

# FIRST MUTUAL

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## ANNOUNCEMENT TO SHAREHOLDERS

The Board of Directors of First Mutual Holdings Limited (FMHL) advises shareholders and stakeholders that following negotiations between FMHL and National Social Security Authority (NSSA) a major shareholder in FMHL, an agreement has been reached between FMHL and NSSA pursuant to which NSSA will acquire FMHL's entire shareholding in Rainbow Tourism Group (RTG), subject to certain terms and conditions. The agreement to dispose of 373,289,666 shares representing 19.957% shareholding in RTG was reached on 28 July 2017. The disposal is at a price of US\$0.009275 per share, which was determined based on the volume weighted average price. The transaction will be settled in the normal way. The disposal is in terms of the Corrective Order issued by the Insurance and Pensions Commission (IPEC) in 2012 and this investment in RTG has been classified as held for sale by FMHL since December 2015.

The disposal will provide a number of benefits to FMHL, including diversification of its investment portfolio as well as increasing admissible regulatory capital for the Group's insurance subsidiaries, as the sale proceeds will be applied to prescribed assets.

Shareholders and the investing public are therefore advised to consult their professional advisors when dealing in FMHL shares

**By Order of the Board**

**First Mutual Holdings Limited**