regulations as mentioned herein shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(iii) **Malaysian Anti-Corruption Commission Act 2009 ("MACC Act")**

The MACC Act establishes the Malaysian Anti-Corruption Commission as the principal agency responsible for the prevention, investigation and enforcement of offences related to corruption in Malaysia. The MACC Act provides a legal framework to combat corruption in both the public and private sectors.

Pursuant to the MACC Act, it is an offence for any person to solicit, receive, give, or offer gratification as an inducement or reward to influence any act or decision. In addition, Section 17A of the MACC Act imposes corporate liability on commercial organisations for corrupt acts committed by their directors, officers, employees, or associates in order to obtain or retain business or an advantage for the organisation. A commercial organisation may be held liable unless it can prove that it had adequate procedures in place to prevent such corrupt practices.

Any person who contravenes any provision under the act and/or regulations as mentioned herein shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(iv) **Personal Data Protection Act 2010 ("PDPA")**

The PDPA regulates the collection, use, processing and disclosure of personal data in commercial transactions in Malaysia. The PDPA aims to safeguard the privacy rights of individuals while ensuring that personal data is managed responsibly by organisations.

7. BUSINESS OVERVIEW (Cont'd)

Under the PDPA, insurance companies are regarded as data users and are required to comply with the seven Personal Data Protection Principles, namely: (i) the General Principle; (ii) the Notice and Choice Principle; (iii) the Disclosure Principle; (iv) the Security Principle; (v) the Retention Principle; (vi) the Data Integrity Principle; and (vii) the Access Principle. These principles govern the manner in which personal data is collected, stored, used, disclosed and safeguarded.

Any person who contravenes any provision under the act and/or regulations as mentioned herein shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(v) Competition Act 2010 (“Competition Act”)

The Competition Act promotes fair and healthy competition in Malaysia. It prohibits anti-competitive agreements and the abuse of a dominant market position that may restrict, distort or prevent competition in any market for goods or services. The Competition Act is enforced by the MyCC, which has the power to investigate and impose penalties on businesses that breach its provisions.

Any person who contravenes any provision under the act and/or regulations as mentioned herein shall, upon conviction, be liable to a monetary fine and/or imprisonment.

(vi) SDBA, Uniform Building By-Laws 2022 under the Local Government Ordinance 1961, Buildings Ordinance 1994 (“Building Laws”)

The Building Laws are enforced by the local authorities of Malaysia and provide for the requirement of having a CCC for the occupation of any building or any part thereof.

Any person who occupies or permits to be occupied any building or any part thereof without a CCC shall, upon conviction, be liable to a monetary fine and/or imprisonment.

7.26 NON-COMPLIANCE WITH THE RELEVANT LAWS, REGULATIONS, RULES AND REQUIREMENTS GOVERNING THE CONDUCT OF THE OPERATIONS OF OUR COMPANY

7.26.1 Unavailability of CCC in respect of our Penang branch office

We own and occupy a three-storey shop lot, located at No. 266 and 268, Victoria Street, 10300, Pulau Pinang, which is used as our branch office. We rent out the second floor of the property to B-Global Sdn Bhd. Please see Section B.2 of Annexure B of this Prospectus for further details of the tenancy of this property.

We had, in July 2025, written to the City Council of Penang Island (formerly known as the Municipal Council of Penang) to request for a copy of the CCC. We had, in August 2025, also written to the solicitors who handled the sale and purchase of this property in 2000 for us, but were informed that the CCC could not be retrieved as their records were no longer available.

In October 2025, we were informed by the City Council of Penang Island that it could not locate the CCC to support a re-issuance of the CCC. As such, in October 2025, we appointed an architect to apply for a new CCC with respect to this branch office. The key milestones and estimated timeline in relation to the application of the new CCC by the said architect are as follows:

- (i) submission of building plans to the City Council of Penang Island and the Fire and Rescue Department of Malaysia by November 2025;
- (ii) approval of drawings from the City Council of Penang Island to be obtained by February 2026;
- (iii) approval from the Fire and Rescue Department of Malaysia to be obtained by June 2026; and

7. BUSINESS OVERVIEW (Cont'd)

- (iv) issuance of the new CCC by the architect by July 2026.

The City Council of Penang Island requires both an online and a physical submission of the building plans. On 4 December 2025, we submitted the building plans online to the City Council of Penang Island. On 2 January 2026, we have physically submitted the building plans to the City Council of Penang Island, and on 22 January 2026, we have submitted the building plans to the Fire and Rescue Department of Malaysia.

The estimated cost of rectification is approximately RM1.05 million (inclusive of costs to undertake the requisite rectification works to meet the CCC requirements). We may be subject to a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or both, if we are found liable for occupying the branch office without a valid CCC.

This non-compliance will not have any material adverse impact to the business operations and financial condition of our Company due to the following:

- (a) the estimated cost of rectification and potential maximum penalty are not material to our Company and amount to approximately 1.31% of our Company's PBT for the FYE 2024; and
- (b) if necessary, there are alternative plans in place if we are required to vacate our Penang branch office.

In the event our Company is required to vacate our Penang branch office, our Company has identified the following alternative arrangements to ensure continuity of operations in Penang:

- (I) Secure a new dedicated office space located in close proximity to the existing Penang branch office. This alternative is estimated to take approximately two months, which includes the time needed to negotiate and execute a new tenancy agreement as well as to undertake minor refit works to make the premises operational. The estimated cost for the refit works is approximately RM200,000, while the anticipated monthly rental is approximately RM7,000, subject to variation depending on the final premises selected. In such event, we shall ensure that this alternative premise shall be in full compliance with all applicable laws, including without limitation, CCC requirement; or
- (II) Rent a coworking space located in close proximity to the existing Penang branch office. This alternative is estimated to take between two weeks and one month to implement, primarily to allow for the negotiation and execution of a service or membership agreement with the selected coworking space service provider. The estimated monthly cost for such coworking facilities ranges between RM2,400 and RM4,500, depending on the type of space and coworking space service provider selected.

Notwithstanding this non-compliance may remain unresolved at the time of our Listing, our Directors and management will continue to follow-up and liaise with the relevant authorities to resolve the said non-compliance in the best interest of our Company. We will update our shareholders on the status of this non-compliance through disclosure in our annual report.

7. BUSINESS OVERVIEW (Cont'd)

7.26.2 Overall financial impact of the outstanding non-compliance

The table below summarises the total estimated cost of compliance (including potential maximum penalties applicable) relating to the non-compliance set out in Section 7.26.1 of this Prospectus that are pending rectification as at the LPD:

Type of non-compliances	Estimated cost to rectify non-compliances	Potential maximum penalty	Total estimated costs	% of the Company's PBT for the FYE 2024
	RM'000	RM'000	RM'000	%
Unavailability of CCC in respect of the Penang branch office	1,050	250	1,300	1.31
Total	1,050	250	1,300	1.31

To prevent the recurrence of non-compliance relating to the CCCs of owned properties, our Company has enhanced our internal control framework by formalising a documented policy and procedure. This policy governs the validation, inspection and documentation retention processes for among others, CCCs ensuring that complete and accurate records are maintained for all owned and tenanted properties going forward.

7.27 EMPLOYEES

As at the LPD, we employed a total of 438 employees, out of which 427 are full-time employees while 11 are temporary or contract-based, or part-time employees. Further, out of the 438 employees, 12 are foreign employees. All foreign employees have valid work permits as at the LPD.

The breakdown of our employees based on job function as at 31 December 2024 and as at the LPD are as follows:

Category	No. of employees					
	As at 31 December 2024			As at the LPD		
	Local	Foreign	Total	Local	Foreign	Total
Management and professionals	239	7	246	240	11	251
Clerical and administrative	71	-	71	66	-	66
Associate Professionals	117	-	117	120	1	121
Total	427	7	434	426	12	438

7. BUSINESS OVERVIEW (Cont'd)

The breakdown of our employees based on geographical location as at 31 December 2024 and as at the LPD are as follows:

Geographical location	No. of employees	
	As at 31 December 2024	As at the LPD
Kuala Lumpur	374	378
Alor Setar	2	2
Batu Pahat	2	2
Ipoh	3	5
Johor Bahru	6	9
Klang	5	5
Kota Kinabalu	4	4
Kuantan	3	2
Kuching	5	4
Melaka	3	4
Miri	2	2
Muar	2	1
Penang	10	10
Segamat	2	3
Seremban	2	0
Sibu	2	2
Taiping	2	0
Tawau	5	5
Total	434	438

As at the LPD, none of our employees belongs to any union or is party to any collective agreements. We have not experienced any strikes or other disruptions due to labour disputes.

Pursuant to the Corporate Governance Policy issued by BNM, a financial institution must have a robust succession plan for senior management and clearly defined processes for the appointment and removal of the chief executive officer and senior officers, and the assessment of candidates for appointments. We are also committed to maintaining a strong and stable leadership team and to this end, we have put in place a management succession plan to identify competencies and requirements for critical management positions. Our succession plan is structured around current reporting lines and is to ensure that our Company has identified readily available talent to enable continuity in leadership positions. Our Board has oversight of our Company's succession plan and is responsible to ensure that our Company has an effective succession planning process in place. Our Board assesses and reviews our management succession plan regularly to ensure it remains aligned with our Company's strategic objectives and the evolving needs of our business.

In line with such succession planning, our Board is currently looking into further strengthening the breadth and depth of our senior leadership, and as at the LPD is in the process of establishing the new role of Deputy Country President. If and when the employment of such person is formalised, it is anticipated that this appointment would commence after the Listing of the Company, tentatively around the second half of 2026.

7.28 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

7.28.1 Environmental

We are subject to BNM's climate-related disclosure guidelines. We have published our 2024 Climate-Related Disclosure, which was prepared using the Task Force on Climate-Related Financial Disclosure ("TCFD") framework in accordance with Malaysian requirements set forth in the Policy Document "Climate Risk Management and Scenario Analysis" issued by BNM. Our 2024 Climate-Related Disclosure is publicly available. Our Company's climate-related disclosures followed the TCFD recommendations and follow the TCFD's four pillars: (1) Governance; (2) Strategy; (3) Risk Management; and (4) Metrics & Targets.

7. BUSINESS OVERVIEW (Cont'd)

We are prepared to implement the Malaysian National Sustainability Reporting Framework, which incorporates the International Sustainability Standards Board (“ISSB”) S-1 and S-2 Standards, once applicable. We will collaborate with the Chubb Group to leverage on the Chubb Group’s extensive reporting resources and expertise in climate reporting. The Chubb Group publishes an annual Sustainability Report, which is publicly available on its website and is aligned with the ISSB standards to the extent feasible.

In addition, our Company follows the Chubb Group’s global procedures for calculating its annual greenhouse gas (“GHG”) inventory covering Scope 1, Scope 2, and certain Scope 3 emissions (business travel) in conformance with the Greenhouse Gas Protocol standards and guidance, as well as the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. We intend to disclose our GHG inventory annually as part of our climate-related disclosures in the relevant sustainability statement in our annual report and the climate-related report, as required by BNM.

Further, our Company aligns with the Chubb Group’s underwriting-focused climate strategy, which is built around three principal components: (1) applying underwriting and engineering expertise to support renewable energy and emerging clean technologies through Chubb Climate+; (2) promoting climate resilience through risk engineering and new service offerings through Chubb Resilience Services; and (3) developing technical underwriting criteria to manage our risk exposure by encouraging the adoption of controls and best practices in high-emitting industries.

7.28.2 Social

Our Company actively supports local communities through partnerships and employee volunteerism. Our Company also promotes waste reduction through upcycling workshops, “Greening the Blue” initiatives, and campaigns advocating the principles of refuse, reduce, reuse, repurpose and recycle. Our past initiatives included food waste reduction campaigns, donation of refurbished computers to support education, and women’s self-defence workshops.

In 2023, we collaborated with The Lost Food Project to address food waste, resulting in the distribution of food to underserved communities. We also conducted awareness sessions such as “Lunch & Learn” to raise food awareness, and organised festive donation drives to benefit urban poor families. We also planted 1,000 trees in the Lower Kinabatangan Wildlife Sanctuary as part of our reforestation efforts, following 220 trees planted in 2022 under the “Restore Our Amazing Rainforest” programme.

In 2024, we organised a food donation drive, where 630 containers of cookies were sent to The Lost Food Project for distribution to underserved communities. Our staff volunteered at Silent Teddies Bakery, a social enterprise and community for the deaf, to assist in the baking of 350 containers of cookies alongside deaf volunteers, which were then distributed to office staff. We also hosted a “Go Green #BersamaChubb” event where external vendors held interactive workshops and mini exhibitions dedicated to green living, and donations of toys and books were collected for Yayasan Sunbeams Home, in support of underprivileged youth. We also conducted an educational talk for students of Yayasan Sunbeams Home, as part of our Company’s ongoing education programme aimed at equipping students with knowledge and insights into the fundamentals of insurance.

In 2025, more than 60 volunteers from our Company participated in a beach cleanup at Pantai Remis, Perak. A total of 83 kilograms of waste including plastic bottles, food containers, single-use plastic, food packaging, tin, styrofoam, metal, cardboards and glass were collected and removed, as part of our efforts for a cleaner shoreline and a healthier ecosystem.

In addition, our Company organised a blood donation drive, where 43 of our employees donated approximately 15 litres of blood, which was then donated to the blood bank at Pusat Darah Negara.

7. BUSINESS OVERVIEW (Cont'd)

7.28.3 Corporate governance

We are committed to good corporate governance and ethical conduct in accordance with the principles and guidance of corporate governance as set out in our Code of Conduct and the MCCG.

Our Board believes that our current Board composition provides the appropriate balance in terms of skills, knowledge and experience to promote the interests of all shareholders and to govern our Company effectively.

We have also adopted the recommendation from the MCCG. The following are also aspects of our corporate governance in line with recommendations of the MCCG, as at the LPD:

- (i) the equivalent positions of chairman and chief executive officer at our Company are held by different individuals;
- (ii) we have at least 30% female directors on our Board and a majority of our Board comprises independent Directors; and
- (iii) we have an Audit Committee, Risk Management Committee, and Remuneration Committee, whose members are all Independent Non-Executive Directors, to oversee among others, financial reporting, risk management, remuneration policies, potential conflict of interests and related party transactions.

We also have in place our Board Charter, Terms Of References, Code of Conduct, Whistleblowing Policy, Remuneration Policy, Avoiding Bribery and Corruption Policy and Anti-Money Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Targeted Financial Sanctions Policy.