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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, certified public accountant or other professional adviser.

**If you have sold or transferred all your shares in AIA Group Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 Code: 1299**

**RE-ELECTION OF DIRECTORS**  
**GENERAL MANDATES TO ISSUE SHARES**  
**AND**  
**REPURCHASE SHARES**  
**GENERAL MANDATE TO ISSUE SHARES UNDER**  
**RESTRICTED SHARE UNIT SCHEME**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of AIA Group Limited to be held at 11:00 a.m. on Friday, 10 May 2013 at Grand Ballroom, 2/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong is set out on pages 19 to 25 of this circular.

**Only light beverages will be served after the meeting.**

Whether or not you are able to attend the meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so wish.

25 March 2013

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“2013 AGM”	the annual general meeting of the Company to be held at 11:00 a.m. on Friday, 10 May 2013 or, where the context so requires, any adjournment thereof, notice of which is set out on pages 19 to 25 of this circular
“AIA” or “Group”	AIA Group Limited and its subsidiaries
“Articles of Association”	the articles of association of the Company, as originally adopted, or as from time to time altered in accordance with the Companies Ordinance
“Board”	the Board of Directors of the Company
“Companies Ordinance”	the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	AIA Group Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Hong Kong Stock Exchange
“Corporate Governance Code”	Corporate Governance Code set out in Appendix 14 to the Listing Rules
“Director(s)”	director(s) of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 9(A) in the notice of the 2013 AGM set out on pages 19 to 25 of this circular
“Latest Practicable Date”	20 March 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 9(B) in the notice of the 2013 AGM set out on pages 19 to 25 of this circular
“Restricted Share Unit Scheme” or “RSU Scheme”	the restricted share unit scheme adopted by the Company on 28 September 2010 (as amended)
“RSU(s)”	restricted share unit(s)
“RSU Award”	a restricted share unit award granted to a participant under the Restricted Share Unit Scheme
“RSU Scheme Mandate”	the scheme mandate of the Restricted Share Unit Scheme proposed under ordinary resolution numbered 9(C) in the notice of the 2013 AGM set out on pages 19 to 25 of this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of US\$1 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2010 (as amended)
“Shareholder(s)”	holder(s) of Shares
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission, as amended from time to time

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LETTER FROM THE BOARD

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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 Code: 1299**

*Non-executive Chairman and Non-executive Director:*

Mr. Edmund Sze-Wing Tse

*Executive Director:*

Mr. Mark Edward Tucker

*Independent Non-executive Directors:*

Mr. Jack Chak-Kwong So

Mr. Chung-Kong Chow

Dr. Qin Xiao

Mr. John Barrie Harrison

Mr. Barry Chun-Yuen Cheung

Mr. George Yong-Boon Yeo

Dr. Narongchai Akrasanee

*Registered Office:*

35/F, AIA Central

1 Connaught Road Central

Hong Kong

25 March 2013

Dear Shareholders,

**RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES  
AND  
REPURCHASE SHARES  
GENERAL MANDATE TO ISSUE SHARES UNDER  
RESTRICTED SHARE UNIT SCHEME  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with notice of the 2013 AGM, including relevant information regarding certain resolutions proposed for the Shareholders to consider and, if thought fit, approve, including resolutions for (i) the re-election of Directors; (ii) the grant of the Issue Mandate and the Repurchase Mandate; (iii) the approval of the RSU Scheme Mandate; and (iv) the adoption of amendments to the Articles of Association.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF DIRECTORS

Mr. Barry Chun-Yuen Cheung, Mr. George Yong-Boon Yeo and Dr. Narongchai Akrasanee were appointed as Independent Non-executive Directors of the Company on 20 September 2012, 2 November 2012 and 21 November 2012 respectively. In accordance with Article 105 of the Articles of Association, Mr. Cheung, Mr. Yeo and Dr. Narongchai will hold their office until the next following annual general meeting of the Company and will then be eligible for re-election. All of them will offer themselves for re-election at the 2013 AGM.

In accordance with Article 101 of the Articles of Association, Dr. Qin Xiao and Mr. Mark Edward Tucker shall retire from office by rotation at the 2013 AGM and, being eligible, offer themselves for re-election.

### 3. ISSUE MANDATE AND REPURCHASE MANDATE

Pursuant to the ordinary resolution passed by the Shareholders at the last annual general meeting of the Company held on 8 May 2012, general mandates were given to the Directors to issue new Shares and to repurchase existing Shares. Such general mandates will lapse at the conclusion of the 2013 AGM. Accordingly, the Company seeks shareholders' approval to renew this authority subject to the restrictions described in resolutions 9(A) and 9(B) and summarised herein.

The proposed Issue Mandate size is limited to 10% of the aggregate nominal amount of the issued share capital of the Company as of the date of passing of the relevant resolution. This is significantly lower than the permissible size of 20% under the Listing Rules. For clarity, shares purchased through any exercise of the Repurchase Mandate will not be added to the number of shares that may be issued under the Issue Mandate. In addition, any Shares to be issued for cash under the authority granted by the proposed Issue Mandate will only be issued subject to a maximum discount of 10% to the "benchmarked price" (defined with reference to Rule 13.36(5) of the Listing Rules). Shareholders may wish to take note that the proposed discount limit is more restrictive than the requirements of the Listing Rules which permit a maximum discount of 20% to the benchmarked price for any issuance of Shares in a placement for cash pursuant to a general issuance mandate.

The proposed resolutions are necessary to give the Directors certain flexibility to allot Shares where the Directors believe it is in the best interests of Shareholders to do so, in particular pursuant to any capital raising or other strategic needs that may arise from time to time.

The Issue Mandate and the Repurchase Mandate, if approved at the 2013 AGM, will continue to be in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held, or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

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## LETTER FROM THE BOARD

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Details of the aforesaid ordinary resolutions are set out in ordinary resolutions numbered 9(A) and 9(B) in the notice of the 2013 AGM. An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix II to this circular.

#### **4. MANDATE TO ISSUE SHARES UNDER THE RESTRICTED SHARE UNIT SCHEME**

The RSU Scheme was adopted by the Company on 28 September 2010. The RSU Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

Pursuant to the ordinary resolution passed by the Shareholders at the last annual general meeting held on 8 May 2012, a scheme mandate for the RSU Scheme of 301,100,000 new Shares, representing 2.5% of the issued share capital of the Company as of the date of the last annual general meeting of the Company, was given to the Directors. Such scheme mandate will lapse at the conclusion of the 2013 AGM.

Between 8 May 2012 and the Latest Practicable Date, 20,523,339 RSU Awards were granted under the RSU Scheme. During the same period, 3,220,723 RSU Awards have lapsed and 317,868 RSU Awards have been vested in accordance with the rules of the RSU Scheme. No Shares have been issued pursuant to the RSU Scheme.

Subject to the passing of an ordinary resolution approving the RSU Scheme Mandate and on the basis that no share options or RSU Awards will be granted and exercised or vested prior to the 2013 AGM, the Directors will be granted the RSU Scheme Mandate to allot and issue not more than 301,100,000 Shares, representing the total number of Shares that can be allotted and issued pursuant to the vesting of RSU Awards under the RSU Scheme. On the basis of an issued share capital of 12,044,000,001 Shares, the exercise in full of the proposed RSU Scheme Mandate will result in 301,100,000 Shares being issued, representing approximately 2.5% of the existing issued share capital of the Company. An approval has been obtained from the Listing Committee of the Hong Kong Stock Exchange for the listing of and permission to deal in any new Shares, not exceeding 301,100,000 Shares, which may be issued pursuant to the vesting of the RSU Awards under the RSU Scheme.

If the Company elects to settle the RSU Awards in Shares, the cost attributable to the grant of any RSU Awards under the RSU Scheme will be accounted for by reference to the market value of the Shares at the time of grant, adjusted to take into account the terms and conditions upon which Shares were granted. If the RSU Awards are to be settled in cash, the costs attributable to any unsettled or unvested RSU Awards will be re-measured based on the fair value of the underlying Shares until the final payout is made. The Company will give due consideration to any financial impact arising from the grant of RSU Awards under the RSU Scheme before exercising the RSU Scheme Mandate.

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## LETTER FROM THE BOARD

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The following is a summary of the principal terms of the RSU Scheme:

### **1. Purposes of the RSU Scheme**

The purposes of the RSU Scheme are to align the participants' interests with those of the Company and its subsidiaries through ownership of Shares and/or the increase in value of Shares, and to encourage and retain participants to make contributions to the long term growth and profits of the Company and its subsidiaries, with a view to achieving the objective of increasing the value of the Company and its subsidiaries.

### **2. RSU Awards**

A RSU Award gives a participant in the RSU Scheme (the "RSU Participant") a conditional right when the RSU Award vests to obtain either Shares (existing Shares in issue or new Shares to be issued by the Company) or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting, as determined by the Board in its absolute discretion. A RSU Award may include, if so specified by the Board in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the RSU Award is granted to the date that it vests.

### **3. Participants in the RSU Scheme**

Persons eligible to receive RSU Awards under the RSU Scheme are existing employees, directors (whether executive or non-executive, but excluding independent non-executive directors) or officers of the Company or any of its subsidiaries ("RSU Eligible Persons"). The Board selects the RSU Eligible Persons to receive RSU Awards under the RSU Scheme at its discretion.

### **4. Term of the RSU Scheme**

The term of the RSU Scheme shall be 10 years commencing from the date of adoption on 28 September 2010 (the "RSU Scheme Period"), after which period no further RSU Awards shall be granted or accepted, but the provisions of the RSU Scheme shall remain in full force and effect in order to give effect to the vesting of RSU Awards granted and accepted prior to the expiration of the RSU Scheme Period.

### **5. Grant and Acceptance**

#### *(a) Making an Offer*

An offer to grant a RSU Award will be made to a RSU Eligible Person selected by the Board ("RSU Selected Person") by a letter, in such form as the Board may determine ("RSU Grant Letter"). The RSU Grant Letter will specify the value and the number of Shares underlying the RSU Award (or if the value and/or number of



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## LETTER FROM THE BOARD

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Shares is not available, the methodology by which that is calculated), the vesting criteria and conditions, the vesting schedule and such other details as the Board considers necessary, and will require the RSU Selected Person to undertake to hold the RSU Award on the terms on which it is granted and to be bound by the provisions of the RSU Scheme.

***(b) Acceptance of an Offer***

A RSU Selected Person accepts the grant of a RSU Award in such manner as set out in the RSU Grant Letter. Once accepted, the RSU Award is granted from the date on which it was offered to the RSU Selected Person (“RSU Grant Date”).

***(c) Restrictions on Grants***

The Board may not grant any RSU Awards to any RSU Selected Persons in any of the following circumstances:

- (i) the requisite approvals for that grant from any applicable regulatory authorities have not been granted;
- (ii) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the RSU Awards or in respect of the RSU Scheme, unless the Board determines otherwise;
- (iii) where granting the RSU Award would result in a breach by the Company, its subsidiaries or any of their respective directors of any applicable securities laws, rules or regulations;
- (iv) after a price sensitive event in relation to the Company’s securities has occurred or a price sensitive matter in relation to the Company’s securities has been the subject of a decision, until an announcement of such price sensitive information has been duly published in accordance with the Listing Rules; or
- (v) within the period commencing one month immediately preceding the earlier of:
  - (1) the date of meeting of the Board (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

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## LETTER FROM THE BOARD

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- (2) the deadline to publish an announcement of the Company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement; or

- (vi) where such grant of any RSU Award would result in a breach of the limits of the RSU Scheme (as set out in paragraph 6 below).

***(d) Grants to Directors***

Where any RSU Award is proposed to be granted to a Director, it shall not be granted on any day on which the Company's financial results are published and during the period of:

- (i) 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the Company's relevant financial year up to the publication date of its results; and
- (ii) 30 days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the Company's relevant quarterly or half-year period up to the publication date of its results.

***(e) Grants to Connected Persons***

Before making any grant to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, all of the Independent Non-executive Directors must approve the grant of the RSU Award, and if new Shares will be allotted to connected persons when their RSU Awards vest, the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules or obtain a waiver from strict compliance with such requirements from the Hong Kong Stock Exchange.

**6. Maximum Number of Shares Pursuant to RSU Awards**

***(a) RSU Scheme Limit***

Subject to paragraph 6(b) below, no RSU Award shall be granted pursuant to the RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares (or, where cash is awarded in lieu of Shares, the aggregate number of Shares as are equivalent to the amount of cash so awarded ("Share Equivalents")) underlying all grants made pursuant to the RSU Scheme (excluding RSU Awards that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) will exceed in total 301,100,000 Shares, representing 2.5% of the number of Shares in issue on 29 October 2010, being the date on which the Shares were listed on the Main Board of the Hong Kong Stock Exchange (the "RSU Scheme Limit").

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## LETTER FROM THE BOARD

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***(b) Refreshment of RSU Scheme Limit***

The RSU Scheme Limit may be refreshed from time to time subject to prior approval from the Shareholders, but in any event the total number of Shares and Share Equivalents that may underlie the RSU Awards granted following the date of approval of the refreshed limit (the “New Approval Date”) under the limit as refreshed from time to time must not exceed 2.5% of the number of Shares in issue as of the relevant New Approval Date. Shares or Share Equivalents underlying RSU Awards granted under the RSU Scheme (including those outstanding, cancelled or vested RSU Awards) prior to such New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares or Share Equivalents that may underlie the RSU Awards granted following the relevant New Approval Date.

***(c) Annual Mandate***

To the extent that the Company may, during the Relevant Period (defined below), grant RSU Awards pursuant to the RSU Scheme which may be satisfied by the Company allotting and issuing new Shares upon the vesting of the RSU Awards, the Company shall at its annual general meeting propose for the Shareholders to consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

- (a) the maximum number of new Shares that may underlie RSU Awards granted pursuant to the RSU Scheme during the Relevant Period; and
- (b) that the Board has the power to allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of any RSU Awards that are granted pursuant to the RSU Scheme during the Relevant Period as and when the RSU Awards vest.

The above mandate shall remain in effect during the period from the passing of the ordinary resolution granting the mandate until the earliest of:

- (A) the conclusion of the next annual general meeting of the Company;
- (B) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; and
- (C) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

(the “Relevant Period”).

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## LETTER FROM THE BOARD

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### **7. Rights Attached to RSU Awards**

A RSU Participant does not have any contingent interest in any Shares underlying a RSU Award unless and until such Shares are actually transferred to the RSU Participant. Further, a RSU Participant may not exercise voting rights in respect of the Shares underlying their RSU Award, nor does he/she have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying a RSU Award unless otherwise specified by the Board in its sole discretion in the RSU Grant Letter to the RSU Participant.

### **8. Rights Attached to Shares**

Any Shares transferred to a RSU Participant in respect of any RSU Award will be subject to all the provisions of the Articles of Association and will form a single class with the fully paid Shares in issue on the relevant date. Once transferred, the Shares will entitle the holder to participate in all dividends or other distributions paid or made on or after the date of the transfer applicable to the holders of Shares.

### **9. Assignment of RSU Awards**

RSU Awards granted pursuant to the RSU Scheme will be personal to each RSU Participant, and are not assignable. RSU Participants are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favour of any other person over or in relation to any property held by the Trustee (as defined below) on trust for the RSU Participants, RSU Awards, Shares underlying any RSU Awards or any interest or benefits therein.

### **10. Vesting of RSU Awards**

#### *(a) General*

The Board can determine the vesting criteria, conditions and the time when the RSU Awards will vest, but the date between the RSU Acceptance Notice and the date of vesting must be at least six months.

Within a reasonable time after the vesting criteria and conditions have been fulfilled, satisfied or waived, the Board will send a vesting notice (“Vesting Notice”) to each of the relevant RSU Participants. The Vesting Notice will confirm the extent to which the vesting criteria and conditions have been fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) or the amount of cash the RSU Participant will receive.

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## LETTER FROM THE BOARD

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***(b) Role of the Trustee***

A professional trustee (the “Trustee”) will hold Shares underlying the RSU Awards granted to RSU Participants pending the vesting of the RSU Awards. The Trustee shall subscribe for new Shares or purchase existing Shares from the market. The Company or its subsidiaries shall provide funds to enable the Trustee to subscribe for Shares or to make such on-market purchases of Shares. None of the Directors has any direct or indirect interest in the Trustee.

***(c) Award in Cash or Shares***

Subject to the RSU Participant executing all documents that the Board considers necessary for vesting (which may include, without limitation, a certification to the Company or its relevant subsidiary that he/she has complied with all the terms and conditions set out in the rules of the RSU Scheme and the RSU Grant Letter), the Board may decide at its absolute discretion to:

- (i) direct and procure the Trustee to transfer the Shares underlying the RSU Award (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the RSU Participant which the Trustee has either acquired by making on-market purchases of Shares or which the Company has allotted and issued to the Trustee as fully paid up Shares; or
- (ii) pay, or direct and procure the Trustee to pay, to the RSU Participant in cash an amount which is equivalent to the value of the Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) set out in paragraph 10(c)(i) above.

If a RSU Participant fails to execute the required documents in accordance with the Vesting Notice, the RSU Participant’s RSU Award will lapse.

***(d) Rights on a Takeover***

If a general offer to acquire the Shares (whether by takeover offer, merger, or otherwise in a like manner) is made to all of the Shareholders (or Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects, a RSU Participant’s RSU Award will vest immediately to the extent specified in a notice given by the Company to the RSU Participant, even if the vesting period has not yet commenced.

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## LETTER FROM THE BOARD

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*(e) Rights on a Compromise or Arrangement*

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to the Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement, a RSU Participant's RSU Award will vest immediately to the extent specified in a notice given by the Company to the RSU Participant, even if the vesting period has not yet commenced.

*(f) Rights on a Voluntary Winding-Up*

If an effective resolution is passed during the RSU Scheme Period for the voluntary winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement), all outstanding RSU Awards shall be treated as having vested immediately before the passing of such resolution to the extent represented by the proportion that (A) the time between the RSU Grant Date and the passing of the resolution bears to (B) the entire vesting period set out in the RSU Grant Letter. No Shares will be transferred, and no cash alternative will be paid, to the RSU Participant, but the RSU Participant will be entitled to receive out of the assets available in liquidation on an equal basis with the Shareholders such sum as they would have received in respect of the RSU Award.

### **11. Lapse of RSU Awards**

*(a) Full Lapse of RSU Award*

A RSU Award will automatically lapse immediately where:

- (i) such RSU Participant's employment or service terminates for any reason, except (A) the employment or service is terminated by reason of death, retirement or disability, (B) where the employment or service is terminated because of redundancy, (C) where the company employing the RSU Participant ceases to be one of the Company's subsidiaries or (D) any other incident occurs as the Board may at its discretion specify; or
- (ii) the RSU Participant makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any other person over or in relation to any Shares underlying the RSU Award or any interests or benefits pursuant to the RSU Award.

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## LETTER FROM THE BOARD

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**(b) *Partial Lapse of RSU Award***

A RSU Participant's RSU Award will lapse on a proportional basis based on the proportion that (A) the time between the RSU Grant Date and the occurrence of the following relevant event bears to (B) the entire vesting period set out in the RSU Participant's RSU Grant Letter if:

- (i) the RSU Participant's employment or service is terminated because of the RSU Participant's death, disability or redundancy;
- (ii) the RSU Participant's employment or service is terminated because of the RSU Participant's retirement;
- (iii) the company with which the RSU Participant is employed ceases to be one of the Company's subsidiaries; or
- (iv) any other incident occurs as the Board may at its discretion specify,

provided that, (A) for any event stated in (i) and (iii) above, where it is not known at the time of the occurrence of the event to what extent any performance criteria set out in the Grant Letter have been satisfied, for the purpose of determining the lapse of RSU Award, those criteria shall be applied on the basis that they have been satisfied at the "target level" as referred to in the Grant Letter, if a target level is so referred to; and (B) for the event stated in (ii) above, the lapse of the RSU Award will also be based on fulfillment of the vesting criteria and conditions (including any performance criteria) set out in the RSU Grant Letter.

### **12. Cancellation of RSU Awards**

The Board may at its discretion cancel any RSU Award that has not vested or lapsed, provided that:

- (i) the Company or its subsidiaries pay to the RSU Participant an amount equal to the fair value of the RSU Award at the date of the cancellation as determined by the Board, after consultation with its auditors or an independent financial adviser appointed by the Board;
- (ii) the Company or its relevant subsidiary provides to the RSU Participant a replacement RSU Award (or a grant or option under any other restricted share unit scheme, share option scheme or share-related incentive scheme) of equivalent value to the RSU Award to be cancelled; or
- (iii) the Board makes any arrangement as the RSU Participant may agree in order to compensate him/her for the cancellation of the RSU Award.

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## LETTER FROM THE BOARD

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### **13. Reorganisation of Capital Structure**

In the event of any capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company, the Board may, in its absolute discretion, make such equitable adjustments, designed to protect the RSU Participants' interests, to the number of Shares underlying the outstanding RSU Awards or to the amount of the equivalent value, as it may deem appropriate.

### **14. Amendment of the RSU Scheme**

Save as provided in the RSU Scheme, the Board may alter any of the terms of the RSU Scheme at any time. Written notice of any amendment to the RSU Scheme shall be given to all RSU Participants.

Any changes to the authority of the Board in relation to any alteration of the terms of the RSU Scheme shall not be made without the prior approval of the Shareholders in general meeting.

Any alterations to the terms and conditions of the RSU Scheme which are of a material nature or any changes to the terms of the RSU Awards granted must be approved by the Shareholders in general meeting, except where the alterations or changes take effect automatically under the existing terms of the RSU Scheme. The Board's determination shall be conclusive as to whether any proposed alteration to the terms and conditions of the RSU Scheme is material.

### **15. Termination of the RSU Scheme**

The Board may terminate the RSU Scheme at any time before the expiry of the RSU Scheme Period and no further RSU Awards shall be granted. The Company or its relevant subsidiary shall notify the Trustee and all RSU Participants of such termination and of how any property held by the Trustee on trust for the RSU Participants (including, but not limited to, any Shares held) and the outstanding RSU Awards shall be dealt with.

### **16. Administration of the RSU Scheme**

The Board has the power to administer the RSU Scheme, including the power to construe and interpret the rules of the RSU Scheme and the terms of the RSU Awards granted under it. The Board may delegate the authority to administer the RSU Scheme to a committee of the Board. The Board may also appoint one or more independent third party contractors to assist in the administration of the RSU Scheme and delegate such powers and/or functions relating to the administration of the RSU Scheme as the Board thinks fit.



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## LETTER FROM THE BOARD

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The Board's determinations under the RSU Scheme need not be uniform and may be made by it selectively with respect to persons who receive, or are eligible to receive, RSU Awards under it. If a Director is a RSU Participant he/she may, notwithstanding his/her own interest and subject to the Articles of Association, vote on any Board resolution concerning the RSU Scheme (other than in respect of his/her own participation in it), and may retain RSU Awards under it.

Each RSU Participant waives any right to contest, amongst other things, the value and number of Shares or equivalent value of cash underlying the RSU Awards and the Board's administration of the RSU Scheme.

### **17. Clawback**

If following the vesting of a RSU Award, the Board determines that the rules of the RSU Scheme or the terms of the RSU Grant Letter were not satisfied, the Company may require to be paid, and the RSU Participant must pay on demand, an amount of money to the Company or its relevant subsidiary specified in a notice consistent with the requirements set out below in this paragraph 17.

If the Board determines that the granting or the vesting of a RSU Award was based on materially inaccurate financial statements, to the extent that the RSU Award is not vested, the RSU Award will be forfeited or if it has already vested, the Company can require the RSU Participant to pay on demand an amount of money to the Company or its relevant subsidiary specified in a notice.

### **5. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Article 101 of the Articles of Association governs the retirement and re-election of Directors by rotation. Currently, Article 101 provides that as between persons who became Directors on the same day, those who were appointed first shall retire first. As between directors who were re-elected at the same annual general meeting, there may be uncertainty as to who is to stand for re-election. The proposed revisions to Article 101 will make it clear that amongst directors who were re-elected at the same meeting a consistent principle applies, with directors who were re-elected first to retire first.

In addition, the amendments to Article 101 and Article 105 will provide that any Director appointed by the Board under Article 105 and standing for election at an annual general meeting will be counted in determining the number of directors who shall retire by rotation under Article 101. The Board believes these amendments will provide greater clarity as to the process for retirement by rotation within the parameters set out for retirement and re-election. Currently, the Corporate Governance Code provides that each director shall be subject to retirement at least once every three years.

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## LETTER FROM THE BOARD

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Details of the proposed amendments are as follows (deletion shown by way of strikethrough and new addition by way of underline):

### **Article 101**

“101 – At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number of Directors nearest to but not greater than the amount equal to one-third of the total number of Directors (but subject to Article 105), shall retire from office by rotation. The Directors to retire in every year shall be those appointed pursuant to Article 105, followed by those who have been longest in office since their last election. As between persons who became or were re-elected Directors on the same day, the Directors to retire shall be (unless otherwise agreed amongst themselves) in the order by which such Directors were appointed on the day of their last election (which means that those who were appointed or re-elected first shall retire first). The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless during a period of not less than seven days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days before the date appointed for the meeting there shall have been lodged at the Office or at the head office of the Company a Notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected.”

### **Article 105**

“105 – The Directors shall have power, exercisable at any time and from time to time, to appoint any other person as a Director, either to fill a casual vacancy or as an addition to the Board but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time (if any) by the shareholders in general meeting and any directors so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, ~~but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each annual general meeting.~~”

## **6. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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## LETTER FROM THE BOARD

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### 7. ANNUAL GENERAL MEETING

A notice convening the 2013 AGM is set out on pages 19 to 25. At the 2013 AGM, relevant resolutions will be proposed to approve the re-election of Directors, grant of the Issue Mandate, the Repurchase Mandate, the RSU Scheme Mandate and amendments to the Articles of Association.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the 2013 AGM will therefore put each of the resolutions to be proposed at the 2013 AGM to be voted by way of a poll.

As a registered Shareholder, you are entitled to attend and vote at the 2013 AGM in person. Whether or not you intend to attend the 2013 AGM or any adjournment thereof, please complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2013 AGM or any adjournment thereof. You may appoint one or more proxies to attend and vote on your behalf. A proxy need not be a shareholder of the Company. Enclosed with this circular is a proxy form for use at the 2013 AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2013 AGM or any adjournment thereof should you so wish. In the event that a shareholder who has lodged a proxy form attends the 2013 AGM, his/her proxy form will be deemed to have been revoked.

As a non-registered Shareholder (i.e. your shares are held through an intermediary/a nominee), you may give your instructions to your intermediary/nominee to vote on your behalf or appoint you as a corporate representative to attend and vote at the 2013 AGM.

### 8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the chairman of the 2013 AGM will exercise his right to demand a poll pursuant to Article 71 of the Articles of Association on each of the resolutions to be proposed at the 2013 AGM except where the chairman of the 2013 AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

After closure of the 2013 AGM, the poll results will be published on the websites of the Hong Kong Stock Exchange and the Company.

### 9. RECOMMENDATION

The Directors consider that the re-election of Directors, the grant of the Issue Mandate, the Repurchase Mandate, the RSU Scheme Mandate and amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole and so recommend the Shareholders to vote in favor of the resolutions to be proposed at the 2013 AGM.

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## LETTER FROM THE BOARD

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No Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the 2013 AGM.

Yours faithfully  
On behalf of the Board  
**Edmund Sze-Wing Tse**  
*Non-executive Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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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 Code: 1299**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of AIA Group Limited (the “Company”) will be held at Grand Ballroom, 2/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 10 May 2013 at 11:00 a.m. for the following purposes:

#### **ORDINARY RESOLUTIONS**

1. To receive the audited consolidated financial statements of the Company, the Report of the Directors and the Independent Auditor’s Report for the year ended 30 November 2012.
2. To declare a final dividend of 24.67 Hong Kong cents per share for the year ended 30 November 2012.
3. To re-elect Mr. Barry Chun-Yuen Cheung as Independent Non-executive Director of the Company.
4. To re-elect Mr. George Yong-Boon Yeo as Independent Non-executive Director of the Company.
5. To re-elect Dr. Narongchai Akrasanee as Independent Non-executive Director of the Company.
6. To re-elect Dr. Qin Xiao as Independent Non-executive Director of the Company.
7. To re-elect Mr. Mark Edward Tucker as Executive Director of the Company.
8. To re-appoint PricewaterhouseCoopers as auditor of the Company for the term from passing of this resolution until the conclusion of the next annual general meeting and to authorise the board of directors of the Company (the “Board”) to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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9. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company in relation to the proposed grant of general mandates to the Board:

(A) **“THAT:**

- (a) subject to sub-paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraphs (a) and (b) of this resolution, otherwise than pursuant to (i) a Rights Issue as hereinafter defined, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iii) the vesting of any restricted share unit awards pursuant to the restricted share unit scheme or the agency share purchase plan adopted by the Company on 28 September 2010, as amended, and 23 February 2012, respectively, or (iv) the exercise of options granted under the share option scheme adopted by the Company on 28 September 2010, as amended; or (v) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as of the date of passing of this resolution, and the said approval shall be limited accordingly;
- (d) any shares of the Company to be allotted, issued or dealt with for cash pursuant to the approval in sub-paragraph (a) of this resolution shall not be at a discount of more than 10 per cent to the Benchmarked Price (as defined below) of such shares of the Company; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(e) for the purposes of this resolution:

“Benchmarked Price” means the higher of:

- (i) the closing price of the shares of the Company as quoted on the Hong Kong Stock Exchange on the date of the agreement involving the relevant proposed issue of shares of the Company; and
- (ii) the average closing price as quoted on the Hong Kong Stock Exchange of the shares of the Company for the 5 trading days immediately preceding the earlier of the date: (A) of announcement of the transaction or arrangement involving the relevant proposed issue of shares of the Company, (B) of the agreement involving the relevant proposed issue of shares of the Company and (C) on which the price of shares of the Company that are proposed to be issued is fixed.

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) **“THAT:**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on the Hong Kong Stock Exchange or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Hong Kong Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be purchased pursuant to the approval in sub-paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) **“THAT:**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to grant restricted share unit awards (“RSU Awards”) and to allot, issue, procure the transfer of and otherwise deal with shares underlying any RSU Awards granted under the restricted share unit scheme approved and adopted by the Company on 28 September 2010, as amended (the “RSU Scheme”), as and when the RSU Awards vest be and is hereby approved;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) no RSU Awards shall be granted by the Directors if as a result of such grant the aggregate number of shares (or, where cash is awarded in lieu of shares, the aggregate number of shares as are equivalent to the amount of cash so awarded) underlying all RSU Awards granted by the Directors (excluding RSU Awards that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) shall exceed 2.5 per cent of the number of shares of the Company in issue on the date of passing of this resolution; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

### SPECIAL RESOLUTION

10. To consider and, if thought fit, pass with or without amendments, the following resolution as special resolution of the Company:

“**THAT** the Articles of Association of the Company be and are hereby altered by:

- (a) Deleting the existing Article 101 and replacing it with the following new Article 101:

“101 – At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number of Directors nearest to but not greater than the amount equal to one-third of the total number of Directors (but subject to Article 105), shall retire from office by rotation. The Directors to retire in every year shall be those appointed pursuant to Article 105, followed by those who have been longest in office since their last election. As between persons who became or were re-elected Directors on the same day, the Directors to retire shall be (unless otherwise agreed amongst themselves) in the order by which such Directors were appointed on the day of their last election (which means that those who were appointed or re-elected first shall retire first). The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may

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## NOTICE OF ANNUAL GENERAL MEETING

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fill the vacated offices. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless during a period of not less than seven days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days before the date appointed for the meeting there shall have been lodged at the Office or at the head office of the Company a Notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected.”

- (b) Deleting, in Article 105, the words “, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at each annual general meeting”.”

By Order of the Board  
**Lai Wing Nga**  
*Group Company Secretary*

Hong Kong, 25 March 2013

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. The register of members of the Company will be closed from Tuesday, 7 May 2013 to Friday, 10 May 2013 (both days inclusive) during which period no transfer of share(s) will be registered. In order to qualify to attend and vote at the 2013 annual general meeting of the Company (“2013 AGM”), all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Monday, 6 May 2013.

In order to qualify for the proposed final dividend to be approved at the 2013 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Wednesday, 15 May 2013.

2. A shareholder of the Company entitled to attend and vote at the meeting of the Company is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.
3. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any shareholder of the Company from attending and voting in person at the meeting or any adjourned meeting should he/she so wishes.
4. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be the one whose name stands first in the register of member of the Company in respect of such shares shall alone to entitle to vote in respect thereof.
5. Shareholders of the Company having any queries relating to the 2013 AGM may call the Company’s hotline at (852) 2862 8555 during business hours from 9:00 a.m. to 6:00 p.m. Monday to Friday, excluding public holidays or send an email to [hkinfo@computershare.com.hk](mailto:hkinfo@computershare.com.hk).

As at the date of this circular, the Board of Directors of the Company comprises:

*Non-executive Chairman and Non-executive Director:*

Mr. Edmund Sze-Wing Tse

*Executive Director:*

Mr. Mark Edward Tucker

*Independent Non-executive Directors:*

Mr. Jack Chak-Kwong So, Mr. Chung-Kong Chow, Dr. Qin Xiao, Mr. John Barrie Harrison, Mr. Barry Chun-Yuen Cheung, Mr. George Yong-Boon Yeo and Dr. Narongchai Akrasanee

*Details of the retiring Directors proposed to be re-elected at the 2013 AGM are set out as follows:*

**1. Mr. Barry Chun-Yuen Cheung, Independent Non-executive Director**

**Mr. Barry Chun-Yuen Cheung**, aged 55, is an Independent Non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Cheung is currently a non-official member of the Executive Council of Hong Kong, Chairman of the Hong Kong Mercantile Exchange Limited, Chairman of the Urban Renewal Authority, and Chairman of the Standing Committee on Disciplined Services Salaries and Conditions of Service. He is a member of the Honours Committee, the Non-official Justices of the Peace Selection Committee and the Long Term Housing Strategy Steering Committee. He has served as an Independent Non-executive Director of UC RUSAL Plc since January 2010 and was elected as its Chairman from March 2012 to September 2012. He is also an Independent Non-executive Director of Gateway Energy & Resource Holdings, Ltd. From 1987 to 1994, Mr. Cheung was with McKinsey & Company, Inc. in Los Angeles and Hong Kong during which time he advised major financial institutions in the United States and Asia, and was seconded to the Hong Kong Government's Central Policy Unit as a full-time member. Mr. Cheung was appointed as an Independent Non-executive Director of the Company on 20 September 2012.

Save as disclosed above, Mr. Cheung has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Mr. Cheung does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Cheung did not hold any shares of the Company.

Details of Mr. Cheung's remuneration are set out in the Remuneration Report and note 39 to the financial statements and details of his term of service are set out in the Corporate Governance Report in the Company's 2012 Annual Report. He is subject to retirement at the 2013 AGM in accordance with Article 105 of the Articles of Association.

Save as disclosed above, there is no information about Mr. Cheung that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules.

**2. Mr. George Yong-Boon Yeo, Independent Non-executive Director**

**Mr. George Yong-Boon Yeo**, aged 58, is an Independent Non-executive Director and a member of the Audit Committee and the Nomination Committee. Mr. Yeo is currently the Vice-chairman of Kerry Group Limited and the Chairman of Kerry Logistics Network Limited. He is a member of the Foundation Board of the World Economic Forum and the Nicolas Berggruen Institute's 21st Century Council. In 2012 Mr. Yeo was presented with the Order of Sikatuna by the Philippines Government and the Padma Bhushan by the Indian Government, and became an Honorary Officer of the Order of Australia. From 1988 to 2011, Mr. Yeo was a Member of the Singapore Parliament and held various Cabinet positions, including Minister for

Foreign Affairs, Minister for Trade and Industry, Minister for Health, Minister for Information and the Arts and Minister of State for Finance. From 1972 to 1988, Mr. Yeo served in the Singapore Armed Forces and attained the rank of Brigadier-General in 1988 when he was Director of Joint Operations and Planning in the Ministry of Defence. Mr. Yeo was appointed as an Independent Non-executive Director of the Company on 2 November 2012.

Save as disclosed above, Mr. Yeo has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Mr. Yeo does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As of the Latest Practicable Date, Mr. Yeo did not hold any shares of the Company.

Details of Mr. Yeo's remuneration are set out in the Remuneration Report and note 39 to the financial statements and details of his term of service are set out in the Corporate Governance Report in the Company's 2012 Annual Report. He is subject to retirement at the 2013 AGM in accordance with Article 105 of the Articles of Association.

Save as disclosed above, there is no information about Mr. Yeo that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules.

### **3. Dr. Narongchai Akrasanee, Independent Non-executive Director**

**Dr. Narongchai Akrasanee**, aged 67, is an Independent Non-executive Director and a member of the Risk Committee and the Nomination Committee. Dr. Narongchai is a former Minister of Commerce for Thailand and Senator and has acted as adviser to several Thai Prime Ministers. He retired as Chairman of the Export-Import Bank of Thailand in June 2010. Dr. Narongchai also served as a Director of the Office of the Insurance Commission of Thailand during the period from October 2007 to August 2012. He is currently a Director of the National Economic and Social Development Board, Chairman of the Thailand National Committee for the Pacific Economic Cooperation Council and a member of the Monetary Policy Committee of the Bank of Thailand. Dr. Narongchai also acts as a director for certain entities listed on the Stock Exchange of Thailand, including acting as Chairman of MFC Asset Management Public Company Limited, Chairman of Ananda Development Public Company Limited, Vice Chairman and an independent director of Thai-German Products Public Company Limited and as an independent director of Malee Sampran Public Company Limited. He is also Chairman and an independent director of The Brooker Group Public Company Limited, which is listed on the Stock Exchange of Thailand's Market for Alternative Investment. Dr. Narongchai was appointed as an Independent Non-executive Director of the Company on 21 November 2012.

Save as disclosed above, Dr. Narongchai has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Dr. Narongchai does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As of the Latest Practicable Date, Dr. Narongchai did not hold any shares of the Company.

Details of Dr. Narongchai's remuneration are set out in the Remuneration Report and note 39 to the financial statements and details of his term of service are set out in the Corporate Governance Report in the Company's 2012 Annual Report. He is subject to retirement at the 2013 AGM in accordance with Article 105 of the Articles of Association.

Save as disclosed above, there is no information about Dr. Narongchai that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules.

#### **4. Dr. Qin Xiao, Independent Non-executive Director**

**Dr. Qin Xiao**, aged 65, is an Independent Non-executive Director and a member of the Remuneration Committee and the Nomination Committee. Dr. Qin served as Chairman of China Merchants Bank Co., Ltd. from April 2001 to September 2010 and as Chairman of China Merchants Group Limited from December 2000 to August 2010; President of China International Trust and Investment Corporation (CITIC) from April 1995 to July 2000; Vice Chairman of CITIC from July 2000 to December 2001 and Chairman of CITIC Industrial Bank from 1998 to 2000. Dr. Qin has been appointed as Non-executive Chairman of Amex Resources Limited since April 2012. He has served as Independent Non-executive Director of HKR International Limited since 2009 and of China Telecom Corporation Limited and China World Trade Center Co., Ltd. since 2008 and 2010, respectively. He has been a member of Lafarge's International Advisory Board since 2007, Chairman of the Asia Business Council since 2009 and a member of the Financial Services Development Council since 17 January 2013. Dr. Qin was appointed as an Independent Non-executive Director of the Company on 28 September 2010.

Save as disclosed above, Dr. Qin has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Dr. Qin does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As of the Latest Practicable Date, Dr. Qin did not hold any shares of the Company.

Details of Dr. Qin's remuneration are set out in the Remuneration Report and note 39 to the financial statements and details of his term of service are set out in the Corporate Governance Report in the Company's 2012 Annual Report. He is subject to retirement by rotation at the 2013 AGM in accordance with Article 101 of the Articles of Association.

Save as disclosed above, there is no information about Dr. Qin that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules.

#### **5. Mr. Mark Edward Tucker, Executive Director**

**Mr. Mark Edward Tucker**, aged 55, is an Executive Director and the Group Chief Executive and President of the Company. Mr. Tucker is also a member of the Remuneration Committee and the Risk Committee. For the period from 12 October 2010 to 31 December 2010, he served as Group Executive Chairman and Group Chief Executive Officer of the

Company. Mr. Tucker joined the Group in July 2010 and is also Chairman of AIA Company Limited (formerly “American International Assurance Company, Limited”) and AIA International Limited (formerly “American International Assurance Company (Bermuda) Limited”). He is responsible for the strategic direction and overall management and performance of the Group. In addition to his responsibilities with the Group, Mr. Tucker has been an Independent Director of The Goldman Sachs Group, Inc. since 5 November 2012. Prior to joining the Group, Mr. Tucker served as Group Chief Executive of Prudential plc from 2005 to 2009. Amongst the leadership positions that Mr. Tucker occupied during his time at Prudential, he was the founder and Chief Executive of Prudential Corporation Asia Limited from 1994 to 2003 and an Executive Director of Prudential plc from 1999 to 2003. During the period from 2004 to 2005, Mr. Tucker was Group Finance Director of HBOS plc. Mr. Tucker was a Non-executive Director of the Court of The Bank of England from June 2009 to May 2012, also serving as a member of its Financial Stability Committee and Audit and Risk Committee. Mr. Tucker qualified as a Chartered Accountant (ACA) in 1985.

Save as disclosed above, Mr. Tucker has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Mr. Tucker does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Tucker held 15,338,081 Shares and underlying Shares of the Company as beneficial owner, representing 0.13% of the issued share capital of the Company. Save as disclosed above, Mr. Tucker does not have any interest in Shares or underlying Shares within the meaning of the SFO.

Details of Mr. Tucker’s remuneration are set out in the Remuneration Report and note 39 to the financial statements in the Company’s 2012 Annual Report. He is subject to retirement by rotation at the 2013 AGM in accordance with Article 101 of the Articles of Association.

Save as disclosed above, there is no information about Mr. Tucker that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules.

Save as disclosed in this Appendix I, there are no other matters that need to be brought to the attention of the Shareholders in connection with the proposed re-election of Directors.



*This serves as an explanatory statement, as required to be sent to all shareholders under the Listing Rules, to provide the relevant information in connection with the Repurchase Mandate and constitutes the memorandum required under Section 49BA of the Companies Ordinance.*

## **1. EXERCISE OF THE REPURCHASE MANDATE**

As of the Latest Practicable Date, the number of Shares in issue was 12,044,000,001 Shares.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the 2013 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 1,204,400,000 Shares (representing 10% of the issued share capital of the Company and without taking into account any Shares which may be issued pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme or pursuant to the vesting of any RSU Awards which may be granted pursuant to the RSU Scheme) during the period from the date of the passing of the ordinary resolution numbered 9(B) in the notice of 2013 AGM set out on pages 19 to 25 of this circular up to:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or
- (iii) the date on which the authority set out in the ordinary resolution numbered 9(B) is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

For clarity, shares purchased through any exercise of the Repurchase Mandate will not be added to the number of shares that may be issued under the Issue Mandate.

## **2. SOURCE OF FUNDS**

In repurchasing Shares, the Company must be funded from the funds legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the applicable laws of Hong Kong. The Company may not repurchase the Shares on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange. Subject to the above, the Company may make repurchases with funds which would otherwise be available for dividend or distribution or out of an issue of new Shares for the purpose of the repurchase.



**3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the Company's and the Shareholders' best interests for the Directors to have general authority to execute repurchases of the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders.

**4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company and the applicable laws of Hong Kong and the Listing Rules.

On basis of the financial position of the Company as disclosed in the Company's 2012 Annual Report and taking into account the current working capital position of the Company, the Directors believe that, if the Repurchase Mandate is to be exercised in full, it might have a material adverse effect on its working capital as compared with the position disclosed in the Company's 2012 Annual Report. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**5. CONFIRMATION**

The Company confirms that this explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules and that neither this explanatory statement nor the proposed share repurchase has any unusual features.

**6. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum and Articles of Association of the Company, the Companies Ordinance and any other applicable laws of Hong Kong.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

No connected person as defined by the Listing Rules has notified us that he or it has a present intention to sell his or its Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

## 7. SHARE REPURCHASE MADE BY THE COMPANY

Save for the purchase of 20,835,549 Shares under the Restricted Share Unit Scheme and Employee Share Purchase Plan at a total consideration of approximately US\$85 million in the six months up to the Latest Practicable Date, no purchase of Shares has been made by the Company during the same period. These purchases were made by the relevant scheme trustees on the Hong Kong Stock Exchange. These shares are held on trust for participants of the relevant schemes and therefore were not cancelled.

## 8. SHARES PRICES

The highest and lowest prices at which the Shares have been traded on the Hong Kong Stock Exchange during each of the twelve months before the Latest Practicable Date were as follows:

	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
<b>2012</b>		
March	29.55	26.40
April	28.60	26.80
May	28.40	24.40
June	26.75	24.05
July	27.95	26.30
August	27.50	26.20
September	29.45	25.90
October	31.50	29.10
November	31.90	29.50
December	31.80	29.40
<b>2013</b>		
January	31.40	29.30
February	33.80	29.95
March (up to the Latest Practicable Date)	34.85	32.90