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AIA Group Limited

友邦保險控股有限公司

(Incorporated in Hong Kong with limited liability)

Stock Codes: 1299 (HKD Counter) and 81299 (RMB Counter)

**UPDATE ON THE COMPANY'S US\$10 BILLION
SHARE BUY-BACK PROGRAMME ANNOUNCED
ON 11 MARCH 2022**

The Board is pleased to announce that, effective from 16 January 2024, buy-backs of Shares under the Company's ongoing US\$10 billion on-market share buy-back programme announced on 11 March 2022 (the Existing Programme) will be continued under the Automatic Share Buy-back Programme (as detailed below). The decision to adopt the Automatic Share Buy-back Programme is in light of the Guidance Letter 117-23 recently published by the Stock Exchange, which sets out guidance on automatic share buy-back programmes.

The Company has sought, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.06(2)(e) of the Listing Rules. Such waiver will enable the Company, through the Broker pursuant to the Broker Agreement, to conduct Share buy-backs during the Restricted Periods under the Automatic Share Buy-back Programme.

Shareholders and potential investors of the Company should note that the Automatic Share Buy-back Programme is set up for the sole purpose of optimizing the administration of the Existing Programme. The Automatic Share Buy-back Programme does not change, and is expected to substantially complete, the Company's previously announced plan to return up to US\$10 billion to the Shareholders by way of the Existing Programme.

The board of directors (the "**Board**") of AIA Group Limited (the "**Company**") is pleased to announce that, in order to optimize the administration of the Company's on-going US\$10 billion on-market share buy-back programme announced on 11 March 2022 (the "**Existing**

Programme"), the Company has entered into an agreement on 15 January 2024 (the "**Broker Agreement**") with an independent broker of international repute (the "**Broker**") under which the Broker is appointed to operate the Automatic Share Buy-back Programme (as defined below) on a discretionary basis.

Pursuant to the Broker Agreement, the Company has agreed pre-determined parameters for the Broker to buy back up to US\$2.638 billion (equivalent to HK\$20.626 billion) of the Company's shares (the "**Shares**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), which is expected to substantially complete the Existing Programme. The Broker will execute all buy-backs in accordance with the pre-determined parameters and act independently from and not influenced by the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) (the "**Automatic Share Buy-back Programme**"). Effective from 16 January 2024, buy-backs of Shares under the Existing Programme will be continued under the Automatic Share Buy-back Programme.

Unless otherwise modified or terminated pursuant to the terms under the Broker Agreement, the duration of the Automatic Share Buy-back Programme will be from 16 January 2024 to no later than 15 January 2025.

WAIVER FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER LISTING RULE 10.06(2)(e)

Rule 10.06(2)(e) of the Listing Rules restricts a listed issuer from purchasing its shares under various circumstances, including during restricted periods preceding the periodic announcement of its results (collectively, "**Restricted Periods**"). Accordingly, the Company has been restricted from conducting Share buy-backs during the Restricted Periods since the implementation of the Existing Programme in March 2022.

In light of the Guidance Letter 117-23 ("**GL117-23**") recently published by the Stock Exchange which sets out guidance on automatic share buy-back programmes, the Company wishes to implement the Automatic Share Buy-back Programme and has sought, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 10.06(2)(e) of the Listing Rules in respect of the buy-back of Shares under the Automatic Share Buy-back Programme during the Restricted Periods (the "**Waiver**"). The Waiver will enable the Company, through the Broker pursuant to the Broker Agreement, to conduct Share buy-backs during the Restricted Periods under the Automatic Share Buy-back Programme. This will optimize the buy-back programme administration and maximise the opportunities for the Company to implement the Existing Programme to the fullest extent up to the targeted US\$10 billion.

Investors should take note that,

- (i) the Automatic Share Buy-back Programme is a guaranteed discounted volume weighted average price ("**VWAP**") share buy-back programme and a non-discretionary arrangement with respect to the Company, which (a) was established outside the Restricted Period, (b) sets out the pre-determined parameters for the Share buy-backs, and (c) generally speaking, can only be modified or terminated outside the Restricted Period (unless required by or for the purpose of compliance with applicable laws or regulations or directed or instructed by a relevant regulatory authority);

- (ii) the Automatic Share Buy-back Programme will be effected through one single broker which, to the best knowledge of the Company, is not a connected person (as defined under the Listing Rules) of the Company;
- (iii) all buy-back decisions under the Automatic Share Buy-back Programme will be made by the Broker in accordance with the pre-determined parameters and independently from and not influenced by the Company and the Company's connected persons (as defined under the Listing Rules). Each of the Company and the Broker will maintain appropriate systems and controls (with appropriate Chinese walls or information barriers) in relation to the Automatic Share Buy-back Programme to ensure that no inside information of the Company will be given by the Company and the Company's connected persons (as defined under the Listing Rules) directly or indirectly to, or received by, any personnel of the Broker involved with the execution of the Automatic Share Buy-back Programme until a reasonable time after its completion or termination;
- (iv) the duration of the Automatic Share Buy-back Programme will be no less than 9 months and no more than 12 months from the date of the Broker Agreement (the execution of which will only cover trading days), and purchases of Shares under the Automatic Share Buy-back Programme will commence on 16 January 2024 and therefore there will be a sufficient time gap between the start of the Automatic Share Buy-back Programme to the commencement date of the Restricted Period in relation to the publication of the 2023 financial results of the Company, being 15 February 2024;
- (v) each of the Company's market capitalization as at the date of this announcement and average daily turnover volume in the six months immediately prior to the date of this announcement is above the benchmark as set out under the GL117-23; and
- (vi) the Company published this announcement to disclose the key details of the Automatic Share Buy-back Programme and will disclose any buy-back of Shares conducted thereunder by way of next day disclosure returns in accordance with the requirements of the Listing Rules.

For the avoidance of doubt, any buy-back of Shares after the conclusion of the forthcoming annual general meeting of the Company (which is expected to be held in May 2024) shall be subject to the approval of the general mandate to buy-back Shares at such general meeting.

On the ground that the terms and the features of the Automatic Share Buy-back Programme satisfy the requirements under the Listing Rules and the GL117-23, Share buy-backs under such programme will be conducted in a manner to mitigate the risk of trading with undisclosed inside information and potential price manipulation. It is considered that the granting of the waiver from strict compliance with Rule 10.06(2)(e) of the Listing Rules will not give rise to undue risk to the shareholders of the Company (the "**Shareholders**").

The Company understands that the Broker will engage in principal trading activities in connection with the Automatic Share Buy-back Programme.

APPROVAL UNDER LISTING RULE 10.06(3) IN RESPECT OF THE GRANT OF SHARE AWARDS OR OPTIONS

The Company currently has four share incentive schemes in effect, namely (i) the share option scheme adopted on 29 May 2020; (ii) the restricted share unit scheme adopted on 1 August 2020; (iii) the employee share purchase plan adopted on 1 August 2020; and (iv) the agency share purchase plan adopted on 1 February 2021 (collectively, the "**Share Incentive Schemes**"). Under the Share Incentive Schemes, the Company may grant share awards or options (as the case may be) and may issue new Shares pursuant to the vesting of such awards and exercise of such options from time to time.

Rule 10.06(3) of the Listing Rules restricts a listed issuer from making new issue of shares or announcing a proposed new issue of shares for a period of 30 days after its share repurchases, whether on the Stock Exchange or otherwise, without the prior approval of the Stock Exchange.

In connection with the implementation of the Automatic Share Buy-back Programme, the Company has sought, and the Stock Exchange has provided, an approval under Rule 10.06(3) of the Listing Rules to enable the Company to grant awards and options, and issue new Shares pursuant to the vesting of any share award or exercise of any option, under the Share Incentive Schemes (including the publication of any announcement(s) of such grants and issuances) to participants of the Share Incentive Schemes during the term of the Automatic Share Buy-back Programme, including 30 days after any Share buy-back made under the Automatic Share Buy-back Programme (subject to other applicable Listing Rules requirements), which is critical for the Company to attract and retain talents from time to time. Given that the buy-back decisions under the Automatic Share Buy-back Programme will be made by the Broker, independent from the Company's decisions for award and option grants under the Share Incentive Schemes and the purpose of the Share Incentive Schemes is to attract and retain talents, it is therefore considered that the granting of the approval under Rule 10.06(3) of the Listing Rules will not give rise to undue risk to the Shareholders.

GENERAL

The Company will comply with the Listing Rules, the Codes on Takeovers and Mergers and Share Buybacks (the "**Takeovers Code**"), the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance and all other applicable laws and regulations for the buy-back of Shares. It is expected that the implementation of the Automatic Share Buy-back Programme would not trigger any mandatory offer obligation under the Takeovers Code.

The Company is of the view that the implementation of the Automatic Share Buy-back Programme is in the best interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company should note that any Share buy-back under the Automatic Share Buy-back Programme will be subject to prevailing market conditions and the Broker's sole discretion within the pre-determined parameters of the Automatic Share Buy-back Programme. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Note: For the purpose of this announcement and for illustration purpose only, the amount denominated in United States dollar has been translated into Hong Kong dollar at an exchange rate of US\$1.00 to HK\$7.8188.

By Order of the Board
Lee Yuan Siong
*Executive Director,
Group Chief Executive and President*

Hong Kong, 15 January 2024

As at the date of this announcement, the Board comprises:

Independent Non-executive Chairman and Independent Non-executive Director:

Mr. Edmund Sze-Wing TSE

Executive Director, Group Chief Executive and President:

Mr. LEE Yuan Siong

Independent Non-executive Directors:

Mr. Jack Chak-Kwong SO, Mr. Chung-Kong CHOW, Mr. John Barrie HARRISON, Mr. George Yong-Boon YEO, Professor Lawrence Juen-Yee LAU, Dr. Narongchai AKRASANEE, Mr. Cesar Velasquez PURISIMA, Ms. SUN Jie (Jane), Ms. Mari Elka PANGESTU, Mr. ONG Chong Tee and Ms. Nor Shamsiah MOHD YUNUS