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UPDATE ON REDEMPTION OF SECURITIES



FWD GROUP LIMITED

(Incorporated with limited liability under the laws of the Cayman Islands)
(as Issuer)

U.S.\$750,000,000 ZERO COUPON SUBORDINATED PERPETUAL CAPITAL SECURITIES

(Stock Code: 5221)
(ISIN: XS1628340538)

Reference is made by FWD Group Limited (the “**Issuer**”) to Condition 5(d) (*Redemption at the option of the Issuer*) of the terms and conditions of the U.S.\$750,000,000 zero coupon subordinated perpetual capital securities (the “**Securities**”) issued by the Issuer. Pursuant to such Condition, the Issuer may elect to redeem all and not only some of the Securities which remain outstanding on 15 June 2022 (the “**First Call Date**”) at their outstanding principal amount, together with distribution accrued to such date, if any (the “**Call Option**”). All capitalised terms not defined herein shall have the same meaning as defined in the terms and conditions of the Securities (the “**Terms and Conditions**”).

The Issuer hereby announces that it has decided not to exercise the Call Option and as a result, the Securities will remain outstanding following the First Call Date. In reaching this decision, the Issuer has carefully considered the following key corporate development factors in addition to current market conditions:

- the initial public offering process in respect of FWD Group Holdings Limited (“**FGHL**”) (in respect of which a listing application to The Stock Exchange of Hong Kong Limited was submitted on 28 February 2022);

- the reorganisation steps contemplated (which will then make FGHL the new market access point for all equity and debt raising activities of the group in the future); and
- progress made in satisfying the settlement conditions in respect of the novation of the Issuer's indebtedness (including the Securities) to FGHL (in respect of which consent has already been obtained for the relevant securities of FWD Limited and the Issuer pursuant to the consent solicitation exercise launched on 17 June 2021).

The Securities will confer a right to receive Distribution from, and including, the First Call Date at the prevailing Distribution Rate and Distribution shall be payable on the Securities semi-annually in arrear. The Distribution Rate shall be the sum of (x) the U.S. Treasury Benchmark Rate in relation to the relevant Distribution Period and (y) the Initial Spread. The Initial Spread is 4.865 per cent. and the U.S. Treasury Benchmark Rate shall be determined prior to each Distribution Period in accordance with the Terms and Conditions. A further announcement will be made when the Distribution Rate is fixed.

For the avoidance of doubt, the Securities continue to remain subject to the terms and conditions of the consent solicitation memorandum dated 17 June 2021 (the “**Consent Terms**”) in respect of the Securities. If the proposals set forth therein are implemented in full, FGHL will, subject to the Consent Terms, be substituted as the issuer in respect of the Securities.

The Issuer continues to maintain flexibility with the option to exercise its right to redeem the Securities on subsequent Distribution Payment Dates when warranted. The Securities continue to be callable at the election of the Issuer on each Distribution Payment Date following the First Call Date (the next of which falls on 15 December 2022).

Hong Kong, 16 May 2022

As at the date of this announcement, the Directors of the Issuer are Hon. Ronald Joseph Arculli, Damis Jacobus Ziengs, Li Tzar Kai Richard, Peter Anthony Allen, John Russell Baird, Chung Kit Hung Martina, Guido Fürer, Kyoko Hattori, Ma Si-Hang Frederick, Dirk Marinus Sluimers and Huynh Thanh Phong.