This summary is intended to give you an overview of the information contained in this document. Since it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide whether to invest in the [**REDACTED**]. *Some of the particular risks of investing in the* [**REDACTED**] *are set out in "Risk Factors" and you should read that section carefully before you decide to invest in the* [**REDACTED**].

*References to "Group", "we", "our" or "us" are to FWD Group Holdings Limited and its consolidated subsidiaries. Unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our fiscal year ended 31 December of that year. All growth rates included in this section, including compounded growth rates, are presented on an actual exchange rate ("**AER**") basis, unless otherwise stated.*

OVERVIEW

We are a fast-growing Pan-Asian life insurer with a customer-led and digitally-enabled model. We were founded in 2013 by Mr. Richard Li, with the ambition of forging our own path as a next-generation insurer in Asia. Our vision is *changing the way people feel about insurance*. We have built our leadership team and culture to align with our vision.

We have built a Pan-Asian presence by adapting to evolving market trends and customer needs. We have adopted a multi-channel distribution model, invested in robust digital infrastructure and data analytics capabilities, and expanded partnership and referral opportunities. According to NMG, the aggregate life insurance gross written premiums ("**GWP**") in our current markets is forecast to grow from an estimated US$407 billion in 2023 to US$579 billion in 2033, offering significant market opportunities. We believe that structural demographic and macroeconomic factors, including middle-class expansion, ongoing wealth accumulation, a significant protection gap, which is the estimated additional life insurance premiums needed annually to fully meet mortality and health protection needs, as well as digital acceleration, are key drivers for the growth of the Pan-Asian insurance sector.

We have grown from three markets at inception to ten markets, including Hong Kong (and Macau), Thailand (and Cambodia), Japan, and Emerging Markets, comprising the Philippines, Indonesia, Singapore, Vietnam and Malaysia (collectively, the "**FWD markets**", each a "**FWD market**"). We have entered certain of these new markets by obtaining new licences (such as in the Philippines and Indonesia) or via the acquisition of licensed life insurers with limited operations locally (such as in Singapore, Vietnam, Malaysia and Cambodia). Our Hong Kong (and Macau), Thailand (and Cambodia), Japan and Emerging Markets operations contributed 34.2%, 32.6%, 15.7% and 17.5%, respectively, of new business contractual service margin ("**new business CSM**") in 2024. Our geographic coverage provides us with growth opportunities in developed insurance markets such as Hong Kong (and Macau) and Japan, as well as exposure to Southeast Asia, which comprises some of the fastest growing insurance markets in the world with an expanding but underinsured population. Our Southeast Asia markets (comprising Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam and Malaysia) contributed approximately 50% of our new business CSM in 2024. We were ranked as a top five insurer and the top bancassurer within our Southeast Asia markets by annualised premium equivalent ("**APE**") in 2023, according to NMG.

We achieved 5.2 times growth of our APE in 2024 since our first full year of operations in 2014, growing from US$309 million in 2014 to US$1,916 million in 2024. Our APE increased by 18.6% on a constant exchange rate ("**CER**") basis from 2023 to 2024. To facilitate a more meaningful comparison, we also present APE on a "like-for-like" basis (which reflects the impact of the revisions and updates to our methodology and operating assumptions at the end of 2023; see "*Financial Information – Key Performance Indicators*" for details), on the basis of which our APE increased by 20.9% over the same period.

We are customer-led and we put customers at the heart of everything we do. We have adopted a digitally-enabled, multi-channel distribution model to enhance, extend and empower our distribution, effectively serving diverse customer needs and meeting customers wherever, whenever and however they choose. Our distribution channels include bancassurance, agency, brokerage/IFA and others, which include digital commerce and other distribution channels. These channels contributed 46.6%, 15.2%, 31.8% and 6.5% respectively, of our VNB in 2024. To serve sophisticated, affluent and mass-affluent customers who value personalised interactions, we have built a leading Southeast Asian bancassurance platform with eight exclusive partnerships as of the Latest Practicable Date. We were ranked sixth in 2024 among multi-national insurers globally in terms of the number of Million Dollar Round Table ("**MDRT**") registered members. As of 31 December 2024, we had over 2,900 brokerage and IFA partners. We have also built a digital commerce platform to effectively reach digitally-native, tech-savvy and young-at-heart customers through our direct-to-customer ("**D2C**") eCommerce platform, our bank partners' digital channels and ecosystem partners' platforms supported by application programming interface ("**API**") integration, and online-to-online, online-to-offline and offline-to-online (collectively, "**O2O**") referral programmes. Together, our distribution channels grant us access to a number of exclusive and non-exclusive bank partners, with a combined customer base of over 280 million, according to NMG.

We offer easy-to-understand and relevant propositions through our diverse portfolio of life insurance, health insurance, employee benefits (group insurance) and financial planning products. We classify our key products into (i) participating life, (ii) non-participating life, (iii) critical illness, term life, medical and riders, (iv) unit-linked insurance, and (v) group insurance and others, which contributed 36.5%, 28.0%, 22.2%, 7.5% and 5.7%, respectively, of our VNB in 2024. Through our digital and data analytics tools, which are built increasingly upon artificial intelligence ("**AI**") and are standardised across our Group, we have made our customers' insurance journeys simpler, faster and smoother. Our individual policyholder base increased at a CAGR of 4.0% from 31 December 2022 to 31 December 2024.

We have experienced substantial growth and demonstrated a strong track record of execution, and our business is supported by a strong balance sheet to allow for future growth. We assess our capital adequacy with reference to the Insurance (Group Capital) Rules, which determine the calculation of the Group local capital summation method ("**Group LCSM**") tier 1 minimum capital requirement ("**MCR**") and prescribed capital requirement ("**PCR**") bases. Our Group LCSM free surplus (PCR basis) is the difference between our group available capital and our group prescribed capital requirement ("**GPCR**"), and our Group LCSM cover ratio (PCR basis) is the ratio of our group available capital to our GPCR. Our Group LCSM tier 1 cover ratio (MCR basis) is the ratio of our Group tier 1 available capital to our group minimum capital requirement ("**GMCR**"). Our Group LCSM cover ratio (PCR basis) was 260% as of 31 December 2024, before giving effect to the [**REDACTED**] of the [**REDACTED**]. See "*Financial Information – Key Performance Indicators*" and "*Financial Information – Solvency and Capital – Group Capital Adequacy*" for details.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have provided us with the ability to maintain our strong growth: (a) we are a fast-growing Pan-Asian life insurer capturing growth opportunities in the most attractive markets in the region; (b) we offer compelling customer propositions with a distinctive brand; (c) we have tech-enabled multi-channel distribution capabilities tailored to market needs; (d) we have a purpose-built digital infrastructure with data analytics at its core; and (e) we have delivered agile execution under the leadership of a highly experienced management team.

OUR GROWTH STRATEGIES

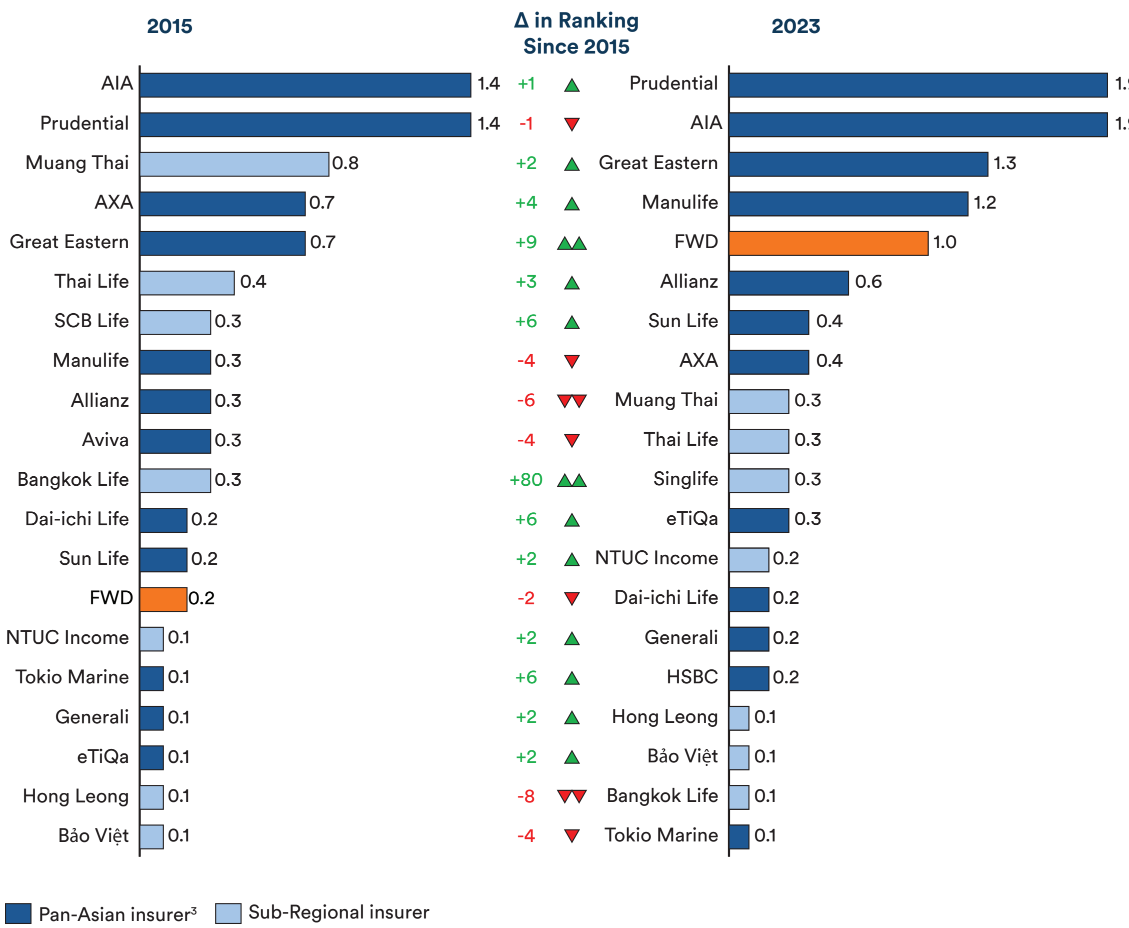
To maintain our strong growth momentum, we plan to implement the following strategies: (a) generate value by reinforcing leadership in customer acquisition and engagement; (b) increase scale and productivity of distribution partnerships; (c) deliver relevant and innovative customer propositions; (d) optimise customer experience and boost operating leverage through continued investment in digitalisation; and (e) create additional value by pursuing selective value-enhancing expansion opportunities.

OUR MARKET POSITIONING

Southeast Asia is expected to be a key driver of growth in the Asia life insurance market, given the population base, the proportion of the middle class in the overall population, and the larger protection gap, compared to the rest of the Asia region.

The competitive landscape of Southeast Asia's life insurance industry has changed dramatically in a short period of time. In terms of ranking by APE in our Southeast Asia markets (comprising Thailand (and Cambodia), Philippines, Indonesia, Singapore, Vietnam and Malaysia), we are estimated to have grown from fourteenth place in 2015 to fifth place in 2023, making us the fastest-growing Pan-Asian life insurer (defined as a life insurer competing in three or more FWD markets) in that period. This is illustrated in the following charts, which also include our market ranking and market share in each FWD market in 2023. We tailor our approach in each market to capture the unique opportunities with specific distribution and product strategies, primarily focusing on driving VNB growth.

Insurers Across Southeast Asia Markets[1] by Individual New Business
(APE[2], 2023, US$ billions)



Source: NMG Asia Life Insurance Market Model

(1) Southeast Asia markets include Thailand (and Cambodia), the Philippines, Indonesia, Singapore, Vietnam, and Malaysia.

(2) Using local market convention for APE, using static FX rates as at 30 June 2023.

(3) Pan-Asian insurer is defined as a life insurer competing in three or more FWD markets, and Sub-Regional insurer is defined as an insurer competing in two or fewer FWD markets (and where an insurer is grouped to its ultimate shareholder if ownership stake is greater than 40%).

Individual Life Insurance Market Share Rankings Across FWD Markets
(APE[1], 2023)

All FWD Markets

Competitor	Market Share
AIA	9.4%
Prudential	8.8%
Nippon Life	8.0%
HSBC	6.8%
Dai-ichi Life	6.2%
Manulife	5.1%
AXA	3.9%
FWD [#8]	**3.6%**
BOC LIFE	3.4%
China Life	3.0%
Other	41.6%

Hong Kong & Macau

Competitor	Market Share
HSBC	20.3%
AIA	16.0%
Prudential	14.1%
BOC LIFE	10.8%
China Life	9.5%
Manulife	6.2%
AXA	4.9%
Sun Life	4.0%
CTF Life	3.7%
FWD [#10]	**3.6%**
Other	7.0%

Thailand

Competitor	Market Share
AIA	23.3%
FWD [#2]	**17.7%**
Muang Thai	11.1%
Thai Life	10.1%
Prudential	6.6%
AXA	6.5%
Allianz	5.5%
Bangkok Life	4.5%
Thai Samsung	1.5%
Tokio Marine	1.4%
Other	11.8%

Cambodia

Competitor	Market Share
Prudential	35.8%
Manulife	21.0%
AIA	16.5%
Dai-ichi Life	9.8%
Sovannaphum	9.4%
eTiQa	2.8%
FWD [#7]	**1.8%**
Phillip	1.2%
Forte Life	0.9%
Fortune Life	0.5%
Other	0.3%

Japan

Competitor	Market Share
Nippon Life	20.6%
Dai-ichi Life	14.8%
Taiyo Life	7.7%
Mitsui Sumitomo	6.7%
PFI	6.7%
Sony Life	6.2%
MetLife	5.9%
Meiji Yasuda Life	5.5%
Sumitomo Life	5.3%
AXA	3.6%
FWD [#20]	**0.7%**
Other	16.4%

Malaysia[2]

Competitor	Market Share
Great Eastern	20.8%
Prudential	20.4%
AIA	18.0%
eTiQa	9.3%
Allianz	7.6%
Hong Leong	7.3%
Sun Life	4.2%
Tokio Marine	2.4%
FWD [#9]	**2.0%**
Zurich	**1.9%**
Other	6.0%

SUMMARY

Vietnam

Competitor	Market Share
Prudential	17.5%
Dai-ichi Life	13.5%
Manulife	13.1%
Bảo Việt	12.3%
Sun Life	7.6%
AIA	7.1%
FWD [#7]	**6.9%**
MB Ageas	4.7%
Generali	4.6%
Chubb	3.4%
Other	9.4%

Indonesia

Competitor	Market Share
Allianz	14.4%
Prudential	13.7%
AXA	10.0%
FWD[3] [#4]	**8.9%**
Manulife	7.5%
AIA	6.6%
Capital Life	5.2%
Generali	3.8%
SIMAS JIWA	3.4%
Mitsui Sumitomo	3.0%
Other	23.4%

Singapore

Competitor	Market Share
Great Eastern	22.8%
Manulife	21.4%
Prudential	17.0%
AIA	13.1%
Singlife	7.8%
NTUC Income	5.7%
HSBC	4.5%
FWD [#8]	**1.7%**
Utmost	1.4%
eTiQa	1.4%
Other	3.2%

Philippines

Competitor	Market Share
Sun Life	19.3%
Prudential	17.1%
AIA	9.1%
FWD [#4]	**7.5%**
BDO	6.7%
Manulife	6.5%
Insular	6.0%
Allianz	5.4%
AXA	5.1%
eTiQa	3.3%
Other	**14.0%**

Pan-Asian insurer[4] Sub-Regional insurer

Source: NMG Asia Life Insurance Market Model

(1) Using static FX rates as at 30 June 2023.

(2) Includes conventional insurance and takaful.

(3) Includes BRI Life.

(4) Pan-Asian insurer is defined as a life insurer competing in three or more FWD markets, and Sub-Regional insurer is defined as an insurer competing in two or fewer FWD markets (and where an insurer is grouped to its ultimate shareholder if ownership stake is greater than 40%).

RECENT DEVELOPMENTS

Publication of Offering Circular under Global Medium Term Note and Capital Securities Programme

As disclosed in "*Financial Information – Liquidity and Capital Resources*", we believe that our current cash and anticipated cash flow generated from operating and financing activities and [**REDACTED**] from the [**REDACTED**] will be sufficient to meet our anticipated working capital requirements, including our cash needs for operating expenses, payment liabilities under our insurance contracts and debt obligations and capital expenditures, in the next 12 months. Nevertheless, we may seek to issue equity or debt securities including through the establishment of and drawdowns under medium-term notes programmes and/or standalone bond issuances if, amongst other things, we determine that it is desirable to refinance certain of our outstanding indebtedness, whether at or prior to maturity. For example, on 27 March 2025, we published an offering circular under our US$5,000,000,000 global medium term note and capital securities programme ("**GMTN Programme**"). If we determine to issue notes and/or capital securities pursuant to such programme prior to the completion of the [**REDACTED**] (including shortly after the Latest Practicable Date) and/or shortly after the completion of the [**REDACTED**], the proceeds from such issuance would be used primarily to refinance the relevant indebtedness in line with sound treasury practices, including to manage our overall finance costs, extend our debt maturity profile, and/or to establish ongoing market access.

NO MATERIAL ADVERSE CHANGE

The Directors believe that, having performed reasonable due diligence on the Group, there has been no material adverse change in our financial or trading position since 31 December 2024 and up to the date of this document.

SUMMARY OF RISK FACTORS

An [**REDACTED**] in our Shares is subject to a number of risks, including risks relating to our business, risks relating to credit, counterparties and investments, risks relating to our products and product distribution channels, risks relating to the insurance industry, risks relating to legal and regulatory matters, risks relating to our technology, risks relating to our Controlling Shareholders and certain other shareholders, and risks relating to the [**REDACTED**]. You should carefully consider all of the information in this document, in particular the section headed "*Risk Factors*", before making an [**REDACTED**] in the Shares. We believe that some of the most significant risks we face include: (a) our international operations across different geographic markets and political systems; (b) geopolitical and political instability, market fluctuations and general economic conditions globally and in the markets in which we operate may materially and adversely affect our business; (c) intense competition in the segments of the insurance industry in which we operate in each of our markets could negatively affect our ability to attain or increase profitability; (d) extensive regulation across multiple jurisdictions; (e) new solvency standards which may affect our capital position; (f) our business has evolved through a number of strategic transactions and the information presented in our financial statements may not be indicative of our future performance and prospects; (g) certain metrics and key performance indicators are based on a number of assumptions and methodologies and may vary as those assumptions or methodologies change; (h) the risk of not being able to execute and realise synergies from, our strategic initiatives; and (i) the risk of our financial condition and results of operations being adversely affected if we are unable to successfully manage our growth.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [**REDACTED**] (assuming (a) Phase 3 of the Reorganisation, the [**REDACTED**], the issue of Shares to Directors pursuant to satisfaction of certain [**REDACTED**] Awards and the [**REDACTED**] have become unconditional and completed; (b) in accordance with Phase 3 of the Reorganisation, the Management Shares, Series P Conversion Shares and Series A/B-2/B-3 Conversion Shares are converted to Shares based on the [**REDACTED**] and the expected [**REDACTED**] of [**REDACTED**]; and (c) the [**REDACTED**] is not exercised; and not taking into account any Shares which may be issued between the Latest Practicable Date and the [**REDACTED**] to satisfy any exercise of any option granted or to be granted under the [**REDACTED**] Awards, or issued or repurchased by our Company pursuant to the general mandates granted to the Directors to issue or repurchase shares), Mr. Li and Mr. Li's Entities together control approximately [**REDACTED**]% of our enlarged total issued share capital and are entitled to exercise or control the exercise of 30% or more of the voting power at the general meetings of our Company and, accordingly, Mr. Li (together with Mr. Li's Entities) will be considered as the Controlling Shareholders of our Company for the purposes of, and as defined under, the Listing Rules immediately following the completion of the [**REDACTED**]. For further details of our Controlling Shareholders, please refer to the section headed "*Relationship with the Controlling Shareholders*."

OUR [REDACTED] INVESTORS

Shortly following the acquisition of the life insurance companies in Hong Kong, Macau and Thailand, as well as the general insurance, employee benefits, MPF business and financial planning businesses in Hong Kong, from ING by Mr. Li in 2013, Swiss Re Investments acquired a 12.34% equity interest in the Group. Thereafter, the Group received several rounds of [**REDACTED**] Investments, including through the subscription of securities issued by FL and FGL, as well as the subscription of Shares in our Company. For further details of the [**REDACTED**] Investments, please refer to the section headed *"History, Reorganisation and Corporate Structure – Major Shareholding Changes of our Company –* [**REDACTED**] *Investments*."

[[**REDACTED**]

We have entered into [**REDACTED**] with the [**REDACTED**], pursuant to which the [**REDACTED**] have agreed to, subject to certain conditions, [**REDACTED**] at the [**REDACTED**] for such number of [**REDACTED**] which may be [**REDACTED**] with an aggregate amount of [[**REDACTED**] million (approximately [**REDACTED**])], which will form part of the [**REDACTED**].

See "[**REDACTED**]" for further details.]

DIVIDENDS AND DIVIDEND POLICY

Our Company has not declared or made any dividend or other distribution to its Shareholders in the past and it does not have any present plan to declare or pay any dividends on its ordinary shares in the foreseeable future. The Group currently intends to retain most, if not all, of available funds and any future earnings to operate and expand the business. Any other future determination to pay dividends will be made at the discretion of our Board and subject to our constitutional documents and applicable laws and regulations. See "*Risk Factors – Risks Relating to the* [**REDACTED**] – *Because we do not expect to pay cash dividends in the foreseeable future after the* [**REDACTED**], *you may not receive any return on your* [**REDACTED**] *unless you sell your Shares for a price greater than that which you paid for them.*" and "*Regulatory Overview and Taxation – A. Regulatory Overview – Laws and Regulations Relating to the Group's Business and Operations in Hong Kong – Payment of dividends.*" If we decide to pay dividends, the form, frequency and amount may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Board may deem relevant.

Our Company may declare and pay dividends out of our distributable reserves and/or our share premium account pursuant to and subject to the laws of the Cayman Islands and the Articles of Association.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary historical data of financial information set forth below has been derived from, and should be read in conjunction with, our consolidated financial statements, together with the accompanying notes set out in the Accountants' Report included in Appendix I to this document and the Actuarial Consultant's Report included in Appendix III to this document, as well as the "*Financial Information*" section. Our consolidated financial statements have been prepared in accordance with IFRS. We have also presented a number of key performance indicators that we believe are useful in evaluating our performance. See "*– Financial Performance*" and "*– Key Performance Indicators*."

Implementation of IFRS 17 and IFRS 9

We adopted International Financial Reporting Standards ("**IFRS**") 17, Insurance Contracts and IFRS 9, Financial Instruments, effective 1 January 2023. The 2022 financial information in this document has also been presented on an IFRS 17 basis.

The IFRS 17 Insurance Contracts standard has replaced the previous IFRS 4 Insurance Contracts standard and has materially changed the recognition and measurement of insurance contracts and the corresponding presentation and disclosures. The IFRS 9 Financial Instruments standard has replaced the previous International Accounting Standards ("**IAS**") 39 Financial Instruments: Recognition and Measurement. The new standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

See "*Financial Information – Factors Affecting Comparability – Implementation of IFRS 17 and IFRS 9*" for details.

Revisions and Updates to Methodology and Operating Assumptions

At the end of 2023, we implemented revisions to our embedded value ("**EV**") methodology and operating assumptions to better reflect our post-pandemic experience across markets, as well as market disruption in Vietnam. Additionally, effective 1 January 2024, we have also made updates to our actuarial methodology. The revisions and updates to our methodology and operating assumptions at the end of 2023 have had an impact on certain key performance indicators relating to our growth in 2024, namely APE, VNB, and new business CSM. While revising or updating actuarial methodology and operating assumptions is a routine aspect of the insurance industry, the revisions and updates at the end of 2023 indicate material differences when applied to our actual, as-reported APE, VNB and new business CSM in 2023. Accordingly, in order to facilitate a meaningful comparison between 2023 and 2024, we have presented in this document the comparative figures for APE, VNB and new business CSM in 2023 on a "like-for-like basis." See "*Financial Information – Key Performance Indicators*" for details.

Summary Consolidated Income Statements and Statements of Comprehensive Income

	Year ended 31 December		
	2022	2023	2024
	(US$ millions)		
Insurance revenue	2,408	2,756	2,724
Insurance service expenses	(1,817)	(1,989)	(2,012)
Net expenses from reinsurance contracts held	(146)	(88)	(42)
Insurance service result	**445**	**679**	**670**
Interest revenue	1,011	1,159	1,185
Other investment gains/(losses)	(999)	(791)	93
Net impairment loss on financial assets	(29)	(9)	(16)
Investment return	**(17)**	**359**	**1,262**
Net finance income/(expenses) from insurance contracts	86	(996)	(1,051)
Net finance income/(expenses) from reinsurance contracts held	(23)	1	31
Movement in investment contract liabilities	2	4	(1)
Net investment result	**48**	**(632)**	**241**
Net insurance and investment result	**493**	**47**	**911**
Other revenue	38	64	36
General and other expenses	(689)	(731)	(550)
Borrowings and other finance costs	(128)	(174)	(249)
Profit/(Loss) before share of profit/(loss) from associates and joint ventures	**(286)**	**(794)**	**148**
Share of profit/(loss) from associates and joint ventures	2	(20)	36
Profit/(Loss) before tax	**(284)**	**(814)**	**184**
Tax benefit/(expense)	(36)	97	(174)
Net profit/(loss)	**(320)**	**(717)**	**10**
Attributable to:			
Equity Holders of the Company[(1)]	(320)	(733)	24
Non-controlling interests	–	16	(14)

Note:

(1) See Note 6 to the Accountants' Report included in Appendix I for the definition of Equity Holders of the Company.

Summary Consolidated Balance Sheet

	As of 31 December		
	2022	2023	2024
		(US$ millions)	
ASSETS			
Intangible assets	3,207	3,154	3,085
Insurance contract assets	722	798	683
Reinsurance contract assets	725	2,876	2,696
Cash and cash equivalents	1,474	2,008	1,687
Total assets other than financial investments	8,159	11,119	10,043
Financial Investments:			
At fair value through other comprehensive income debt securities	30,815	29,029	31,408
At fair value through profit or loss			
Debt securities	1,810	1,970	1,750
Equity securities	381	675	221
Interests in investment funds	7,576	8,667	9,103
Derivative financial instruments	319	218	285
Loans and deposits	1,530	996	902
Total financial investments	42,431	41,555	43,669
Total assets	**50,590**	**52,674**	**53,712**
LIABILITIES			
Insurance contract liabilities	37,019	40,073	41,646
Reinsurance contract liabilities	463	304	366
Investment contract liabilities	197	56	32
Financial liabilities(1)	2,350	2,947	3,321
Liabilities – other than above(2)	2,072	1,662	1,533
Total liabilities	**42,101**	**45,042**	**46,898**
Total equity	**8,489**	**7,632**	**6,814**
Add: Share capital and share premium	1,717	–	–
Less: Non-controlling interests	(1,717)	–	–
Adjusted attribution of total equity:			
Equity Holders of the Company	**8,488**	**7,582**	**6,753**
Shareholders of the Company	7,134	6,234	6,012
Perpetual securities	1,354	1,348	741
Adjusted non-controlling interests	1	50	61

Notes:

(1) Includes borrowings and derivative financial instruments.

(2) Consists of provisions, deferred tax liabilities, current tax liabilities and other liabilities.

Summary Consolidated Statements of Cash Flows

	Year ended 31 December		
	2022	**2023**	**2024**
		(US$ millions)	
Net cash provided by/(used in) operating activities	(391)	629	526
Net cash used in investing activities	(553)	(97)	(110)
Net cash provided by/(used in) financing activities	(190)	25	(705)
Net increase/(decrease) in cash and cash equivalents	**(1,134)**	**557**	**(289)**
Cash and cash equivalents at beginning of the year	2,654	1,474	2,008
Effect of exchange rate changes on cash and cash equivalents	(46)	(23)	(32)
Cash and cash equivalents at the end of year	**1,474**	**2,008**	**1,687**

Financial Performance

Profit and Loss Performance over the Track Record Period

In 2022, we recorded a net loss and a net loss attributable to Equity Holders of the Company (non-IFRS measure) of US$320 million. In 2023, we recorded a net loss of US$717 million and a net loss attributable to Equity Holders of the Company (non-IFRS measure) of US$733 million. The higher net loss in 2023 was mainly due to (i) adverse capital market movements, and (ii) investment losses on disposal of financial investments related to the Athene Reinsurance transaction in Japan, which accounted for US$505 million of loss before tax. In 2024, we recorded a net profit of US$10 million, as compared to a net profit attributable to Equity Holders of the Company (non-IFRS measure) of US$24 million, the difference being primarily due to the attribution of a portion of FWD Life Malaysia's net loss to the non-controlling interests.

Our total equity decreased by 10.1% from US$8,489 million as of 31 December 2022 to US$7,632 million as of 31 December 2023, mainly due to net loss in 2023. Our total equity decreased by 10.7% from US$7,632 million as of 31 December 2023 to US$6,814 million as of 31 December 2024, mainly due to (i) foreign exchange movements from depreciation of the Japanese Yen and other currencies against the US dollar, and (ii) redemption of US$600 million of the capital securities issued by FGL on 13 September 2019.

Our operating profit after tax (non-IFRS measure), which enhances the understanding and comparability of the Group's performance and that of its operating segments on an ongoing basis, was positive during the Track Record Period. Our operating profit after tax (non-IFRS measure) increased by 28.7% on a CER basis from 2022 to 2023, as we increasingly benefited from economies of scale underpinned by strong business growth. Our operating profit after tax (non-IFRS measure) increased by 28.6% on a CER basis from US$378 million in 2023 to US$463 million in 2024. This was mainly on account of a reduction in operating expenses and improved claims experience. The following table presents our operating profit after tax (non-IFRS measure) for each of our reporting segments for the periods indicated:

	Year ended 31 December		
	2022	**2023**	**2024**
		(US$ millions)	
Hong Kong (and Macau)	109	210	218
Thailand (and Cambodia)	127	151	148
Japan	196	164	193
Emerging Markets	(4)	17	21
Corporate and Others	(129)	(170)	(128)
Operating profit after tax (non-IFRS measure)	299	372	452
Attributable to:			
Equity Holders of the Company[1] (non-IFRS measure)	299	378	463
Non-controlling interests	–	(6)	(11)

Note:

(1) See Note 6 to the Accountants' Report included in Appendix I for the definition of Equity Holders of the Company.

Operating Cash Flows during the Track Record Period

Our operating cash inflows primarily consist of cash premiums and fee income received for the insurance products we issue, as well as proceeds from the sale of financial investments in the ordinary course of our insurance business. Our operating cash outflows primarily consist of cash payments of insurance claims, professional service fees, employee salaries and benefits and commissions, as well as cash outflows for the purchase of financial investments in the ordinary course of our insurance business.

During the Track Record Period, we recorded significant operating cash inflows (such as cash premiums and fee income) and used such inflows to, among other operating activities, make investments in a wide variety of financial instruments in the ordinary course of our insurance business. For a non-insurance company, the investment-related cash flows are typically recorded under cash flows from investing activities. However, for insurers such as the Group, investments are an integral part of business operations and therefore are included as operating cash flows.

We have been actively managing down excess liquidity through purchases of financial investments, which may outweigh the cash premiums and fee income received for the insurance products we issue. During the Track Record Period, we made a concerted effort to invest higher amounts of liquidity as a core part of our investment strategy to increase our operating profits. Therefore, while our business generated positive cash inflows, the deployment of those cash inflows to make ordinary course financial investments resulted in net cash used in operating activities of US$391 million in our consolidated statement of cash flows for 2022. In 2023 and 2024, we reported net cash provided by operating activities of US$629 million and US$526 million, respectively.

Given that we account for the purchase, maturities and sale of financial investments as operating activities rather than investing activities, we may report net cash outflows in operating activities in our consolidated statement of cash flows for future periods as we continue to have net purchases of financial investments in the ordinary course of our insurance business to grow our business scale and presence.

Limitations of Conventional IFRS Financial Data

Life insurance is a long-term business where upfront costs are high while revenues are booked over the life of the policy which implies that profits only come later in the cycle. As conventional IFRS financial data may not provide a holistic view of the underlying financial performance or prospects of a life insurance company, actuarial data is used as important complementary metrics in the industry and are presented in this document.

Further, the Asian life insurance industry is a high growth industry and, as such, additional metrics are reported to help provide operating and financial performance indicators to supplement IFRS data and thereby facilitate a better understanding of long-term profitability potential. Accordingly, in addition to the information contained in the consolidated financial statements, we have defined and presented in this document various key performance indicators that we rely upon to evaluate and monitor the underlying performance of the Group and its business and operations, identify trends in our business, and make strategic decisions, including setting key performance indicators for our executives and senior management, and being a basis of our compensation programme. These measures, which are not meant to be predictive of future results, are summarised in the table below and are discussed in further detail in "*Financial Information – Key Performance Indicators*."

A key measure of operational performance is APE, which measures the volume of new policies issued, and is thereby an indicator of how much new business sales we were able to generate in any period. VNB is an actuarial performance measure which represents the value to shareholders arising from the new business issued during the relevant period, reflecting the present value of future net-of-tax profits less the corresponding cost of capital. For 2023, we have presented APE and VNB, as well as new business CSM (adjusted for certain transactions), on a "like-for-like basis" to reflect the impact of certain revisions and updates to our methodology and operating assumptions at the end of 2023, as discussed in further detail in "*Financial Information – Key Performance Indicators.*"

We also believe that measures such as operating profit are appropriate measures to evaluate an insurance business rather than traditional financial measures such as net profit and net operating cash flow. These are also industry standard measures that are widely used by Pan-Asian life insurers in their financial reporting, and are even more important to facilitate a better understanding of the longer term outlook for our Group. Since non-IFRS measures do not have standardised definitions, the non-IFRS measures presented in this document are not identical to similar measures presented by the Group's peers.

Key Performance Indicators

	Year ended/as of 31 December			2022-2024	2022-2023	2023-2024
	2022	**2023**	**2024**	**CAGR**	**YoY**	**YoY**
	(US$ millions, except for percentages)				*(CER)*	
Profitability						
Operating profit after tax (non-IFRS measure)	299	378	463	30.9%	28.7%	28.6%
Net profit/(loss)	(320)	(717)	10	N/A	N/A	N/A
Net profit/(loss) attributable to Equity Holders of the Company (non-IFRS measure)	(320)	(733)	24	N/A	N/A	N/A
Contractual service margin (CSM) balance	5,400	5,046	5,174	1.1%	(4.2)%	6.1%
Growth						
New business contractual service margin (New business CSM)	1,409	1,349	1,222	(6.4)%	(6.3)%	(6.7)%
New business CSM (like-for-like basis)	N/A	960	1,222	N/A	N/A	30.5%
Annualised premium equivalent (APE)	1,408	1,646	1,916	18.8%	18.3%	18.6%
APE (like-for-like basis)	N/A	1,616	1,916	N/A	N/A	20.9%
Value of new business (VNB)	823	991	834	2.6%	21.9%	(14.0)%
VNB (like-for-like basis)	N/A	749	834	N/A	N/A	13.5%
Total Weighted Premium Income (TWPI) (non-IFRS measure)	6,295	6,416	6,632	5.4%	4.2%	6.4%

	Year ended/as of 31 December			2022-2024	2022-2023	2023-2024
	2022	2023	2024	CAGR	YoY	YoY
	(US$ millions, except for percentages)				*(CER)*	
Risk and Capital						
Adjusted net underlying free surplus generation (Adjusted net UFSG)	625	786	839	17.4%	27.5%	9.7%
Group LCSM tier 1 cover ratio (MCR basis)	327%	336%	282%	N/A	N/A	N/A
Group LCSM cover ratio (PCR basis)	288%	292%	260%	N/A	N/A	N/A
Leverage ratio (non-IFRS measure)	23.6%	27.2%	25.5%	N/A	N/A	N/A
Value						
Group embedded value (Group EV)	6,066	5,682	5,569	(1.1)%	(4.2)%	2.8%
Comprehensive tangible equity (non-IFRS measure)	8,331	7,172	7,162	(4.2)%	(11.9)%	4.2%
Return on tangible equity (non-IFRS measure)	10.8%	10.8%	15.4%	N/A	N/A	N/A

Except for operating profit/(loss) after tax (non-IFRS measure), net profit/(loss), net profit attributable to Equity Holders of the Company (non-IFRS measure), CSM balance, TWPI (non-IFRS measure) and comprehensive tangible equity (non-IFRS measure), all other figures in the table above are unaudited.

For the definitions and a discussion of our key performance indicators during the Track Record Period, see "*Financial Information – Key Performance Indicators*" and "*Financial Information – Discussion of Key Performance Indicators*."

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**]) and no exercise of the [**REDACTED**], we estimate that we have or will incur [**REDACTED**] of approximately US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million, accounting for [**REDACTED**]% of our [**REDACTED**] from the [**REDACTED**]), of which approximately US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) is directly attributable to [**REDACTED**] and is expected to be accounted for as a deduction from equity premium directly upon [**REDACTED**], and approximately US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) has been or is expected to be expensed. The estimated [**REDACTED**] expenses consists of (i) [**REDACTED**]-related expenses (including [**REDACTED**] fees and commissions) of US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**]), (ii) fees and expenses of legal advisers and accountants of US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million), and (iii) other fees and expenses of US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million). The estimated [**REDACTED**] expenses components have been subject to rounding adjustments, and therefore do not aggregate to the total estimated amount. As of 31 December 2024, we incurred US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) of expenses relating to the [**REDACTED**], of which US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) has been charged to the consolidated income statement of the Group and US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) is expected to be accounted for as a deduction from equity premium directly upon [**REDACTED**].

[**REDACTED**]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the stated range between HK$[**REDACTED**] and HK$[**REDACTED**] per Share), we estimate that we will receive [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**] (including [**REDACTED**] expenses of US$[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) which have been charged to the consolidated income statement of the Group during the Track Record Period), assuming the [**REDACTED**] is not exercised, or approximately HK$[**REDACTED**] million if the [**REDACTED**] is exercised.

In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the enhancement of our capital position under the GWS regime and for the provision of growth capital for our operating entities, for strengthening our share capital, enhancing our solvency position and central liquidity, as well as building a capital buffer in excess of applicable statutory requirements. Such amounts, which contribute to our capital adequacy ratios, also forms part of the regulatory capital base required to support growth and opportunities to further penetrate customer and channel reach across our operations, including the enhancement of our digital capabilities and strategy, which are in line with our business strategies as described in "*Business – Our Growth Strategies*." Enhancement of our capital position may also involve reducing our overall indebtedness. Any decision to reduce our indebtedness (including our medium term notes, subordinated notes, subordinated dated capital securities, perpetual securities or bank borrowings) will be subject to market conditions, contractual restrictions, our capital requirements and any other factors that our Board may deem appropriate at the relevant time. A profile of our indebtedness is set out in "*Financial Information – Indebtedness*".

To the extent that the [**REDACTED**] of the [**REDACTED**] are not fully deployed, we intend to apply such [**REDACTED**] towards further enhancing our capital buffer in excess of applicable statutory requirements in line with the above. We will disclose by way of an announcement on the Stock Exchange in the case of any change after [**REDACTED**] to [**REDACTED**] of the [**REDACTED**] as set out above. Please refer to *"Future Plans and* [**REDACTED**]*"* for details.

[REDACTED]