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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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**THE REAL LIFE  
COMPANY**

**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 REMOVAL OF THE MEMORANDUM OF  
ASSOCIATION AND ADOPTION OF THE  
NEW 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, 9 May 2014 at the Grand Ballroom, 2/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong is set out on pages 25 to 30 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 2014

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## DEFINITIONS

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

“2014 AGM”	the annual general meeting of the Company to be held at 11:00 a.m. on Friday, 9 May 2014 or, where the context so requires, any adjournment thereof, notice of which is set out on pages 25 to 30 of this circular
“AIA” or “Group”	AIA Group Limited and its subsidiaries
“Board”	the Board of Directors of the Company
“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
“Existing Articles”	the existing articles of association of the Company, and a reference to an “Existing Article” is a reference to a provision in the Existing Articles
“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 7(A) in the notice of the 2014 AGM set out on pages 25 to 30 of this circular
“Latest Practicable Date”	20 March 2014, 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
“Memorandum”	the memorandum of association of the Company
“Model Articles”	Model Articles for Public Companies Limited by Shares, as set out in Schedule 1 to the Companies (Model Articles) Notice (L.N. 77 of 2013)

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## DEFINITIONS

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“New Articles”	the articles of association of the Company, proposed by the Company to be adopted under Resolution 8, and a reference to a “New Article” is a reference to a provision in the New Articles
“New CO”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Previous CO”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong, which has been replaced almost in its entirety by the New CO
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 7(B) in the notice of the 2014 AGM set out on pages 25 to 30 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 7(C) in the notice of the 2014 AGM set out on pages 25 to 30 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) 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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**THE REAL LIFE  
COMPANY**

**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. George Yong-Boon Yeo

Dr. Narongchai Akrasanee

Mr. Mohamed Azman Yahya

*Registered Office:*

35/F, AIA Central

1 Connaught Road Central

Hong Kong

25 March 2014

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 REMOVAL OF THE MEMORANDUM OF  
ASSOCIATION AND ADOPTION OF THE  
NEW ARTICLES OF ASSOCIATION AND  
NOTICE OF ANNUAL GENERAL MEETING**

### 1. INTRODUCTION

The purpose of this circular is to provide you with notice of the 2014 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 removal of the Memorandum and adoption of the New Articles.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF DIRECTORS

Mr. Mohamed Azman Yahya was appointed as Independent Non-executive Director of the Company on 24 February 2014. In accordance with Article 105 of the Existing Articles, Mr. Azman will hold his office until the next following annual general meeting of the Company and will then be eligible for re-election. He will offer himself for re-election at the 2014 AGM.

In accordance with Article 101 of the Existing Articles, Mr. Edmund Sze-Wing Tse and Mr. Jack Chak-Kwong So shall retire from office by rotation at the 2014 AGM and, being eligible, offer themselves for re-election.

Biographical details of the Directors offering themselves for re-election at the 2014 AGM are set out in Appendix I to this circular.

### 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 10 May 2013, 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 2014 AGM. Accordingly, the Company seeks shareholders' approval to renew this authority subject to the restrictions described in resolutions 7(A) and 7(B) and summarised herein.

The proposed Issue Mandate size is limited to 10% of the aggregate number of shares in the Company in issue 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 (other than on the vesting of awards under the Company's agency share purchase plan, the terms of which are summarised in the report and accounts of the Company) 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 Issue Mandate is necessary to give the Directors some flexibility to allot Shares where they 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 2014 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 of the Company 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 7(A) and 7(B) in the notice of the 2014 AGM. An explanatory statement as required by the Listing Rules intended to provide the Shareholders with all information reasonably necessary 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 10 May 2013, 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 2014 AGM.

Between 10 May 2013 and the Latest Practicable Date, 340,859 RSU Awards were granted under the RSU Scheme. During the same period, 6,045,324 RSU Awards have lapsed and 311,159 RSU Awards have been vested in accordance with the rules of the RSU Scheme. No Shares have been issued pursuant to the RSU Scheme.

By way of example, subject to the passing of an ordinary resolution approving the RSU Scheme Mandate and assuming that no additional share options or RSU Awards will be granted and exercised or vested prior to the 2014 AGM, the effect of the resolution will be to grant to Directors an 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 the most recently reported issued share capital of the Company of 12,044,000,001 Shares, an exercise in full of the proposed RSU Scheme Mandate would 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 so issued, not to exceed 301,100,000 Shares.

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
  - (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),

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## LETTER FROM THE BOARD

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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 of the Company (as amended from time to time) 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 of the Company (as amended from time to time) 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.

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



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## LETTER FROM THE BOARD

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own interest and subject to the articles of association of the Company (as amended from time to time), 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. PROPOSED REMOVAL OF THE MEMORANDUM AND ADOPTION OF THE NEW ARTICLES**

### **1. Introduction**

In March 2014, the Previous CO was substantially replaced by the New CO. The New CO provides a new legal framework for the incorporation and operation of companies in Hong Kong. In response to the introduction of the New CO, it is proposed that a number of amendments be made to the Memorandum and the Existing Articles. At the same time, it is also proposed that "housekeeping" amendments be made to the Existing Articles.

Set out in below is an outline of, and the reasons for, the amendments proposed to be made to the Memorandum and the Existing Articles.

### **2. Explanatory Statement on the Removal of the Memorandum**

The "objects" clause of a company incorporated under the Previous CO is contained in its memorandum of association and sets out the scope of activities the company has the power to undertake. Since the introduction of section 5(1A)(b) of the Previous CO in 1997, the "objects" clause in the memorandum of association of companies has been optional for many companies incorporated in Hong Kong, including the Company. The "objects" clause of a company incorporated in Hong Kong has also become less significant. Under the New CO, a company's "objects" are unrestricted unless its articles of association provide otherwise.

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## LETTER FROM THE BOARD

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Separately, the memorandum of association of a company is abolished under section 98(1) of the New CO, and all conditions which were in force immediately prior to the commencement of the New CO are regarded as provisions of the company's articles, except that the condition relating to the amount of registered share capital of the company and its division into shares of a fixed amount is deemed deleted under section 98(4) of the New CO.

Given the above, and for clarity, the Company proposes to delete the "objects" clause and remove the Memorandum in its entirety in Resolution 8. Relevant conditions or information in the Memorandum to be retained as part of the New Articles will be included expressly in the New Articles rather than solely relying on the deeming provisions under the New CO.

### **3. Explanatory Statement on the Adoption of the New Articles highlighting the Principal Differences between the New Articles and the Existing Articles**

The Existing Articles are replaced in their entirety by the New Articles. The principal differences between the New Articles and the Existing Articles are outlined below.

#### **Amendments made in response to the changes introduced by the New CO**

##### ***1. Introductory paragraph and the table setting out the information of the initial subscribers***

New Articles 1, 2, 3 and 4 dis-apply the Model Articles and include certain provisions currently contained in the Memorandum.

##### ***2. Share warrants to bearer***

New Article 9 reflects the changes introduced by section 139 of the New CO which repeals the power of companies to issue share warrants to bearer.

##### ***3. Directors' powers to deal with securities of the Company***

New Article 9 also incorporates the wording used in sections 140(1)(b) and 141(1)(b) of the New CO which provides that directors are only permitted to allot shares or grant other rights with members' approval.

New Article 10 outlines the power of Directors to allot shares or grant other rights subject to the requirements of the New CO and the New Articles.

New Article 139(b) reiterates that any allotment of shares shall be subject to the requirements set out in the New CO.

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## LETTER FROM THE BOARD

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### **4. *Preference shares***

New Article 13 authorises the Directors to determine the terms, conditions and manner of redemption of any preference shares, as permitted by section 235 of the New CO. The requirement for any issuance of preference shares to be sanctioned by a special resolution is removed as it is not required under the New CO.

### **5. *Directors' power to refuse to register transfers without giving reasons***

New Article 45 reflects the changes introduced by section 151(3) of the New CO which requires a company to provide a statement of reasons when the registration of a share transfer is refused, if requested by the transferee or the transferor. New Article 45 removes the power of the directors to refuse registration without reason to reflect this requirement.

### **6. *Issue of share certificate on transfer***

New Article 19 reflects the position under section 155(2)(b) of the New CO which provides that a public company must have the relevant share certificate ready for delivery within 10 business days after the day on which a transfer is lodged with the company, subject to certain conditions.

### **7. *Stock***

Existing Articles 48 to 51, which give the Company the power to convert its shares into stock and set out other provisions relating to stock, are deleted to reflect the changes introduced by section 138 of the New CO which repeals the power of a company to convert its shares into stock.

### **8. *Alteration of capital***

Existing Article 55 provides for the consolidation, cancellation and sub-division of the shares of the Company. Section 53 of the Previous CO required companies wishing to have these powers to provide for them specifically in their articles.

New Article 52 replaces Existing Article 55 and streamlines the provisions in the New Articles by aligning them to section 170 of the New CO. This modifies the position under the Previous CO and gives a company the statutory power to alter its share capital in a number of specified ways, subject to any exclusion or restriction in the company's articles.

New Article 56 reflects the position under section 170(2)(e) of the New CO which refers to a company converting all or any of its shares into a larger or smaller number of shares. This modifies the position under the Previous CO which referred to a company consolidating and dividing its capital into shares of a larger amount.

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## LETTER FROM THE BOARD

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### **9. Abolition of concepts of “nominal value” and “authorised share capital”**

#### 9.1 Nominal value and authorised capital

New Articles 5, 8, 10, 22, 25, 34, 55, 139(a)(i)(E) and (F), 139(a)(ii)(E) and (F) and 147 reflect the abolition under section 135 of the New CO of the concepts of nominal value and authorised capital. Particularly, references to these concepts and related concepts, including “unissued shares”, “par”, “original capital”, “nominal amount”, “premium”, “share premium account” and “capital redemption reserve”, are re-drafted or deleted as appropriate.

New Article 5 includes additional defined terms in relation to the payment of shares, such as “fully paid-up” and “issue price”. These definitions are inserted or re-drafted as necessary in order to align the New Articles with the position under the New CO due to the abolition of the concepts of nominal value and authorised capital.

Existing Article 52 is deleted as it is related to the Company increasing its authorised capital.

#### 9.2 Modification of class rights

New Article 57 reflects: (a) the changes introduced by section 180(3)(a) of the New CO which requires the written consent of holders representing at least 75 per cent. of the total voting rights of holders of shares in a class to be provided in order for the rights of that class to be varied; and (b) the changes introduced by section 623(4) of the New CO in relation to the quorum requirements for a variation of class rights meeting.

#### 9.3 General meeting with short notice

New Article 63(b) reflects the change introduced by section 571(3)(b) of the New CO which provides that a general meeting called by a company (other than an annual general meeting) with shorter notice than specified in its articles or required by the New CO shall be deemed to have been duly called if it is agreed by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing at least 95 per cent. of the total voting rights at the meeting of all the members. This is subject to the requirements of the Listing Rules.

### **10. Meeting procedures**

New Articles 60, 61 and 81 do not refer to “extraordinary general meetings” of the Company as the concept of an “extraordinary general meeting” is not retained under the New CO. All general meetings of a company (other than its annual general meetings) are simply referred to as “general meetings” under the New CO.

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## LETTER FROM THE BOARD

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New Article 60 incorporates by reference the requirements in relation to the holding of annual general meetings set out in section 610 of the New CO. New Article 62 reflects the changes introduced by section 571(1)(b)(i) of the New CO which provides that the notice period for all general meetings of a limited company (except annual general meetings) is 14 days.

New Articles 62 and 66 reflect the changes introduced by: (i) section 584 of the New CO which allows for general meetings to be held in two or more places; and (ii) section 576 of the New CO which sets out the content requirements in a notice of general meeting.

New Article 64 reflects the change introduced by section 579(1) which provides that the accidental omission to give notice of, among other things, a resolution intended to be moved at a meeting, or the non-receipt of such notice by any person entitled to receive such notice, must be disregarded for the purpose of determining whether notice of the resolution is duly given.

### ***11. Special business***

Existing Article 66, which differentiates between a specific list of business that is transacted at an annual general meeting and other “special business”, is deleted as the concept of “special business” is not retained under the New CO. The reference to “special business” in New Article 81 is also being deleted.

### ***12. Poll***

New Article 70(a)(iii) reflects the changes introduced by section 591(2)(b) of the New CO which reduces the threshold requirement for members to demand a poll from 10 per cent. to 5 per cent. of the total voting rights of all the members having the right to vote at that meeting.

Existing Article 71(a)(iv), which allows members holding not less than 10 per cent. of the total paid up share capital to demand a poll, is deleted as no such right to demand a poll is included in the New CO (as compared to the Existing CO, which included such a right in section 114D).

### ***13. Members’ written resolutions***

New Article 75 reflects the changes introduced by section 556 of the New CO which allows eligible members to pass a written resolution by signifying their agreement to it. It also incorporates by reference the definitions of “eligible members” and “circulation date” which are set out in section 547 of the New CO.

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## LETTER FROM THE BOARD

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### ***14. Proxy arrangements***

The changes in proxy arrangements in the New Articles are as follows:

- (i) New Article 76 reflects the changes introduced by (I) section 588(10(b)) of the New CO which allows a proxy to vote on a show of hands; and (II) section 588(2) of the New CO that, on a vote by show of hands, if a member appoints more than one proxy, none of the proxies so appointed are entitled to vote.
- (ii) New Articles 81(c) and 83 to 85 reflect the changes introduced by section 599 of the New CO which allows documents relating to proxies to be in electronic form.
- (iii) New Article 84 reflects the change introduced by section 598 of the New CO which sets out the notice periods for appointing a proxy.
- (iv) New Article 84 reflects the changes introduced by section 604 of the New CO which sets out the notice periods for terminating a proxy.
- (v) New Articles 83 and 84 reflect the changes introduced by sections 598(3) and 604(8) of the New CO which require that the calculation of notice periods in respect of appointing and terminating a proxy excludes public holidays in Hong Kong.

### ***15. Directors' Insurance***

New Article 99 reflects the change introduced by section 468 of the New CO which allows a company to take out and maintain insurance for a director of an associated company of a company.

### ***16. Declaration of material interest by Directors***

New Articles 109 and 112 reflect the changes introduced in Part 11, Division 5 of the New CO in relation to the disclosure by directors of their and their “connected entities” (as defined in section 486 the New CO) material interests in any transaction, arrangement or contract or any proposed transaction, arrangement or contract with the company of which they are a director. New Article 109 also reflects the changes introduced in Part 11, Division 5 of the New CO in relation to the specific timing and other procedural requirements for the declaration by a director of his material interests.

New Article 111, which deals with the power of the chairman of a meeting to make a conclusive ruling regarding the materiality of an interest in question or a Director’s entitlement to vote or be counted in a quorum, is extended to cover a ruling in relation to the interest of a connected entity of a Director.

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## LETTER FROM THE BOARD

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### ***17. Use of seal and execution of documents***

New Article 129 reflects the change introduced by section 124 of the New CO that a common seal is now optional, although the Company is still required to comply with the relevant requirements under the Listing Rules in relation to the use of a seal. New Article 132 incorporates the general position under section 127(5) of the New CO in relation to the execution of documents that previously required sealing.

### ***18. Reporting documents***

New Articles 151 and 152 reflect the new terminology used throughout the New CO for various financial documents that the Directors are required to prepare and put forward in the annual general meeting of the Company.

### ***19. Notices***

New Articles 156 and 157, and the deletion of Existing Article 158, reflect the changes introduced in Part 18 of the New CO, which relates to communications to and by companies, and that the New CO does not define or contain references to the term “entitled person”.

New Article 157(a) reflects the default position provided in section 824(2) of the New CO which provides that any document or information sent by or supplied to a company is deemed sent by the company, or received by the company, as applicable, on the second business day after the day on which it is sent or supplied.

New Article 165 clarifies that any document, notice or other information is sent or supplied to the joint holders of the Company if it is sent or supplied to the holder whose name appears first in the register of members of the Company in respect of the relevant share, and that such notice, document or other information is deemed to have been given to all the holders of such share.

### ***20. Indemnity***

New Articles 169 to 173 reflect the ability of the Company to:

- (i) indemnify its directors and the directors of its associated companies subject only to the specified restrictions on the indemnities set out in sections 468 and 469 of the New CO;
- (ii) subject to Part 11 of the New CO, advance monies to a Director for certain specified purposes; and
- (iii) exempt its directors from certain classes of liability other than those classes in respect of which such an exemption is not permitted under the New CO.

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## LETTER FROM THE BOARD

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The changes do not materially alter the indemnification provisions already contained in the Existing Articles and are intended to align New Articles 167 to 173 with the New CO.

### **Amendments made for “housekeeping” purposes**

#### ***21. Meanings of “in electronic form”, “mental incapacity” and “related company”***

The expression “electronic communication” is a defined term in the Existing Articles. In the New Articles, all references to “electronic communication” are replaced by the expression “in electronic form”, which is a defined term in section 2(4)(b) of the New CO. This aligns the New Articles with the position under the New CO.

The references to “insanity”, “lunacy” and “unsound mind” in the Existing Articles are archaic. In order to modernise the language, these references are replaced by “mental incapacity” or “mentally incapacitated” in New Articles 47, 79, 85 and 108 in accordance with its meaning under section 2(1) of the Mental Health Ordinance. This is in line with the approach adopted by the Model Articles.

The concept of a “related company” and its definition in the Existing Articles are taken from the Previous CO. Under the New CO, the term “related company” is replaced by “associated company”, although the meaning of the term remains the same. New Articles 5, 99, 169, 170, 171 and 173 reflect this change.

#### ***22. Directors’ resolutions in writing***

In order to facilitate the Directors’ decision-making process, New Article 123 provides that a written resolution signed or approved by a majority of all of the Directors shall be an effective Directors’ resolution, and a written notification of confirmation given by a Director to the board of the Company by any means shall be deemed to be his signature to a written resolution by Directors.

Full text of the New Articles is available in English and Chinese under the Investor Relations section of the Company’s website (aia.com). The Chinese translation of the New Articles is for reference only. In the event of any inconsistency between the Chinese and English version of the New Articles, the English version shall prevail. A copy of the New Articles will also be available for inspection at the registered office of the Company during the business hours from 9:00 a.m. to 5:00 p.m. (Hong Kong time) Monday to Friday, excluding public holidays from the date of this Circular up to and including 9 May 2014.

## **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 2014 AGM is set out on pages 25 to 30. At the 2014 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 removal of the Memorandum and adoption of the New Articles.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the 2014 AGM will therefore put each of the resolutions to be proposed at the 2014 AGM to be voted by way of a poll.

As a registered Shareholder, you are entitled to attend and vote at the 2014 AGM in person. Whether or not you intend to attend the 2014 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 2014 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 2014 AGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2014 AGM or any adjournment thereof should you so wish. In the event that a shareholder who has lodged a proxy form attends the 2014 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 2014 AGM.

### 8. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the chairman of the 2014 AGM will exercise his right to demand a poll pursuant to section 591(2) of the New CO on each of the resolutions to be proposed at the 2014 AGM except where the chairman of the 2014 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 2014 AGM, the poll results will be published on the websites of the Hong Kong Stock Exchange and the Company.

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## LETTER FROM THE BOARD

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### 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 removal of the Memorandum and adoption of the New Articles 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 2014 AGM.

No Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the 2014 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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**THE REAL LIFE  
COMPANY**

**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 the Grand Ballroom, 2/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 9 May 2014 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 2013.
2. To declare a final dividend of 28.62 Hong Kong cents per share for the year ended 30 November 2013.
3. To re-elect Mr. Mohamed Azman Yahya as Independent Non-executive Director of the Company.
4. To re-elect Mr. Edmund Sze-Wing Tse as Non-executive Director of the Company.
5. To re-elect Mr. Jack Chak-Kwong So as Independent Non-executive Director of the Company.
6. 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.
7. 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 Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and The Rules Governing the Listing of Securities on The Stock Exchange of

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## NOTICE OF ANNUAL GENERAL MEETING

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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 in the Company, to grant rights to subscribe for, or convert any security into, shares in the Company (including the issue of any 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 in the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares in the Company 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 options, warrants or similar rights granted by the Company or any securities which are convertible into shares in the Company, or (iii) the granting or 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 grant of options or an issue of shares in the Company upon 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 the Company in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company, shall not exceed 10 per cent of the aggregate number of shares in the Company in issue as of the date of passing of this resolution, and the said approval shall be limited accordingly;
- (d) any shares in the Company to be allotted, issued or dealt with for cash pursuant to the approval in sub-paragraph (a) of this resolution (other than on the vesting of awards under the agency share purchase plan adopted by the Company on 23 February 2012) shall not be at a discount of more than 10 per cent to the Benchmarked Price (as defined below) of such shares in 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 in the Company as quoted on the Hong Kong Stock Exchange on the date of the agreement involving the relevant proposed issue of shares in the Company; and
- (ii) the average closing price as quoted on the Hong Kong Stock Exchange of the shares in 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 in the Company, (B) of the agreement involving the relevant proposed issue of shares in the Company and (C) on which the price of shares in 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, or of securities convertible into, shares in the share capital of the Company open for a period fixed by the Directors to holders of shares in 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 and pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, 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 number of the shares in 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 number of shares in 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 in 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 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

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

“**THAT:** the new articles of association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification (which, among other things, do not include the objects clause currently contained in the existing articles of association of the Company as amended by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) when it came into force), be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.”

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

Hong Kong, 25 March 2014

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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 Monday, 5 May 2014 to Friday, 9 May 2014 (both days inclusive) during which period no transfer of share(s) will be registered. In order to qualify to attend and vote at the 2014 annual general meeting of the Company ("2014 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 Friday, 2 May 2014.

In order to qualify for the entitlement of the final dividend to be approved at the 2014 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, 14 May 2014.

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 2014 AGM may call the Company's hotline at (852) 2862 8555 during business hours from 9:00 a.m. to 6:00 p.m. (Hong Kong time) Monday to Friday, excluding public holidays.

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. George Yong-Boon Yeo, Dr. Narongchai Akrasanee and Mr. Mohamed Azman Yahya



*Details of the retiring Directors proposed to be re-elected at the 2014 AGM are set out as follows:*

**1. Mr. Mohamed Azman Yahya, Independent Non-executive Director**

**Mr. Mohamed Azman Yahya**, aged 50, is an Independent Non-executive Director of the Company. Mr. Azman is the Executive Chairman of Symphony Life Berhad and an executive director and Group Chief Executive of Symphony House Berhad; both listed entities on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). He is an independent non-executive director of Scomi Group Berhad which is also listed on Bursa Malaysia and a director of various companies including PLUS Expressways International Berhad. Mr. Azman was a director of Malaysian Airline System Berhad and AirAsia Berhad until May 2013 and April 2012, respectively. Mr. Azman started his career at KPMG in London and qualified as a chartered accountant before returning to Malaysia in 1988 where he worked in a variety of roles in investment banking, ultimately being named chief executive of Amanah Merchant Bank. In 1998, he was tasked by the Malaysian Government to set-up and head Danaharta, the national asset management company. He was also the Chairman of the Corporate Debt Restructuring Committee (“CDRC”), set up by Bank Negara Malaysia, to mediate and assist in debt restructuring programmes of viable companies. During his tenure with Danaharta and CDRC from 1998 to 2003, he received a number of international recognitions including being named one of Asia’s “Most Influential Bankers” by Institutional Investor and “Restructuring Agency Chief of the Year” by Asiamoney. Mr. Azman is active in public service and sits on the boards of Khazanah Nasional Berhad, the Malaysian government investment arm and Ekuiti Nasional Berhad, a government linked private equity fund management company. He is also a member of the Financial Reporting Foundation, the trustee body that oversees the Malaysian Accounting Standards Board and a member of the Capital Market Advisory Group of Malaysian Securities Commission. He is a member of The Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and a fellow of the Institute of Bankers Malaysia. Mr. Azman was appointed as an Independent Non-executive Director of the Company on 24 February 2014.

Save as disclosed above, Mr. Azman has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Mr. Azman 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. Azman does not hold any shares of the Company within the meaning of Part XV of the SFO.

Details of Mr. Azman’s remuneration and his term of service are set out in the Company’s announcement dated 24 February 2014. He is subject to retirement at the 2014 AGM in accordance with Article 105 of the Existing Articles.

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

**2. Mr. Edmund Sze-Wing Tse, Non-executive Director**

**Mr. Edmund Sze-Wing Tse**, aged 76, is the Non-executive Chairman and a Non-executive Director of the Company. He is also the Chairman of The Philippine American Life and General Insurance Company. Amongst Mr. Tse's appointments during more than 50 years with the Group, he served as Honorary Chairman of AIA Company Limited (formerly known as American International Assurance Company, Limited) from July 2009 to December 2010, Chairman and Chief Executive Officer of AIA Company Limited from 2000 to June 2009 and its President and Chief Executive Officer from 1983 to 2000. Mr. Tse is a Non-executive Director of PCCW Limited and PICC Property and Casualty Company Limited. He has also been a Non-executive Director of PineBridge Investments Limited since May 2012. In recognition of his outstanding contributions to the development of Hong Kong's insurance industry, Mr. Tse was awarded the Gold Bauhinia Star by the HKSAR Government in 2001. Mr. Tse received an honorary fellowship and an honorary degree of Doctor of Social Sciences from The University of Hong Kong in 1998 and 2002 respectively. In 2003, Mr. Tse was elected to the prestigious Insurance Hall of Fame. Mr. Tse was appointed as a Non-executive Director of the Company on 27 September 2010 and Non-executive Chairman on 1 January 2011.

Save as disclosed above, Mr. Tse has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Mr. Tse 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. Tse holds 3,560,400 Shares and underlying Shares of the Company through controlled corporation, representing 0.03% of the total number of shares of the Company in issue and 1 share of The Philippine American Life and General Insurance Company as trustee, representing less than 0.01% of the issued share capital of The Philippine American Life and General Insurance Company. Saved as disclosed above, Mr. Tse does not hold any shares of the Company within the meaning of Part XV of the SFO.

Details of Mr. Tse's remuneration are set out in the Remuneration Report and note 40 to the financial statements and details of his term of service are set out in the Corporate Governance Report in the Company's Annual Report 2013. He is subject to retirement by rotation at the 2014 AGM in accordance with Article 101 of the Existing Articles.

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

**3. Mr. Jack Chak-Kwong So, Independent Non-executive Director**

**Mr. Jack Chak-Kwong So**, aged 68, is an Independent Non-executive Director of the Company. From August 2007 to September 2010, Mr. So served as an Independent Non-executive Director of AIA Company Limited (formerly known as American International Assurance Company, Limited), a wholly-owned subsidiary of the Company. He is currently an Independent Non-executive Director of Cathay Pacific Airways Limited and an independent

Senior Advisor to Credit Suisse, Greater China. Mr. So also served as an Executive Director of the Hong Kong Trade Development Council from 1985 to 1992 and was appointed as its Chairman in October 2007. He was appointed as Chairman of the Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland in October 2013, served as the Chairman of the Film Development Council from April 2007 to March 2013 and was awarded the Gold Bauhinia Star in 2011. He has been a member of the Chinese People's Political Consultative Conference since 2008. He is an International Business Advisor to the Mayor of Beijing and the Honorary Consultant to the Mayor of San Francisco. Mr. So was appointed as a Non-executive Director of the Company on 28 September 2010 and re-designated as an Independent Non-executive Director of the Company on 26 September 2012.

Save as disclosed above, Mr. So has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Mr. So 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. So does not hold any shares of the Company within the meaning of Part XV of the SFO.

Details of Mr. So's remuneration are set out in the Remuneration Report and note 40 to the financial statements and details of his term of service are set out in the Corporate Governance Report in the Company's Annual Report 2013. He is subject to retirement by rotation at the 2014 AGM in accordance with Article 101 of the Existing Articles.

Save as disclosed above, there is no information about Mr. So 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 2014 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 1,204,400,000 Shares (representing 10% of the aggregate number of shares in the Company in issue 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 7(B) in the notice of 2014 AGM set out on pages 25 to 30 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 of the Company (as amended from time to time) or any applicable law to be held; or
- (iii) the date on which the authority set out in the ordinary resolution numbered 7(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 Annual Report 2013 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 Annual Report 2013. 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 New CO 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 18,943,690 Shares under the Restricted Share Unit Scheme and Employee Share Purchase Plan at a total consideration of approximately US\$90 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>2013</b>		
March	34.85	32.90
April	34.90	32.00
May	36.95	34.00
June	35.00	31.00
July	37.00	32.00
August	37.50	32.90
September	37.35	34.40
October	40.45	36.50
November	40.00	37.75
December	39.60	37.10
<b>2014</b>		
January	39.45	35.35
February	38.15	34.65
March (up to the Latest Practicable Date)	38.10	35.00